

2025-26 Schools Block Funding and Local Funding Formula Consultation

1. Purpose of the Report

To provide Forum with the proposals for the 2025-26 local funding formula consultation.

2. Provisional Indicative 2025-26 Schools Block Funding Allocation

The indicative local authority (LA) funding allocations for the 2025-26 Schools Block of the DSG and the notional allocations for individual schools and academies have not yet been announced. In 2024-25 this information was communicated to LAs, by the DfE, on 17 July 2023.

As part of the October 30th Budget Statement, there has been a commitment to increase core schools funding by £2.3 billion, of which £1 billion is earmarked for high needs funding. However, detail of the impact on individual LAs funding has not yet been communicated.

The schools block will continue to be allocated using the primary and secondary units of funding, which LAs are expecting to be published as soon as possible following the 30 October budget, multiplied by the number of pupils recorded on the October 2024 school census.

It has been confirmed by the DfE that the Teachers' Pay Additional Grant, Teachers Pension Employer Contribution Grant and the Core Schools Budget Grant will all be incorporated into core funding from April 2025 for Mainstream Schools. Mainstream academies will similarly see these grants incorporated into core funding from September 2025.

The Education & Skills Funding Agency (ESFA) have advised that, due to delays in funding announcements, they expect local consultations to be brief and agree principles rather than figures.

The deadline for Local Authorities to submit ISB allocations to the DfE, through the Authority Proforma Tool, is 22 January 2025, so there is no scope for the local consultation to be delayed while we await further information.

3. Implications for the Local Funding Formula (LFF)

The LA will continue to mirror the National Funding Formula (NFF) as closely as is possible. For reference the 2024-25 Local Factor Values are included at **Appendix A-Table 1**.

Initial financial modelling for 2025-26, based on 2024-25 data, has been completed for two scenarios of mitigation if mirroring the NFF fully is not affordable from within the Schools Block. Both models illustrated take account of the Minimum per Pupil increase for Minster School (see Section 4).

The illustrative allocations are based on October 2023 census data. Final allocations will be based on affordability once the actual funding settlement is received in December 2024, using October 2024 census and changes to pupil characteristics.

Model	Description	Impact
1	Illustrates a shortfall of £2m with 0% Minimum Funding Guarantee (MFG), with allowable decrease to both pupil factors and lump sum to make formula affordable.	Spreads the funding reduction across 284 schools with a minimum loss of £529 and a maximum loss of £46,842. Schools who are not impacted as those in receipt of MPP
2	Illustrates a shortfall of £2m with 0% Minimum Funding Guarantee (MFG), pupil factors and lump sum as agreed for 2024-25 budgets, introducing a gains cap set at required level to make formula affordable.	Spreads the funding reduction across 181 schools with a minimum loss of £53 and a maximum loss of £87,566. Schools who are not impacted as those in receipt of MPP and those with a gain less than 2%

4. Minster MPP disapplication request 2025-26

This is a repeat of the disapplication request that has been annually approved from 2020-21 to 2024-25. The current NFF Minimum Per Pupil (MPP) methodology disadvantages the Minster School due to the school not having a standard number of year groups and a disproportionate number of primary and secondary pupils. Currently, the Minimum Per Pupil (MPP) methodology does not adjust for schools with non-standard year groups. This is a well-known anomaly, and it is often mentioned as an example for a disapplication in the annual guidance.

The forum are advised that no significant changes are expected to be made to the NFF MPP methodology. Therefore, the amendment will be required for the school’s 2025-26 funding and a disapplication request will need to be made again. School Forum approval of the disapplication is required. The disapplication will be submitted to the DfE for their approval.

5. Consultation Proposals – Schools Block

NCC will continue to mirror the National Funding Formula based on the indicative 2025-26 funding allocation for Nottinghamshire, with factor values within the acceptable range as illustrated in **Appendix A-Table 1**. The local authority is required to consult on any changes to the LFF.

Question 1

If it is not affordable to fund all schools and academies at National Funding Formula levels, how should mitigation be actioned. Please select one of the two models?

