



Department
for Education

The national funding formulae for schools and high needs

2025-26

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Background

To improve opportunities for our children and young people, this government is investing in education with an additional **£2.3 billion** for mainstream schools and young people with high needs for 2025 to 2026. This means that overall core school funding will total almost **£63.9 billion** next year compared to **£61.6 billion** in 2024 to 2025.

This document sets out how we will be distributing the majority of that core funding across England through the schools, high needs and central school services national funding formulae (NFFs).

£1 billion of the £2.3 billion increase is being allocated as high needs funding in 2025 to 2026. This will bring total high needs funding to £11.9 billion. The high needs NFF will ensure that every local authority receives at least a 7% increase per head of their projected aged 2-18 population, with the majority of authorities seeing higher gains. There is a limit on the gains of 10% per head. This is an important step in realising the government's vision to reform England's special educational needs and disabilities (SEND) provision to improve outcomes and return the system to financial sustainability. The government will work with parents, teachers, and local authorities to take this work forward.

Funding through the mainstream schools national funding formula (NFF) is increasing by 2.23% per pupil on average in 2025 to 2026, compared to 2024 to 2025. This includes a 1.28% increase to ensure that the 2024 teachers and support staff pay awards continue to be fully funded at national level in 2025 to 2026.

We recognise that the timescale for the publication of the NFFs is unprecedented. The Department usually publishes the NFF allocation in July to help schools with their planning as early as possible. This year, due to the timing of the general election, that was not possible. To aid local authorities and schools with their planning, we have published early information on the structure of the NFFs. We have also kept the structure of the NFFs largely unchanged in order to minimise disruption in light of the shorter than usual timescales available for local authorities to set their local formulae for 2025 to 2026.

Key features of the 2025 to 2026 schools NFF include:

- An increase in factor values in the NFF to increase the amount of funding available to schools. Through the minimum per pupil funding levels, every primary school will attract at least £4,955 per pupil, and every secondary school at least £6,465 per pupil.

- The funding floor will continue to protect schools from sudden drops in their per-pupil funding.
- Rolling the 2024 to 2025 Teachers' Pay Additional grant (TPAG), Teachers' Pension Employer Contribution grant (TPECG) and Core Schools Budget grant (CSBG) into the schools NFF, ensuring that this additional funding forms an on-going part of schools' core budgets.
- Two changes to the operation of the Private Finance Initiative (PFI) factor in the schools NFF, outlined below.

Local authorities will continue to use funding through the schools NFF to determine final allocations for all local mainstream schools. We will continue with the same approach to "tightening" local formulae as in previous years. Local authorities will be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2024 to 2025, unless they are already mirroring the NFF.

The structure of the high needs NFF will remain largely unchanged. While the mainstream elements of the TPAG, TPECG and CSBG are rolled into the school NFF for 2025 to 2026, for high needs we will continue to pay local authorities the funding currently allocated through the separate TPAG, TPECG and CSBG for special schools and alternative provision outside of the high needs NFF in 2025 to 2026. These funding streams will be brought together and paid as a single 2025 to 2026 CSBG, and we will announce details of this 2025 to 2026 CSBG shortly.

Central school services funding funds local authorities for the ongoing responsibilities they continue to have for all schools, and some historic commitments entered into before 2013 to 2014. The total provisional funding for ongoing responsibilities is £342 million in 2025 to 2026.

Final allocations of mainstream schools and central schools services funding for 2025 to 2026 will be calculated in December 2024, based on the latest pupil data at that point, when we announce local authorities' Dedicated Schools Grant (DSG) allocations. The December DSG allocations will also include updated high needs funding allocations, based on the latest pupil data, but these are not final because, as usual, there will be further adjustments in March 2025 and subsequently. As normal, local authorities will use the December allocations to finalise their schools and high needs budgets for 2025 to 2026.

In addition to the funding allocated through the NFFs, further funding in respect of the increase in employer's National Insurance contributions will be provided in 2025 to 2026 by a grant outside the NFF. We will provide further details on this as soon as possible.

The national funding formula for schools

For 2025 to 2026, we are making minimal changes to the structure of the schools NFF, with the same factors making up the formula as in 2024 to 2025. The main structural change relates to the PFI factor – outlined below. A full description of the updated 2025 to 2026 formula is set out in Annex A. Further detail on the methodology used for the schools NFF is set out in the [2025 to 2026 NFF technical note](#).

Increasing funding factor values

Almost all factor values in the NFF have increased from 2024 to 2025. The amount of the increase varies between factors:

- The basic entitlement values, FSM6 values, the lump sum and the minimum per pupil funding values have increased to reflect the rolling in of the three separate pay and pensions grants from 2024 to 2025: TPAG, TPECG and CSBG.
- A further increase has then been applied to these same factors to cover the remaining costs of the 2024 teachers' pay award in mainstream schools, so that the full 12 months of salary costs are fully funded at a national level.
- On top of this, a further overall increase has been applied to school- and pupil-led factors, as well as to the split sites factor.

These increases mean that all primary schools will attract at least £4,955 per pupil, and all secondary schools at least £6,465 per pupil, through the minimum per pupil levels. All 2025 to 2026 factor values can be seen in the table below.

The funding floor will continue to protect schools from sudden drops in their funding. The 2025 to 2026 NFF funding floor is set at 0%. This ensures that no school will see a drop in the amount of pupil-led per pupil funding they attract, compared to the 2024 to 2025 baseline. For 2025 to 2026 the baseline does not only include the funding schools attracted in 2024 to 2025 via the NFF and the pay and pensions grants – it also includes a further uplift to ensure that the 2024 teacher pay award remains fully funded in 2025 to 2026 at a national level. Because of this baseline uplift, the 0% floor in 2025 to 2026 still incorporates a year-on-year increase in funding compared to what schools attracted in 2024 to 2025.

