



Schools Funding Formula 2025-2026 – Schools Block

Report to:	Schools Forum
Date of Meeting(s):	10 December 2024
Report of:	Colette Dutton: Director Children and Families
Contact Officer:	Mark Rotheram – Strategic Finance Manager Kirsten Reid – Group Finance Manager
Summary:	To provide details of the indicative DSG allocations for 2025-2026 and models to be reviewed to determine potential transfer from Schools Block to High Needs Block
Recommendation(s):	For Schools Forum members to note the contents of the report
Implications: What are the financial implications? What are the staffing implications?	Contained within the report. There are no currently identified staffing implications resulting from this report.
Risks	Contained within the report.

Please list any appendices:

Appendix 1 summary of NFF rates 2025-26

Appendix 2 comparison of the impact on schools indicative funding of potential transfers to high needs block

1. School funding formula 2025-2026

As in previous years the LA is responsible for determining the local schools funding formula model to be used to distribute final delegated budget allocations to individual schools (referred to by the DfE as the National Funding Formula “soft” approach).

Each authority’s process must ensure that there is sufficient time to gain political approval before the APT (authority proforma tool) deadline in January 2024. Political ratification means approval in line with the authority’s local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council.

Wigan Council continues to apply the National Funding Formula (NFF) factors. The NFF factors for 2025-26 published on 28 November 2024 will be used to allocate funding for the 2025-26 financial year. The basic entitlement factor is allowed to vary by a small margin from the NFF factor to allow authorities to adjust the allocations to meet local needs.

Schools Block provisional allocation 2025-26

The NFF model for the schools block calculates an “indicative” budget for each individual school in their host Local Authority (LA) and the aggregated total of such forms the LA baseline schools block allocation. The schools block allocation is expressed as separate per pupil primary and secondary rates for each LA and includes funding for premises based on historic spend and growth on a formulaic basis.

The published provisional NFF schools block funding (excluding funding through the growth and falling rolls factor) for 2025-26 is £285,123,804. It includes the funding for rates of £1,836,888. This leaves £283,286,916 to be passed onto schools.

The minimum funding guarantee (MFG) for schools will continue to provide protection and stability to school budgets. LA’s still have the flexibility to set a local MFG rate between +0% and +0.5% per pupil.

The mandatory minimum funding levels also will continue to apply to ensure that all schools receive a minimum amount of funding per pupil and any funding arrangement agreed by the LA must ensure that this is protected.

Transfer of funds to the high needs block

The schools block is ring-fenced, but the LA is permitted to transfer up to 0.5% of the schools block funding allocated to other blocks (ie high needs) with the agreement of their Schools Forum.

This position is reviewed year on year and this report includes modelling for 4 options for schools budget shares including transfers from the Schools Block to the High Needs Block due to increased pressure within high needs. The maximum amount of the Schools Block that can be transferred from the 2025-26 allocation, without need for a disapplication is £1,416,960.

The four models show the estimated budgets based on

- a) Baseline position with no transfer to high needs
- b) Transfer of £500,000 to high needs
- c) Transfer of £750,000 to high needs
- d) Transfer of £1,416,900 to high needs

The models provide an indication of the changes in the individual schools budgets and will be updated by changes in pupil numbers and the parameters for the factors set by DfE in their 2025-26 Authority Pro Forma Tool.

2. National funding formula NFF 2025-26

Formula Factors

Provided below is a summary of the formula factors in the NFF together with relevant information on their application. The basic entitlement and minimum per pupil level now include uplifts for the grants issued in 2024-25, grossed up to 12 months where applicable. All the rates quoted have been uplifted by the Wigan LA area cost adjustment of 1.009. The formula factors used in all the models are attached at Appendix 1.

- Teachers Additional Pay Grant;
- Teachers Pension Employers Contribution Grant and
- Core Schools Budget Grant

Pupil led funding

Basic per pupil entitlement

The age weighted pupil unit (AWPU) is the fundamental building block of the formula. The NFF rates are shown in the table below. The minimum and maximum range of the basic entitlement rates have not yet been advised.

Key Stage	2025-26	2024-25	% increase
Primary	3,868.89	3,584.35	7.9%
Key stage 3	5,452.85	5,053.51	7.9%
Key stage 4	6,147.78	5,696.51	7.9%

The AWPU is the only formula value that has been altered in the 4 models attached at Appendix 2 to estimate the change in schools' funding.

Minimum Funding Levels for Pupils

The mandatory minimum per pupil funding levels have been increased for both primary and secondary schools.

Key Stage	2025-26	2024-25	% increase
Primary	£4,955	£4,610	7.5%
Key stage 3	£6,465	£5,771	12%
Key stage 4	£6,465	£6,331	2.1%

Minimum Funding Guarantee (MFG)

MFG provides protection to ensure that schools receive a minimum percentage increase per pupil on the pupil led factors of the formula. The range is unchanged from 2024-25, the Local Authority can set the MFG between 0% and 0.5% per pupil.

Deprivation

This factor is identified through 2 measures –eligibility for Free School Meals (FSM) and historically through the EVER6 measure and the level of deprivation in the postcode the student lives (IDACI). The EVER6 factor is based on October census data. The IDACI factor uses 6 bands each of which attracts a different value to reflect varying levels of deprivation.

