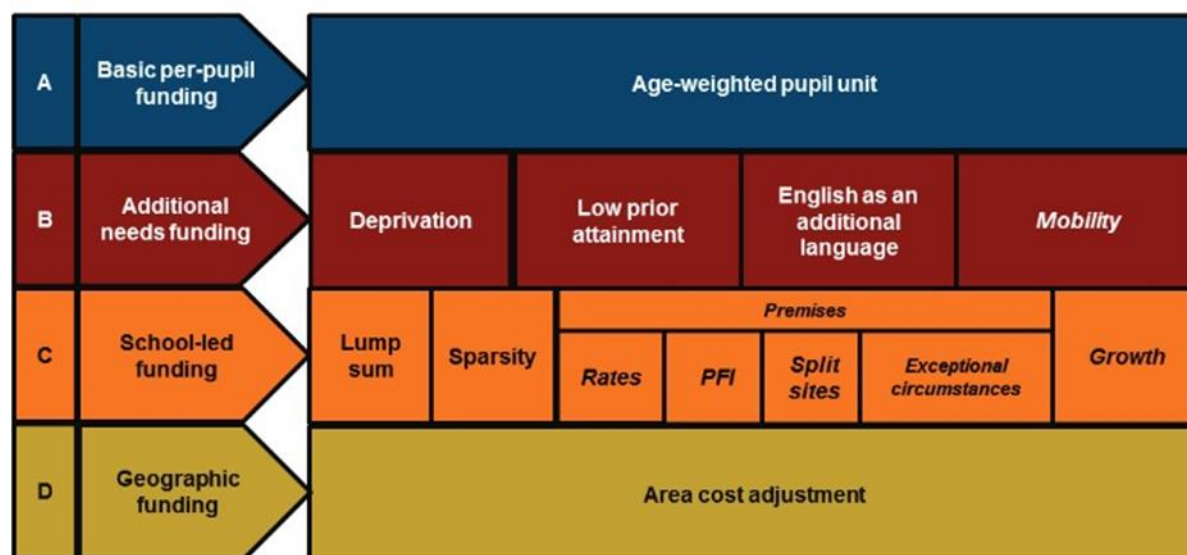


The structure of the schools NFF for 2025 to 2026

1. The 2025-26 schools NFF will use the same factors as the 2024-25 NFF. These are shown in the diagram below, and then explained in more detail:

Figure 1: The building blocks and factors in the national funding formula for schools



This diagram illustrates the factors that are considered when calculating schools block DSG funding allocations through the NFF. It is not to scale. Private finance initiative (PFI) and exceptional premises factors are allocated to local authorities based on historic spend (not relevant to BCP); and rates based on actual costs.

The individual NFF factors for 2025 to 2026 will operate in the same way as in 2024 to 2025 except for some changes to the PFI factor.

2. The pupil-led factors that will be used in the NFF for 2025-26

1. the basic entitlement factor – every pupil will attract this funding. There will continue to be different factor values for primary pupils, key stage 3 pupils, and key stage 4 pupils
2. additional needs funding – the NFF in 2025 to 2026 will continue to provide funding for pupils with additional needs, as measured by:
 - a) free school meals (FSM) factor – pupils who are eligible for free school meals will attract this funding. This funding is broadly intended to cover the cost of providing free meals for each eligible pupil
 - b) free school meals ever 6 (FSM6) factor - all pupils who are recorded as eligible for free school meals, or who have been at any point in the last six years, attract funding through this factor. The value of this factor will vary depending on the phase (primary or secondary) of the pupil
 - c) IDACI – this funding is based on the 2019 area-based income deprivation affecting children index (IDACI) measuring the relative deprivation of lower-layer super output areas (LSOAs). For the NFF, the IDACI ranks are divided into 7 bands A to G, with A representing the most deprived areas and G the least deprived. Additional funding is targeted towards pupils in bands A to F,

with more funding directed to pupils in the more deprived bands. The value of this factor will also vary depending on the phase of the pupil