Premises funding for exceptional circumstances and business rates will continue to be allocated at local authority level on the basis of the amount identified by local authorities on this factor in their 2024 to 2025 local formulae – as recorded in the 2024 to 2025 Authority Proforma Tool (APT).

Rolling the additional grant funding into the schools NFF

The mainstream schools elements of TPAG, TPECG and CSBG are being rolled into the schools NFF for 2025 to 2026.

The approach to rolling in these grants is very similar to how previous grants were rolled into the 2023 to 2024 and 2024 to 2025 NFFs. In particular, we have rolled in the grants in three ways, to reflect the three different ways in which schools attract funding through the NFF:

- Increasing the basic entitlement, FSM6 and the lump sum factor values for schools funded through the main formula factors (before protections);
- Increasing the minimum per pupil levels; and
- Increasing the baseline for each school, which is used to calculate funding protections for schools funded through the funding floor.

For TPAG and TPECG, the amount rolled in represents the equivalent amounts in the 2024 to 2025 grants. For CSBG, the amount rolled in is larger than the amount allocated through the grants in 2024 to 2025. That is because the 2024 to 2025 CSBG funding was calculated to match, at a national level, the funding needed to meet 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). When rolling in this grant, we have added an uplift to ensure that the full twelve months of salary costs are fully funded at a national level in 2025 to 2026. This "CSBG uplift" has been reflected in all three ways in which the grants have been rolled in: the core factor uplift, the minimum per pupil uplift and the baseline uplift.

The table below shows the amounts that have been added to the core factor values in respect of the grants – including the CSBG uplift. These same amounts have been used when uplifting each school's baseline in the NFF.

The existing Area Cost Adjustment (ACA) calculation within the NFF ensures that the per pupil rates added to these factors are uplifted to reflect geographical variation in labour market costs, as is currently the case with the grants.

Table 1: Factor value uplifts from the rolling in of grants

Factor	TPAG	TPECG	CSBG	CSBG uplift	Total
Primary basic per-pupil	£62	£75	£76	£51	£264
KS3 basic per-pupil	£86	£106	£108	£71	£371
KS4 basic per-pupil	£98	£119	£122	£80	£419
Primary FSM6 per-pupil	£53	£65	£70	£45	£233
Secondary FSM6 per-pupil	£77	£100	£100	£68	£345
Lump sum	£2,306	£2,800	£2,900	£1,915	£9,921

The table below shows the amounts added to the minimum per pupil levels in respect of the grants. It shows both the uplift made to reflect the amount of funding allocated through the grants in 2024 to 2025, as well as the additional amount added for the “CSBG uplift” – to ensure that the full twelve months of salary costs are fully funded at a national level in 2025 to 2026.

Table 2: Minimum per pupil (MPPL) funding uplifts

	Uplifts for 2024-25 TPAG, TPECG and CSBG	Additional CSBG uplifts
Primary MPPL	£257	£62
Secondary MPPL	£350	£83

The rolling in of these grants into the schools’ notional NFF allocations will affect the core budgets that maintained schools will receive from April 2025, and that academies will receive from September 2025. To avoid a gap in the support provided to academies, academies will receive a further grant payment for the period April 2025 to August 2025.

Changes to the Private Finance Initiative (PFI) factor

For 2025- to 2026, we are making two structural changes to the how the PFI factor works in the schools NFF. These changes are:

- From 2025 to 2026 we are providing pro-rata funding when a PFI contract is coming to an end in the financial year (such that funding is only provided for the part of the year when the contract is still in place).
- We are also setting conditions that local authorities need to meet to receive above-inflation increases in PFI funding (with the expectation that these will be the exception). In calculating a school's PFI funding, the lower of the local authority's 2024 to 2025 PFI premises factor and the school's PFI funding from the 2024 to 2025 NFF is now be taken as the baseline for calculating the 2025 to 2026 PFI factor. As in previous years, this baseline is then uplifted in line with the Retail Prices Index excluding mortgage interest payments (RPIX) growth. If local authorities want to request that the funding is increased by a higher amount, they will need to submit an affordability model to the Department.

Further guidance explaining the purpose of PFI factor funding, and outlining these changes can be found at: [Pre-16 schools funding: local authority guidance for 2025 to 2026 - GOV.UK](#).

Rules governing local authority formulae

As in previous years local authorities will be responsible for deciding local funding formulae for mainstream schools in their area. The funding levels that schools – both maintained schools and academies – receive will be determined by the respective local formulae. In line with previous years, local authorities will continue to be required to gradually move their local formulae closer to the NFF.

In particular:

- Local authorities must continue to use the NFF factors – and are only allowed to use the NFF factors – in their local formulae.
- Local authorities must **move their local formula factor values at least a further 10% closer to the NFF compared to 2024 to 2025**, except where local formulae are already “mirroring” the NFF. For this purpose, local factor values within 2.5% of the respective NFF values are deemed to be “mirroring” the NFF. Local factors that already “mirror” the NFF values must continue to do so in 2025 to 2026.
- Local authorities must comply with the national **requirements for growth and falling rolls funding** as set out in the Growth and Falling Rolls [guidance](#).

As mentioned in the 2024 to 2025 schools operational guide and 2025 to 2026 NFF summary policy note, from 2025 to 2026 the local authority flexibility to increase the pupil number count for schools with higher reception pupil numbers in the January 2024 census, rather than the October 2023 census, will be removed. Only 8 local authorities made use of this flexibility in 2024 to 2025.

Further details on the tightening requirements for local formulae with guidance for local authorities is set out in the [school funding operational guide](#). We have also published the allowable factor values for 2025-26 for each local authority [here](#).