Primary rates

Year	FMS	FSM6	IDACI F	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A
2025-26	497.82	1066.03	236.33	286.62	447.52	492.79	522.96	688.90
2024-25	492.78	824.65	236.33	286.62	447.52	487.52	517.92	683.86
Increase	1%	29.3%	0%	0%	0%	1%	1%	1%

Secondary rates

Year	FMS	FSM6	IDACI F	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A
2025-26	497.82	1563.85	341.93	452.56	638.61	698.95	749.24	955.41
2024-25	492.78	1206.8	236.33	286.62	447.52	487.52	517.92	683.86
Increase	1%	29.6%	0%	1%	0%	1%	1%	1%

Low Prior Attainment (LPA)

This measure enables schools to identify pupils who are likely to require more support. A pupil who does not meet the expected levels at the Early Years Foundation Stage on entry to primary school or for KS2 will attract the funding each year whilst at their school.

The Low Prior Attainment pupil numbers are weighted to reflect the fact that the proportion of pupils reaching the expected standard in key stage 2 tests has changed over time.

Key Stage	2025-26	2024-25	% increase
Primary	£1,181.69	£1,176.63	0.4%
Secondary	£1,795.16	£1,785.06	0.6%

English as an Additional Language (EAL)

EAL pupils will attract funding for 3 years after the pupil enters the statutory age school system.

Key Stage	2025-26	2024-25	% increase
Primary	£593.35	£598.39	0.8%
Secondary	£1,593.99	£1,604.08	0.6%

Pupil mobility

This factor tracks census data over a three year period to identify any pupils how have joined a school on a “non-typical” start date. Only a small proportion of our school population attract funding under this factor.

Key Stage	2025-26	2024-25	% increase
Primary	£970.49	£965.44	0.5%
Secondary	£1,392.88	£1,387.82	0.4%

School Led Funding

Lump Sum

This is a lump sum provided to all primary and secondary schools.

Key Stage	2025-26	2024-25	% increase
Primary	£145,925.62	£135,162.05	8.0%
Secondary	£145,925.62	£135,162.05	8.0%

Rates

These are funded at the authority's estimate of the actual cost. For academies information is provided by the ESFA on the rates to include.

As previously reported the rates will no longer form part of a maintained schools delegated budget. From 2023/24, the LA opted into the new rates process, whereby the ESFA will retain the estimated rates value and then the LA will bill the ESFA directly.

Private Finance Initiative (PFI) contracts

This does not apply for Wigan for APT purposes.

Split Sites

This does not apply for Wigan as we do not currently have any schools on split sites.

Sparsity

This factor targets extra funding for schools that are both small and remote. No school in Wigan currently meets the criteria.

Growth Fund

Growth funding is allocated to local authorities using a formulaic method based on lagged growth data. The allocations will be based on pupil data from the October 2024 census. The current estimate will be updated when the final DSG allocation is received in December. A nominal amount of £500,000 for Growth Funding, in line with the amount included last year is included to balance to meet the validation criteria set by DFE.

We will only know the final growth funding allocation for the January 2025 Forum meeting.

Notional SEND

Not relevant at this stage in the determination of the schools' budget share. This will be updated in the January 2025 report to Schools Forum.

However, no change is anticipated to the factors for notional SEN applied in past years funding.

De-delegations

See separate paper setting out the proposed de-delegations and education functions for schools forum consideration.

3. Indicative 2025-26 allocations and transfer to high needs block approval

At the October 2024 school forum meeting it was decided that consideration would be given to a transfer from Schools Block to High Needs Block to be discussed with colleagues prior to the next Schools Forum meeting on 10th December 2024.

School level allocations have been modelled based on the above approach and are included with this report at Appendix 2. This includes comparisons with last year's funding allocations. There are changes to the basic entitlement as this has increased by 7.9%, a significant amount in school block funding terms.

In order to model the impact of a transfer to high needs block the schools block allocation of £285,123,804 has been applied to the 2024-25 APT. The 2025-26 factors were used, the de-delegation rates were uplifted by 2.39% and £500,000 was deducted for the growth fund. As elements of the APT are locked the rates adjustment remained at the 2024-25 value and only the 2024-25 basic entitlements could be used. Adjustments were made for the increase in the AWPU. Finally the minimum per pupil and MFG requirements were modelled to provide the figures in Appendix 2.

The maximum funding that can be transferred from the schools block to high needs is 0.5%. For 2025-26 this would be a maximum of £1,416,960.

Appendix 2 compares the following models as requested.

Model 1 – no transfer from schools block

Model 2 – transfer of £1.416M from schools block

Model 3 – transfer of £0.75M from schools block

Model 4 – transfer of £0.50M from schools block

Please note, the allocations shown are only indicative and will change following receipt of the final funding allocations based on the verified October 2024 census data. For the purposes of the indicative figures presented, the pupil data for 2024-25 has been used.

5. Recommendations

- 5.1 Schools forum members are requested to
- a) consider and agree the formula factors, rates and principles as set out in section 4 to be used for schools block allocations in 2024/25.
 - b) note that growth funding allocations will only be available in December 2024 .
 - c) confirm agreement of the principles to be applied for the 2025-26 financial year.
 - d) to consider whether a transfer from the schools block to high needs block is appropriate and the value of the transfer, if approved.