

Divisions Affected - ALL

DELEGATED DECISIONS BY CABINET MEMBER FOR CHILDREN, EDUCATION AND YOUNG PEOPLE'S SERVICES

21 JANUARY 2025

FORMAL APPROVAL OF SCHOOLS FUNDING FORMULA 2025/26

Report by Director of Children's Services

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to

a) Approve the final funding formula for 2025/26 for submission to DfE

This follows consultation with the Schools Forum which agreed that OCC will continue to fund schools at the National Funding Formula level. Any surplus funding as a result of the application of the APT will be used to support mainstream schools in their approaches to inclusion.

Executive Summary

1. The final funding formula for schools and academies for 2025/26 needs to be formally approved politically before submission to the DfE in January 2025. Schools Forum has been consulted in development of the funding formula for 2025/26 as a statutory consultee, but 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 but must gain political approval before the final formula for the 2025/26 financial year is submitted to the Department for Education (DfE). This must be completed in January 2025.

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 2025/26.
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 2025/26, as follows:
 - Rolling the 2024 to 2025 teachers' pay additional grant (TPAG), the teachers' pensions employer contribution grant (TPECG) 2024, and the core schools budget grant (CSBG) into the NFF.
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the TPAG & TPECG basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
 - Further increases to NFF factor values (on top of the amounts added for the TPAG, TPECG and annualised CSBG), as can be afforded following the settlement of the core schools budget for 2025 to 2026.
 - Technical changes to the split sites factor which was first introduced in the 2024 to 2025 NFF. In particular, the transitional floor protection that was included in 2024 to 2025 has now been removed. That protection was only needed in 2024 to 2025 to ensure that any school losing out from the formularisation itself was protected through the NFF floor.

Outcome of Consultation with Schools and Schools Forum

9. Consultation with schools was carried out from 19 December 2024 to 8 January 2025. The results of the consultation were discussed at the Schools' Forum meeting on 20 January 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 2025/26 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 2024.
13. At the meeting of Schools Forum on 20 January 2025, Schools' Forum will be consulted on a model that delivers the National Funding Formula including a one-off nil contribution to the Growth Fund, in line with approaches taken in previous years, such as 2023-24 where the growth fund was reduced.

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

Table 1 - Schools Funding Formula 2025-26		
Funding Factors - Full National Funding Formula (NFF) with ACA	NFF Primary Unit Value 2025-26	NFF Secondary Unit Value 2025-26
Area Cost Adjustment (ACA) – A multiplier that is applied to basic per pupil, additional needs and formula elements of school led funding for Oxfordshire	1.02314	1.02314
1. Basic per-pupil funding		
Age Weighted Pupil Unit (AWPU) - Basic Entitlement	£3,930.70	
Age Weighted Pupil Unit (AWPU) - Basic Entitlement KS3		£5,539.97
Age Weighted Pupil Unit (AWPU) - Basic Entitlement KS4		£6,246.01
2. Deprivation		
Free School Meal eligibility	£505.77	£505.77
Ever6 FSM	£1,083.06	£1,588.83
Targeted Deprivation – IDACI Band F	£240.11	£347.40
Targeted Deprivation – IDACI Band E	£291.20	£459.79
Targeted Deprivation – IDACI Band D	£454.68	£648.82
Targeted Deprivation – IDACI Band C	£500.66	£710.12
Targeted Deprivation – IDACI Band B	£531.31	£761.21
Targeted Deprivation – IDACI Band A	£699.90	£970.67
3. English as an additional Language (EAL)	£607.95	£1,629.70
4. Pupil Mobility	£986.00	£1,415.13
5. Low Prior Attainment	£1,200.57	£1,823.84
6. Lump sum - as NFF (amended for 0.5% transfer below)	£148,457.61	£148,457.61
7. Sparsity	£58,728.24	£85,329.88
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)	£4,955.00	
- Key Stage 3		£6,221.00
- Key Stage 4		£6,831.00
Minimum Funding Guarantee (MFG)	0.0%	
Growth Fund Contribution	£0	

14. Feedback from the consultation with Schools' Forum will be presented verbally to the Cabinet Decision meeting.
15. The amounts allocated by each factor in the above table are subject to further checks and amendments leading up to and following submission to the DfE by 22 January 2025

Financial Implications

16. The report deals with the funding formula for schools and academies for 2025/26 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.

Comments checked by:

Jane Billington, Strategic Finance Business Partner – Children’s Services
Jane.Billington@oxfordshire.gov.uk

Legal Implications

17. There are no legal implications.

Comments checked by:

Paul Grant, Head of Legal and Deputy Monitoring Officer
Paul.Grant@oxfordshire.gov.uk

Staff Implications

18. There are no new or additional staffing implications.

Equality & Inclusion Implications

19. 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

20. There are no new or additional sustainability implications.

Risk Management

21. 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.

Lisa Lyons
Director of Children’s Services

January 2025

Contact Officer: Jane Billington
Strategic Finance Business Partner – Children’s Services
January 2025