Other key features of the local funding formulae

Local authorities will continue to set a **minimum funding guarantee** in local formulae, which in 2024-25 must be **between -0.5% and 0%**. This allows them to match the funding floor protection in the NFF, which is set at 0%.

Local authorities will again be able to **transfer up to 0.5%** of their total schools block allocations to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval. The criteria the Department apply when considering such requests are available in the [school funding operational guide](#).

Local authorities should keep under review the calculation of their schools' notional SEN budgets to make sure that they are both proportionate to the costs and prevalence of pupils on SEN Support and that they meet additional support costs up to £6,000 per pupil of those with more complex needs. More guidance for local authorities is published here: [Pre-16 schools funding: local authority guidance for 2025 to 2026 - GOV.UK](#).

Table 3: Factor values and total spend in 2025-26

	Unit Values	Total Funding (incl. ACA)	Proportion of core total
Basic per pupil Funding		£36,133m	74.6%
Basic entitlement		£35,956m	74.2%
Primary basic entitlement	£3,847	£17,444m	36.0%
KS3 basic entitlement	£5,422	£10,726m	22.1%
KS4 basic entitlement	£6,113	£7,786m	16.1%
Minimum per pupil		£177m	0.4%
Primary Minimum Per Pupil funding	£4,955	£139m	0.3%
Secondary Minimum Per Pupil funding	£6,465	£38m	0.1%
Additional Needs Funding		£8,623m	17.8%
Deprivation		£5,141m	10.6%
Primary FSM	£495	£551m	1.1%
Secondary FSM	£495	£410m	0.8%
Primary FSM6	£1,060	£1,208m	2.5%
Secondary FSM6	£1,555	£1,398m	2.9%
Primary IDACI A	£685	£104m	0.2%
Primary IDACI B	£520	£151m	0.3%
Primary IDACI C	£490	£138m	0.3%
Primary IDACI D	£445	£121m	0.2%
Primary IDACI E	£285	£146m	0.3%
Primary IDACI F	£235	£115m	0.2%
Secondary IDACI A	£950	£99m	0.2%
Secondary IDACI B	£745	£153m	0.3%
Secondary IDACI C	£695	£141m	0.3%
Secondary IDACI D	£635	£124m	0.3%
Secondary IDACI E	£450	£165m	0.3%
Secondary IDACI F	£340	£117m	0.2%
Low Prior Attainment		£2,862m	5.9%
Primary LPA	£1,175	£1,618m	3.3%
Secondary LPA	£1,785	£1,244m	2.6%
English as an Additional Language		£539m	1.1%
Primary EAL	£595	£365m	0.8%
Secondary EAL	£1,595	£173m	0.4%
Mobility		£81m	0.2%
Primary Mobility	£965	£61m	0.1%
Secondary Mobility	£1,385	£20m	0.0%
School-Led Funding		£3,093m	6.4%
Lump Sum		£2,992m	6.2%
Primary lump sum	£145,100	£2,497m	5.2%
Secondary lump sum	£145,100	£495m	1.0%
Sparsity		£100m	0.2%
Primary sparsity	£57,400	£95m	0.2%
Secondary sparsity	£83,400	£5m	0.0%
Premises		£610m	1.3%
Split sites	£81,000	£35m	0.1%
Area Cost Adjustment: Multiplier applied to basic entitlement, additional needs, school-led funding and split sites (it is included in the factor subtotals)			
Core total (excl. funding floor)		£48,458m	
Floor		£273m	
Primary floor funding		£142m	
Secondary floor funding		£131m	
Total		£48,731m	

Table 3 shows the unit values, total funding and proportion of funding for each factor in the formula. The total funding for each factor is rounded to the nearest £1 million, and the proportion of the total is rounded to the nearest 0.1%. The total funding and proportions quoted for groups of factors have been calculated based on the underlying unrounded figures. The secondary minimum per pupil factor value is based on a standard secondary school with five year groups. The sparsity unit values correspond to the maximum a school can attract for these factors, and the split sites unit value to the maximum amount an additional site can attract through the basic eligibility and distance funding combined.

The national funding formula for high needs

The high needs national funding formula in 2025-26

The high needs national funding formula (NFF) is used to allocate high needs funding to local authorities and supports their provision for children and young people with special educational needs and disabilities (SEND) from ages 0-25 years. It also supports alternative provision (AP) for pupils of compulsory school age who, because they have been excluded or suspended, or because of illness or other reasons, cannot receive their education in mainstream or special schools.

The national increase in high needs funding, between 2024 to 2025 and 2025 to 2026, will be almost £1 billion, and high needs funding will total £11.9 billion, including a continuation of the 2024 to 2025 teachers' pay and pensions grants (TPAG and TPECG) and the 2024 to 2025 core schools budget grant (CSBG). These separate grants will be paid as a single CSBG for special schools and alternative for 2025 to 2026, rather than (as they are for mainstream schools) being rolled into the NFF and paid through the DSG. This funding will help local authorities, schools and colleges with the increasing costs of supporting children and young people with SEND.

Of the £11.9 billion total high needs funding amount available for distribution in 2025 to 2026, £480 million is for allocations through the single 2025 to 2026 CSBG, as indicated above, and £145 million is set aside for the usual allocations outside the high needs NFF and later adjustments through the NFF. The remaining £11.3 billion is allocated through the high needs NFF.

The high needs NFF includes:

- a) The funding floor – this ensures that all local authorities' allocations per head of population will increase by a minimum percentage compared to the baseline. For 2025 to 2026 we are setting the funding floor at 7% per head of the projected 2-18 year old population in the authority's area.
- b) The gains limit – the limit on gains per head of the population compared to the baseline. For 2025 to 2026 we are setting the gains limit at 10%, which means that local authorities can see an increase of up to 10% before their gains are capped.

