

Divisions Affected - ALL

DELEGATED DECISIONS BY CABINET MEMBER FOR CHILDREN AND YOUNG PEOPLE

03 February 2026

Formal Approval of Schools Funding Formula 2026/27

Report by Director of Children's Services

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to

- a) Approve the final funding formula for 2026/27 for submission to Department for Education (DfE)**

This follows consultation with the Schools Forum which agreed that OCC will continue to fund schools at the National Funding Formula level.

Executive Summary

1. The final funding formula for schools and academies for 2026/27 needs to be formally approved politically for submission to the DfE for setting mainstream school budgets for the 2026/27 financial year. Schools have been invited to respond to a consultation regarding the available option. Schools Forum has been consulted in development of the funding formula for 2026/27 as a statutory consultee, and the decision on the final formula is made by the local authority.
2. The basis of the allocation through the National Funding Formula is determined by Central Government.

Introduction

3. The local authority is required to set the funding formula for all pupils of statutory school age for each financial year. This includes all maintained schools and academies (including free schools, studio schools and university technical colleges). It is established after consultation with Schools and Schools Forum about any proposed changes.
4. The local authority is responsible for making the final decisions on the formula and must gain political approval before the final formula for the 2026/27 financial year is approved by the Department for Education (DfE).

The National Funding Formula

5. In 2018/19 the government implemented national funding formulae for the Schools, High Needs and the Central Services Schools Block (CSSB) with local discretion on implementation up to and including for 2026/27.
6. 2018/19 saw the introduction of the national funding formula (NFF) for schools. This reform meant that for the first time, school funding was distributed to Local Authorities according to a formula based on the individual needs and characteristics of every school in the country. Local Authorities continue to be responsible for distributing money between schools.
7. Oxfordshire has consulted with all schools and academies and Schools Forum annually and it was agreed to implement the NFF as closely as possible subject to affordability.
8. The DfE has made some changes to the National Funding Formula for 2026/27, as follows:
 - Rolling the school budget support grant (SBSG) and the National Insurance contributions (NICs) grant from 2025 to 2026 by:
 - adding amounts representing what schools receive through the grants into their baselines.
 - adding the value of the lump sums, basic per pupil rates and free school meals Ever6 (FSM6) parts of the grants onto the respective factors in the NFF.
 - The NICs grant and SBSG funding that was allocated for mainstream schools with special units or resourced provision (SURPs) has not been rolled into the schools NFF for 2026 to 2027, as the funding has been rolled into the local authority's high needs allocation.

Further increases to NFF factor values (on top of the amounts added for the NICs grant and annualised SBSG), as can be afforded following the settlement of the core schools budget for 2026 to 2027.

Transitional requirements, to move at least a further 10% closer to the NFF, do not apply to Oxfordshire as the LA already mirrors the NFF. All Options below are within the 'mirroring' threshold of +/- 2.5% of the national funding formula factors.

The local authority has the freedom to set the minimum funding guarantee (MFG) in the local formula between minus 0.5% and 0.0% per pupil.

Outcome of Consultation with Schools and Schools Forum

9. Consultation with schools was carried out from 4th November 2025 to 1st December 2025. The results of the consultation were discussed at the Schools' Forum meeting on 3rd December 2025.
10. Schools were consulted on options for adjusting the national funding formula to provide the target contribution, reducing the £0.660m Growth Fund budget was a preferred option and is affordable due to balances so that has been reduced.

Following that the per pupil factors have been adjusted proportionally to mitigate the remaining budget gap.

Oxfordshire Funding Formula

11. The School Funding Formula for 2026/27 has been modelled to replicate the NFF, in so far as is affordable.
12. In line with timescales in previous years, the DSG settlement was announced on 18 December 2025. The DSG Schools Block allocation is £573.71m and if Oxfordshire were to fund schools on the national formula factor rates there would be a budget gap of £2.9m.
13. At the meeting of Schools Forum on 19 January 2026, Schools' Forum was consulted on a model that delivers the National Funding Formula.
14. Schools Forum endorsed a nil contribution to the Growth Fund, in line with approaches taken in previous years, based on the growth fund balance; 0.0% minimum funding guarantee and adjusted age weighted pupil unit factors, which reduces the funding to schools, whilst still mirroring the NFF as the amended factors are within 2.5% of the national factors. This has been done in order to bridge the funding gap.
15. In addition, Schools and Schools Forum were consulted on a block transfer. Schools Forum endorsed a £0.4m Schools block transfer to the high needs block to continue to fund the Special Schools outreach programme.