<i>Model</i>	<i>Preference</i>
<i>1 – Reduce formula factors</i>	
<i>2 – Introduce a gains cap</i>	

6. De-delegation

The DfE requires any funding that was subject to de-delegation in 2024-25 to be re-approved by Schools Forum if the de-delegation is to continue in 2025-26.

Question 2 (to be answered by maintained schools only)

Do you agree to the de-delegation of the following in 2025-26?

- Free school meals eligibility assessment?
- Support to underperforming ethnic minority groups and bilingual learners?
- Contingency for crisis communications?
- Trade Union Facilities?
- School Improvement?

	Primary per pupil de-delegation	Secondary per pupil de-delegation
Free school meal eligibility assessment	£0.70	£0.70
Support to underperforming ethnic minority groups and bilingual learners	£8.21	£8.21
Contingency for primary crisis communications	£0.92	£0.00
Trade Union Facilities	£2.21	£2.21
School Improvement	£14.37	£14.37

*Values to be confirmed at Forum Meeting on 14/11/2024

7. Consultation timetable

- 14th November 2024 -Schools Forum meeting – decide content of consultation.
- 20th November 2024 -Consultation period opens.
- 4th December 2024 -Consultation period ends.
- 12th December 2024 -Schools Forum meeting – recommendation / voting of local funding formula.
- Mid December 2024 - 2025-26 final Schools Block funding allocation announced.
- January 2025 – Political ratification of local funding formula.
- 22 January 2025 - APT submission to DfE
- February 2025 – Update to the Schools Forum on final 2025-26 local funding formula
- TBC February 2025 -Deadline for confirmation of schools’ budget shares to mainstream maintained schools

8. Recommendation

That the Schools Forum:

- Offers it views on the options for addressing a possible affordability gap.
- Agrees with the LA submitting a disapplication request for Minster School’s MPP calculation.
- As representatives of the EY & School forum actively encourage colleagues in the sector / other schools to engage in the consultation

For any enquiries about this report please contact:

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Appendix A- Table 1- Local Funding Formula Factors 2024-25

	2024-25 authority proforma tool (APT) approved units of funding		MODEL 1 Unaffordable budget met by reducing factors		MODEL 2 Unaffordable budget met by retaining factors as approved for 24-25 and introducing a gains cap	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
	Unit Value	Unit Value	Unit Value	Unit Value	Unit Value	Unit Value
	£	£	£	£	£	£
Minimum Per Pupil (MPP)	4,610.00	5,995.00	4,610.00	5,995.00	4,610.00	5,995.00
Basic Entitlement - per pupil						
Primary	3,553.82		3,541.33		3,553.82	
KS3		5,010.47		4,992.86		5,010.47
KS4		5,648.00		5,628.15		5,648.00
Deprivation - per eligible pupil						
FSM Current	488.87	488.87	487.15	487.15	488.87	488.87
FSM6	818.12	1,197.24	815.25	1,193.03	818.12	1,197.24
IDACI Band A	678.44	942.83	676.06	939.52	678.44	942.83
IDACI Band B	513.82	738.30	512.01	735.71	513.82	738.30
IDACI Band C	483.89	688.42	482.19	686.00	483.89	688.42
IDACI Band D	443.98	628.55	442.42	626.34	443.98	628.55
IDACI Band E	284.35	448.97	283.35	447.39	284.35	448.97
IDACI Band F	234.46	339.22	233.64	338.03	234.46	339.22
English as an Additional Language - per eligible pupil	588.64	1,581.36	586.57	1,575.80	588.64	1,581.36
Pupil mobility - per eligible pupil	957.80	1,376.83	954.43	1,371.99	957.80	1,376.83
Low Prior Attainment - per eligible pupil	1,167.31	1,770.92	1,163.21	1,764.70	1,167.31	1,770.92
Lump Sum - per school	134,785.73	134,785.73	134,312.09	134,312.09	134,785.73	134,785.73
Sparsity - per eligible school	57,263.88	83,238.21	57,263.88	83,238.21	57,263.88	83,238.21
Split site basic eligibility funding	53,854.12		53,854.12		53,854.12	
Split site distance funding	26,977.20		26,977.20		26,977.20	
Minimum Funding Guarantee (MFG)	0.50%		0.00%		0.00%	
Gains Cap	0.00%		0.00%		2.00%	