The basic structure of the high needs NFF for 2025 to 2026 is not changing, as the Government is taking time to carefully consider what changes are needed, both to make sure that we establish a fair education funding system that directs funding to where it is needed, and to support the SEND reforms that will be taken forward. See annex B for further information about the high needs NFF and the way it works.

Local distribution of high needs funding

Mainstream schools' and colleges' SEND provision

The Government has made it clear that the general direction of SEND reform is towards establishing a mainstream school and college environment that is more inclusive of children and young people who need specialist SEND provision, including SEN units and resourced provision. The department is working on a range of reforms that will facilitate that shift.

In the meantime, drawing on the research and examples of existing good practice that have already been published¹, local authorities should consider with their schools and colleges what changes to local high needs funding arrangements and other developments could be taken forward to support an enhanced role for mainstream schools and colleges in making provision for children and young people with more complex needs. Many local authorities are already improving SEND provision in their mainstream schools through the creation of more SEN units and resourced provision.

The School and Early Years Finance (England) Regulations for 2025 to 2026 allow local authorities to spend from their high needs budget in support of such initiatives. Specifically, local authorities can incur expenditure and target funding for the purposes both of encouraging the education of children and young people with SEN at mainstream schools, and of collaboration between special and mainstream schools to enable those with SEN to engage in mainstream school activities.

Special and AP schools

Special schools (maintained and academies), pupil referral units and AP academies will continue to be funded primarily through place funding at £10,000 per place, and top-up funding for the excess costs of provision, with the majority of that funding coming from the high needs NFF allocations to local authorities. In addition, we will be continuing to require local authorities to allocate specific extra high needs funding, as follows:

- additional high needs funding originally allocated through separate teachers' pay and pensions grants in 2020 to 2021, but since then included in the NFF baseline;
- a 3.4% increase to funding introduced in 2023 to 2024, and also included in the NFF baseline;

¹ Findings from Phase One - DBV in SEND
High needs budgets: effective management in local authorities - GOV.UK

- the consolidated CSBG for 2025 to 2026, which brings together the additional funding for teachers' pay and pensions that was paid as separate grants in 2024 to 2025.

Further information about how these additional funding streams are to be allocated can be found in the [high needs funding operational guide](#) and the relevant DSG and CSBG conditions of grant and methodology documents, to be published later.

We are also continuing the maintained special schools and special academies protection arrangements (known as the minimum funding guarantee or MFG) in 2025 to 2026, using the 2024 to 2025 allocations of place and top-up funding as the basis for the year-on-year calculation, and continuing to exclude the additional funding streams referred to above. The MFG for special schools is set at 0% (the upper end of the range of the mainstream schools' MFG), which means that the minimum a special school will receive from their local authority in 2025 to 2026 will be the same amount per pupil, on a like-for-like comparison with their pupil cohort in 2024 to 2025. Again, further guidance on this MFG protection is available in the [high needs funding operational guide](#).

As with the high needs NFF, the arrangements for the allocation of high needs funding to schools and colleges will be reviewed in time for changes to be made in 2026 to 2027, where these are considered appropriate.

The national funding formula for central schools services

The central schools services block in 2025-26

The central school services block (CSSB) within the DSG provides funding for local authorities to carry out central functions on behalf of maintained schools and academies.

The block will continue to comprise two distinct elements: ongoing responsibilities and historic commitments.

For 2025 to 2026 the formula for allocating this funding follows the same approach as in 2024 to 2025.

Ongoing responsibilities

The CSSB will continue to fund local authorities for the ongoing responsibilities they deliver for all pupils in maintained schools and academies. The total provisional funding for ongoing responsibilities is £342 million in 2025 to 2026. This includes funding for the rolling in of the centrally employed teachers elements of both the TPECG and CSBG into the CSSB for 2025 to 2026 – with the CSBG element recalculated to cover the full-year salary costs.

£338 million of this element of the CSSB is calculated using a simple per pupil formula, the structure of which is unchanged from 2024 to 2025. 90% of the funding will be distributed through a basic per pupil factor, and 10% of the funding through a deprivation factor based on the proportion of pupils eligible for free school meals within the past six years (FSM6) in mainstream schools.

Local authorities will continue to be protected so that the maximum per pupil year-on-year reduction in funding for ongoing responsibilities is at -2.5%, while the year-on-year gains cap will be set at the highest affordable rate, of 2.98%.

On top of this, we have provided an additional £4 million to cover the exceptional increase in copyright licence costs in 2025 to 2026, as licences were updated following the increased use of digital technology. The additional funding each local authority will receive in respect of copyright licences will be calculated as 7.1% of their copyright licence costs in 2024 to 2025.

Further detail on the methodology used for the CSSB formula is set out in the [2025 to 2026 NFF CSSB technical note](#).

Historic commitments

Since 2020 to 2021, the element of funding within the CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014, has been gradually reduced.

We have decided to continue with this for 2025 to 2026. So, for those local authorities that receive it, historic commitments funding will continue to reduce by 20% on 2024 to 2025 allocations, the same rate as in previous years.

We will also continue to protect any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the long times over which such costs unwind. We invite local authorities in this position to contact the Department. Further information on this process is included in the [school funding operational guide](#).

The March 2025 DSG adjustment will include any protections to local authorities' central schools services block historic commitments funding, which have been applied for and approved by the Department.

Historic commitments are expected to unwind over time as contracts reach their end points. We retain the requirement in regulations that authorities spend no more on these commitments than they did in the previous year; therefore, with the approval of the schools forum, an authority can maintain spending in this area using other funding sources if they wish.

Equalities Impact Assessment

The Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 requires the Secretary of State to give due regard to achieving the following objectives in exercising their functions:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

We have considered the impact on persons who share any of the protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. We have focused on those protected characteristics for which the impact is largest, and which are most closely tied to the distributional policy choices we are making. We use incidence of SEND as a proxy for disability in this analysis, as the two are highly correlated, and ethnicity as a proxy for race.