- d) low prior attainment – pupils will attract this funding if, at primary, they did not achieve the expected level of development in the early years foundation stage profile assessment, and at secondary, did not achieve the expected standard in key stage 2 in any of reading, writing or maths. The value of this factor will vary depending on the phase of the pupil
- e) English as an additional language - pupils attract this funding if they entered state education in England during the last 3 years, and their first language is not English. The value of this factor will vary depending on the phase of the pupil
- f) mobility factor – this factor allocates funding to schools with a high proportion of pupils who have an entry date in the last 3 years which is not typical (in most cases, if their first recorded appearance on the school's roll was other than the October census). The value of this factor will vary depending on the phase of the pupil

3. The school-led factors that will be used in the NFF for 2025-26

1. lump sum - every school attracts a lump sum through the NFF irrespective of its size or phase
2. sparsity factor - eligibility for sparsity funding depends on the distance the pupils living closest to the school would have to travel to their next nearest appropriate (for example, same phase) school, and the average number of pupils per year group. The value of this factor will vary depending on the phase of the school. The distance thresholds, year group size thresholds, and operation of the distance and year group size tapers will remain as they were for 2024 to 2025
3. premises – the NFF in 2025 to 2026 will continue to allocate funding to reflect the costs associated with a school's premises and overheads:
 - rates - for local accounting purposes, rates funding allocations will continue to notionally feature in the NFF allocation publication for all schools, including schools in billing authority areas where rates are paid directly by the Department for Education (DfE). Actual allocations to schools in those areas will not include funding for rates
 - split sites – this factor targets extra funding to schools which operate across more than one site. As in 2024 to 2025, schools can attract funding for up to a maximum of 3 additional eligible split sites. There will continue to be basic eligibility funding – that is, a lump sum that schools attract for each site (up to the maximum of 3 additional eligible sites) – as well as distance funding (through which up to 3 additional sites which are more than 100 metres from the main site, attract additional funding)
 - exceptional circumstances – this factor provides additional funding where local authorities have had approval from the Education and Skills Funding Agency (ESFA) to direct additional funding to a small number of schools with significant additional and atypical costs

4. The NFF in 2025-26 will continue to provide funding protections

1. minimum per pupil levels (MPPLs) - the MPPLs guarantee a minimum amount of funding for every pupil - the funding received through the MPPL varies from school to school depending on the year groups they have. In 2025 to 2026, MPPL values will remain compulsory in local authority funding formulae
2. the funding floor - the funding floor ensures that a school's funding is protected from excessive losses year-on-year, and that all schools attract a minimum uplift to their pupil-led per pupil funding. For 2025 to 2026, split sites funding will sit outside the calculation of the funding floor. This means that split sites funding will properly reflect any changes in the organisation of schools' sites

5. Rolling in previous grants to the NFF

1. The teachers' pay additional grant (TPAG), the teachers' pension employer contribution grant (TPECG) 2024 and the recently announced core schools budget grant (CSBG) will be rolled into the NFF for 2025-26. The funding for all 3 grants will be rolled in following a very similar approach to previous grants. That is:
 - a) Adding cash amounts to the primary, key stage 3 and key stage 4 per pupil funding factors in the schools NFF, to represent the equivalent amounts in the grants.
 - b) Adding cash amounts to the primary and secondary FSM6 factors, and the lump sum, in the schools NFF, to represent the equivalent amounts in the grants.
 - c) Adding cash amounts to the minimum per pupil funding levels (MPPFLs) for primary, KS3 and KS4 respectively, to reflect the average per pupil amount of funding that schools attracted through the preceding grants.
 - d) Adding an amount representing the total funding each school received through the preceding grants on to its baseline, which is used to calculate funding protection for the schools through the funding floor.
2. For TPAG and TPECG, the funding rolled in to the NFF will use the published funding rates directly. For example, in step (1) above, the cash amount added to the primary basic per pupil NFF factor to roll-in TPAG will simply be the cash value of the primary basic per pupil rate in TPAG for 2024-25 (that is, £62).
3. For CSGB the funding provided will need to reflect the full-year cost of the support staff pay award, as well as the part-year cost of the 2024 teachers' pay award (from September 2024). Therefore, to roll in this funding, the full year equivalent of the whole of the CSBG, will be used.

6. Local Formula Changes

A technical adjustment has been made to the operation of the minimum funding guarantee (MFG), whereby the split sites funding will be excluded from the MFG calculation to bring in line with the calculation in the NFF.