The formula factor rates for Oxfordshire are shown in table 1 below.

Table 1 - Schools Funding Formula 2026-27		
Funding Factors - Full National Funding Formula (NFF) with ACA	NFF Primary Unit Value 2026-27	NFF Secondary Unit Value 2026-27
Area Cost Adjustment (ACA) – A multiplier that is applied to basic per pupil, additional needs and formula elements of school led funding for Oxfordshire	1.02312	1.02312
1. Basic per-pupil funding		
Age Weighted Pupil Unit (AWPU) - Basic Entitlement	£4,131.69	
Age Weighted Pupil Unit (AWPU) - Basic Entitlement KS3		£5,780.70
Age Weighted Pupil Unit (AWPU) - Basic Entitlement KS4		£6,516.76
2. Deprivation		
Free School Meal eligibility	£516.68	£516.68
Ever6 FSM	£1,237.98	£1,764.88
Targeted Deprivation – IDACI Band F	£245.55	£352.98
Targeted Deprivation – IDACI Band E	£296.70	£470.64
Targeted Deprivation – IDACI Band D	£465.52	£665.03
Targeted Deprivation – IDACI Band C	£511.56	£726.42
Targeted Deprivation – IDACI Band B	£542.25	£777.57
Targeted Deprivation – IDACI Band A	£716.18	£992.43
3. English as an additional Language (EAL)	£624.10	£1,667.69
4. Pupil Mobility	£1,007.77	£1,447.71
5. Low Prior Attainment	£1,227.74	£1,867.19
6. Lump sum - as NFF (amended for 0.5% transfer below)	£156,230.42	£156,230.42
7. Sparsity	£59,954.83	£87,169.82
8. Split Sites - (ACA not applicable)	As Actual Rates	
11. Rates	As Actual Rates	
13. Exceptional Premises factors	As Actual Rents	
14. Minimum per pupil level (MPPL)	£5,115.00	
- Key Stage 3		£6,388.00
- Key Stage 4		£7,018.00
Minimum Funding Guarantee (MFG)	0.0%	
Growth Fund Contribution	£0	
		£m
DSG Schools Block Funding		£568.04
Total Funding allocated through the Schools Funding Formula as NFF		£568.04
		£
Proposal if Block Transfer agreed		
AWPU revised Factor Values:		
- Primary		£4,131.69
- Key Stage 3		£5,780.70
- Key Stage 4		£6,516.76
		£m
DSG Schools Block Funding		£573.71
Total Funding allocated through the Schools Funding Formula		£568.04
Balance - Transfer to the High Needs Block		£0.40
Transfer as a percentage of eligible Funding		0.070%

16. The amounts allocated by each factor in the above table were subject to further checks and amendments leading up to the Authority Proforma Tool submission to the DfE by 22nd January 2026.

Financial Implications

17. The report deals with the funding formula for schools and academies for 2026/27 and there are no further financial or staffing implications discussed in this report. Schools and academies are responsible for managing the deployment of the delegated funding they receive. The political ratification is a requirement of the Schools Funding Formula, and is necessary for their approval of the Authority Proforma Tool.

Comments checked by:

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Legal Implications

18. When implementing the local funding system for the 2026 to 2027 financial year Local Authority is required to have regard to [Schools operational guide: 2026 to 2027 - GOV.UK](#)

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Staff Implications

19. There are no new or additional staffing implications.

Equality & Inclusion Implications

20. Where the local authority continues to have discretion in funding decisions made, priority will be given to the needs of vulnerable pupils and the Council’s aims of raising attainment, narrowing the attainment gap and safeguarding children.

Sustainability Implications

21. There are no new or additional sustainability implications.

Risk Management

22. The key risk is the affordability of the formula within the funding envelope of the grant and that has been considered in the main body of the report.

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