The NFF was introduced in 2018-19 after significant consultation and a full equalities impact assessment was published at that time.² The design of the NFFs remains largely unchanged, and so we have focused this assessment primarily on the key policy changes that are being made in 2025 to 2026.

Schools NFF

Increases to factor values and the rolling in of grants into the schools NFF

The funding increases to the core factors in the NFF mean that all schools will attract more funding in 2025 to 2026 than they would have done without an increase.

We are rolling the TPAG, TPECG and CSBG into the schools NFF in such a way that the additional NFF funding schools and local authorities receive is as similar as possible to the funding they would receive if the grants were not rolled in. The methodology for rolling in the grants will therefore be expected to have a neutral impact on equalities. Nevertheless, as a result of the rolling in of the grants, different NFF factors are being increased by different amounts. The FSM6 factor is increasing the most (in percentage terms), followed by the basic entitlement, the lump sum and the minimum per pupil levels. Other additional needs factors are

² https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/supporting_documents/NFF_EqualityImpactAssessment.pdf

increasing by a lower proportion, since the previous grants used FSM6 as a proxy for additional needs more widely.

The exact impact on pupils and schools will depend on the local formulae, but on average:

- a) The FSM6 factor value is increasing by a higher proportion than other factors, and as a result, the proportion of funding allocated through the FSM6 factor in the schools NFF is increasing. This will have a positive impact on equalities as there is a positive correlation between pupils attracting FSM6 funding and pupils with SEND.
- b) The low prior attainment (LPA) factor and English as an additional language (EAL) factor will also rise, but by a lower proportion than some other factors. As there is a positive correlation between pupils attracting these factors and pupils with SEND and certain ethnic minorities, this will have a positive impact on equalities compared to if no increase had been made. However, the proportion of the schools NFF funding allocated through these factors is decreasing. In relative terms, the lower proportion of funding allocated through these factors would – on its own – have a slight negative impact on equalities.
- c) Schools funded through the funding floor will receive lower funding increases, on average, than other schools. These schools tend to be in urban areas and have a higher proportion of pupils from ethnic minority backgrounds because these areas are more ethnically diverse. They also have a higher occurrence of non-Christian faith schools. While these schools will see lower-than-average *increases* in funding in 2025 to 2026, they still have higher than average *levels* of funding. The lower-than-average funding increase for these schools is therefore necessary to overcome historic discrepancies in funding and ensure that funding is distributed fairly based on pupil needs and characteristics, including by ensuring that funding can be fairly directed to areas seeing relative increases in levels of deprivation and other additional needs.

Overall, we expect the equalities impact of the increases to the schools NFF factor values to be relatively neutral, in comparison with the 2024 to 2025 NFF. In particular, the higher than average increase in FSM6 funding (which has a positive effect on equalities) is expected to partly offset the impact of the lower than average increase to the LPA and EAL factors, as well as the funding floor.

Tightening of local formula rules

The requirements for local authorities to move their local formulae closer to the NFF follows the same approach as the previous two years.

The majority of local authorities do already mirror the NFF, so the tightening requirements for 2025 to 2026 will only affect the remaining 29 local authorities who do not currently mirror the NFF in their local formula.

Our expectation is that moving diverging formulae closer together will create a fairer and more consistent distribution of funding that is more closely aligned to need. However, the exact impact will depend on how local authorities respond to the tightening requirements, and how they use their remaining formula flexibilities.

Changes to the PFI factor

The changes to the PFI factor in 2025 to 2026 will only impact the local authorities whose schools have PFI agreements in place. It is very unlikely that these changes will have a disproportionate effect on those schools/LAs with a high proportion of pupils with protected characteristics, as PFI agreements were not made with any relation to pupil characteristics.

High needs NFF

We have considered the impact of the high needs distribution on children and young people who share any of the protected characteristics. We have focused particularly on those with SEND given the high level of correlation between young people with SEND and those with disabilities.

As for the mainstream schools NFF, the high needs NFF was introduced in 2018 to 2019 after significant consultation and a full equalities impact assessment³. We are distributing the funding for high needs through the high needs NFF and are not proposing any changes to the overall structure of the formula for 2025 to 2026. Therefore, we have focused this assessment primarily on the aspects of the formula that have changed for 2025 to 2026.

In recognition of the fact that all local authorities are facing some pressures on their high needs budgets, we are allocating increased funding through the high needs NFF amounting to an increase of almost £1 billion compared to the 2024 to 2025 allocations of high needs funding. The distribution of most of this increase through the high needs NFF will ensure that all authorities receive an increase in funding of between 7% and 10% per head of their 2-18 population, as follows:

- a) A funding floor set to 7%. Thus, the minimum gains in per-head funding a local authority can receive compared to 2024-25 will be 7%;
- b) A gains cap set to 10%. This is the limit in per-head gains that a local authority can receive compared to 2024-25; and
- c) Increased funding through the remaining proxy factors. We have distributed the remaining funding through the proxy factors. This is in line with how the formula has worked previously and means that local authorities will receive their share of this remaining funding based on the proxy factors of need. These include health and disability factors reflecting any changes in the proportion of

³ [The national funding formula for schools and high needs: equalities impact assessment \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/90444/the-national-funding-formula-for-schools-and-high-needs-equalities-impact-assessment.pdf)

the local population of 2-18 year olds whose families receive disability living allowance because they are disabled.

The proxy factors also include an amount of funding based on each local authority's previous spending, in 2017-18, so that funding can reflect patterns of provision and spending not otherwise captured through the formula and which take time to change.

The increase in funding for high needs in 2025 to 2026 will be much larger (in percentage terms) than the increase in funding through the mainstream schools NFF. As a result, and subject to local decisions on how the funding is spent in making special provision, this "tilt" in the overall funding increase to high needs is expected to have a positive equalities impact, by targeting funding specifically towards pupils with SEND. This funding distribution will enable local authorities to help them access the right educational provision and thereby address educational inequalities for those with SEND.

Central School Services Block NFF

The formula that allocates the central school services block funding is broadly unchanged for 2025 to 2026; we do not expect this to have an impact on different groups of pupils, including those with protected characteristics.

The reduction to funding for historic commitments will affect some local authorities' ability to continue to deliver certain central functions as they have previously – this is a continuation of our established policy to unwind these commitments. The nature of this expenditure, relating to a wide range of individual decisions by different local authorities, means the impact of the reduction is very variable – and we also expect that, because the reductions in historic funding have been implemented since 2020 to 2021, local authorities will have had time to mitigate negative impacts. Reducing this historic funding will address funding disparities to make the wider system fairer, so that educational provision for all pupils is based on need rather than historic decisions. Ultimately, prioritising funding for schools and high needs, which has significantly increased, benefits all areas and will respond to pupils' characteristics and needs.

Overall impact

There have been very few changes to either the schools or high needs NFF from 2024 to 2025. Our assessment is that how the available funding is distributed to mainstream schools and local authorities in 2025 to 2026 will not have an overall adverse impact on mainstream school pupils with protected characteristics and on those children and young people identified as having SEND (which includes those with disabilities).

With the current pressure in the SEND system, the high needs funding increase of almost £1 billion in 2025 to 2026 will enable local authorities to help those with SEND access the right educational provision and thereby address any potential educational inequalities that they might otherwise experience.

In some cases, the changes work in different directions. For example, with regard to the schools NFF the impact of increasing the funding directed towards the FSM6 factor is different to the impact of the lower funding increase to the EAL and the LPA factors, as well as for schools funded through the funding floor.

Overall, 18.0% of funding in the schools NFF is directed towards those with additional needs. This means that the distribution of funding in the schools NFF still significantly favours schools with high levels of additional needs, and therefore with higher incidence of pupils with certain protected characteristics, notably disability and ethnicity.

Annex A: The structure of the schools national funding formula (NFF) in 2025 to 2026

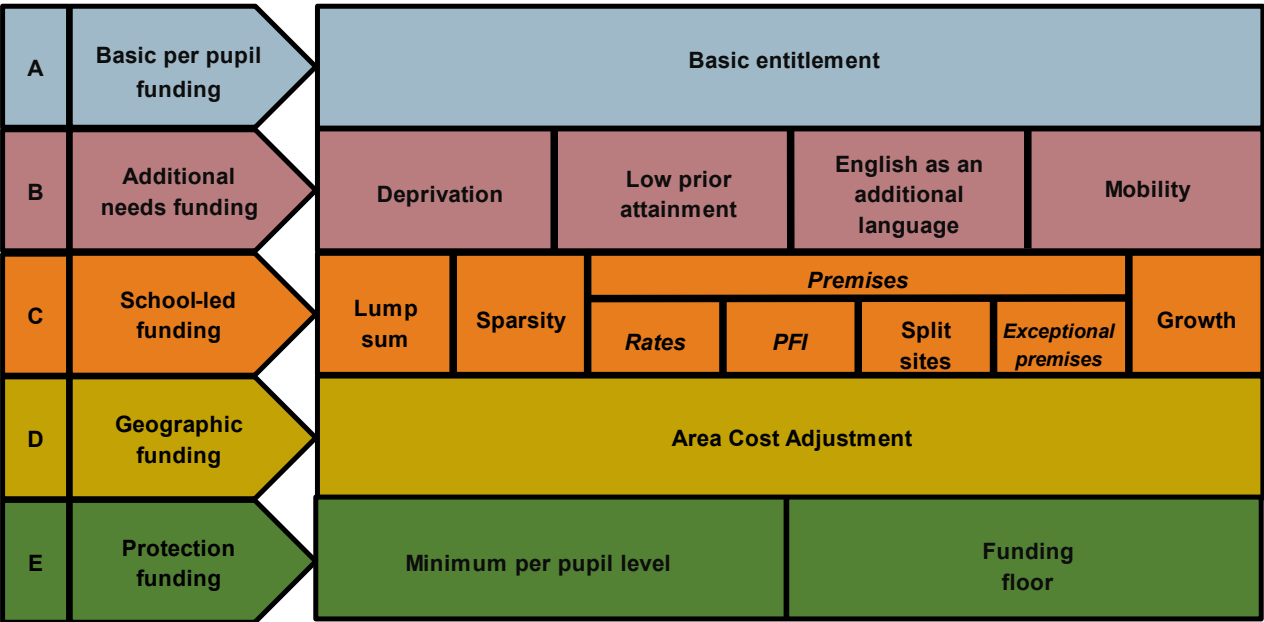
Overall design of the formula

The schools NFF determines how we distribute core funding for 5–16-year-old pupils in mainstream schools.

The formula determines the funding each local authority receives. Under the current approach, local authorities then set their own formulae to distribute that funding across maintained schools and academies in their area – subject to certain constraints.

The funding formula is made up of 14 factors, as illustrated in the diagram below.

Figure 1 - Current NFF Funding Factors



This figure illustrates the factors that are taken into account when calculating schools block DSG funding allocations through the NFF. It is not to scale.

Approximately 75.5% of the schools NFF funding is allocated through ‘pupil-led’ factors. The ‘pupil-led’ factors are determined by pupil numbers and pupils’ characteristics. The majority of this funding is allocated through the basic entitlement factor, which all pupils attract. The NFF allocates the rest of ‘pupil-led’ funding towards additional needs.

Evidence shows that pupils with additional needs are more likely to fall behind and need extra support to reach their full potential. This is why the NFF allocates

18.0% of all funding through additional needs factors based on deprivation, low prior attainment, English as an additional language and mobility.

Pupils attract funding for all the factors for which they are eligible. A pupil currently eligible for FSM attracts the amount provided through the FSM factor as well as the amount through the FSM Ever 6 factor. This also applies for children with any combination of multiple additional needs. That is not intended to imply that all such funding should be dedicated to the pupil who attracts it. An individual child who attracts deprivation funding, for example, may need more, or less support than the sum that they attract in the NFF. Rather, these additional needs factors are predominantly “proxy” factors, using the overall incidence of particular pupil characteristics to identify how much additional funding a school is likely to need, in total.

‘School-led’ funding is allocated through various factors according to a school’s characteristics. All schools attract a lump sum of £145,100. Small and remote schools attract additional support through the sparsity factor. Other school-led funding reflects costs associated with a school’s premises and overheads through four separate factors: rates, split sites, private finance initiative (PFI) and exceptional circumstances.

An area cost adjustment (ACA) is applied as a multiplier to formula allocations to reflect higher costs in some parts of the countries, due to differences in salary costs.

Finally, the formula offers two different forms of protections for schools:

- The minimum per pupil level guarantees a minimum amount of funding for every pupil. Any school whose formula allocation is below the minimum per pupil level receives a top up to the minimum levels.
- The funding floor protects schools from sudden drops in their funding, by ensuring that no school attracts less pupil-led per pupil funding compared to the previous year’s baseline.

The following sections give more detail on the design of the individual factors within the schools NFF.

Pupil-led factors

Basic entitlement

75.1% of the schools NFF is allocated through the basic entitlement, which every pupil attracts. The amount varies by age. In the 2025 to 2026 NFF pupils in Reception to Year 6 attract £3,847; pupils in Year 7 to Year 9 attract £5,422, and pupils in Years 10 and 11 attract £6,113.

Additional needs factors

Deprivation

The NFF allocates 10.7% of all its funding to deprived pupils. Pupil deprivation is based on three deprivation measures – current Free School Meal (FSM) eligibility, FSM eligibility at any time in the last 6 years (“FSM6”), and the level of deprivation in the postcode where the pupil lives, which is measured using the Income Deprivation Affecting Children Index (IDACI).

- FSM

Schools attract £495 for all primary and secondary pupils who are eligible for free school meals. This funding is broadly intended to cover the cost of providing free meals for each eligible pupil.

A pupil is eligible for FSM if they meet the criteria set out in: [Free school meals: guidance for schools and local authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/free-school-meals-guidance-for-schools-and-local-authorities).

- FSM6

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 the “FSM6” factor. Schools attract £1,060 for each primary pupil and £1,555 for each secondary pupil eligible for FSM6 funding.

- IDACI

IDACI funding is based on the IDACI 2019 area-based index measuring the relative deprivation of Lower-layer Super Output Areas (LSOAs). For the NFF, the IDACI ranks are divided into seven 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-F, with more funding directed to pupils in the more deprived bands⁴.

⁴ The boundaries of these bands are based on the proportions of LSOAs (small areas) in each band and are defined by rank.

Table 4: The IDACI bands are set out in the table below.

Band	A	B	C	D	E	F	G
Proportion of LSOAs in each band	2.5%	5%	5%	5%	10%	10%	62.5%
Primary unit value	£685	£520	£490	£445	£285	£235	£0
Secondary unit value	£950	£745	£695	£635	£450	£340	£0

Table 4 shows that 2.5% of LSOAs are placed in IDACI band A which attracts the highest funding, 5% in IDACI band B attracting the second highest level of funding, and so forth. 62.5% of LSOAs are in band G which does not attract any additional funding.

Low Prior Attainment

We are allocating 6.0% of the NFF in respect to pupils with low prior attainment (LPA).

Primary school pupils who have not achieved the expected level of development in the Early Years Foundation Stage Profile assessment (EYFSP) and secondary pupils who have not achieved the expected standard in Key Stage 2 at either reading, writing or maths attract £1,175 and £1,785 respectively⁵.

English as an additional language

The pupils eligible to attract funding through the NFF English as an additional language (EAL) factor are those recorded as having entered state education in England during the last three years, and whose first language is not English. 1.1% of the NFF is allocated through the EAL factor.

Schools attract £595 for all EAL-eligible primary pupils, and £1,595 for all EAL-eligible secondary pupils.

Mobility

0.2% of the total NFF funding goes to pupils eligible for mobility funding.

⁵ For 2020 where these assessments have been cancelled, schools are allocated funding based on the previous year's results.

The mobility factor supports schools in which a significant proportion of pupils join the school part way through the year.

Pupils are classed as mobile if they joined the school at a 'non typical' date within the last three years. Schools attract £965 for eligible primary pupils, and £1,385 for eligible secondary pupils, above a threshold of 6% of the schools' pupil numbers (i.e., where more than 6% of a school's pupil are classified as mobile).

School-led factors

Lump Sum

Every school attracts a lump sum of £145,100 through the NFF irrespective of its size or phase. The total spend on the lump sum represents 6.3% of the NFF.

Sparsity funding

0.2% of the NFF is allocated through the sparsity factor, for small and remote schools.

Eligibility for sparsity funding depends on the distance the pupils living closest to the school would have to travel to their next nearest school, and the average number of pupils per year group.

A school is eligible for sparsity funding if:

- For all the pupils for whom it is the nearest "compatible" school⁶, the average distance (as measured by road) from the pupils' homes to the second nearest compatible school is above the relevant distance threshold. The main distance thresholds are 3 miles for secondary schools and 2 miles for all other schools, with the distance threshold taper set at 20% below each threshold (2.4 miles at secondary, 1.6 miles for other schools).
- The average year group size is below the appropriate year group threshold. This threshold is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools.

Primary schools qualifying attract up to £57,400 and all other schools up to £83,400. Schools with a lower number of pupils attract a higher amount than those closer to the year group threshold. In addition, schools with a sparsity distance between the distance threshold taper and main distance threshold will attract some sparsity funding – tapered by both size and how far away from the main distance threshold they are. Of two schools of the same size, one closer to the

⁶ A compatible school means one of the relevant phases which a pupil could attend. Selective grammar schools are not considered when identifying the second nearest compatible school, but faith schools are included.

main threshold would receive more. The distance threshold taper mitigates the risk of year-on-year fluctuations in sparsity eligibility having a significant impact on a school's sparsity funding.

Premises

The NFF allocates funding to reflect the costs associated with a school's premises and overheads.

○ Rates

For local accounting purposes, rates funding allocations will continue to feature in NFF allocation publications for all schools. From 2022-23, the payment of business rates for local authorities whose billing authority or billing authorities are on the central payment system has been centralised, with the Department paying rates directly to billing authorities on behalf of schools. For local authorities whose billing authority or billing authorities are not on the central payment process, the Department will continue to allocate funding for business rates on a lagged basis, to enable schools to cover their liabilities.

○ PFI

In calculating a school's PFI funding, the lower of the LA's 2024 to 2025 PFI premises factor and the school's PFI funding from the 2024 to 2025 NFF is taken as the baseline for calculating the 2025 to 2026 PFI factor. This baseline is then uplifted in line with the Retail Prices Index excluding mortgage interest payments (RPIX) growth.

For schools whose contracts are coming to an end during the 2025 to 2026 financial year, funding is calculated on a pro-rata basis for the part of the year when the contract is still in place.

Exceptions are made where the Department has approved applications for higher increases from local authorities. Such applications are subject to certain criteria being met and must be supported by an affordability model substantiating the amount claimed.

○ Split Sites

The split sites factor targets extra funding to schools which operate across more than one site. Schools receive a £54,000 lump sum payment for each of their additional eligible sites – up to a maximum of three additional sites. On top of that, schools whose sites are separated by more than 100 meters receive distance funding. The distance funding varies depending on how far apart the sites are, up to a maximum of £27,000 for sites which are at least 500 metres away from the main site.

- Exceptional Circumstances

The exceptional circumstances factor is included in the formula so that, where local authorities have had approval from the Department to direct additional funding to a small number of schools with significant additional costs, this is taken into account when determining their funding. Local authorities receive funding for this factor on the basis of their spend in the previous year.

Area Cost Adjustment

The area cost adjustment (ACA) in the schools NFF reflects variations in labour market costs across the country by taking into account the general labour market trends and the particular salary variations in the teaching workforce.

It is a combination of:

- a) A teacher pay cost adjustment, to reflect the differences in the basic pay ranges between the four regional pay bands for teachers and
- b) A general labour market (GLM) cost adjustment, to reflect geographical variation in wage costs for non-teaching staff.

The NFF's ACA is calculated for each local authority by:

- a) Weighting the relevant teacher-specific cost adjustment in line with the national proportion of spend on teaching staff in mainstream schools (51.60%).
- b) Weighting the relevant GLM labour cost adjustment in line with the national proportion of spend on non-teaching staff in mainstream schools (28.87%).

Nationally the schools block ACA ranges between 1.00 and 1.18. Some local authorities – those that are partly in 'London Fringe' areas – have one ACA for schools in the fringe part of the authority, and a different ACA for the schools in the non-fringe area. Whether schools in these local authorities receive an uplift will depend on the local district area in which the school is located.

Protective elements of the NFF

Minimum per pupil levels

The minimum per pupil level (MPPL) guarantees a minimum amount of funding for every pupil. Any school whose formula allocation is below the MPPL receives a top up to the minimum levels.

The MPPL varies from school to school depending on the year groups they have. The unit values per year group are £4,955 for primary year groups, £6,221 for KS3

and £6,831 for KS4. Each school's MPPL is calculated as a weighted average of the number of year groups they have.

This means that the MPPL is £4,955 for primary schools, and £6,465 for secondary schools with year groups 7 to 11. And for middle schools and all-through schools, an MPPL is set based on the specific year groups that they educate.

The MPPL values are compulsory in local authority funding formulae, which determine actual funding allocations for maintained schools and academies. Academy trusts have flexibilities over how the funding they are allocated in respect of their individual academies is then distributed across academies in their trust. This means that, in some cases, an academy could receive a lower per pupil funding amount than the MPPL value. This may reflect, for example, activities that are paid for by the trust centrally, rather than by individual academies.

The funding floor

The funding floor ensures that a school's funding is protected year-on-year, preventing schools from seeing sudden drops in their funding even where the core formula factors indicate that their funding would otherwise be lower.

In 2025 to 2026, the floor is set at 0%. This ensures that no school will see a drop in the amount of pupil-led per pupil funding they attract, compared to the 2024 to 2025 "baseline". The baseline used for comparison includes funding from the 2024-25 NFF; funding from TPAG, TPECG and CSBG from 2024-25; as well as a further uplift to ensure that the 2024 teachers' pay award remains fully funded in 2025 to 2026.

Local authority funding formulae must include a minimum funding guarantee (MFG) that operates in a similar way to the funding floor. In 2025 to 2026, the MFG can be set between -0.5% and 0%.

Growth funding

In addition to the core funding allocated through the NFF, we also provide growth funding to local authorities to manage increases in pupil numbers. The NFF operates on a lagged funding basis whereby schools receive funding in a given year based on pupil numbers from the year before. Local authorities can use the growth funding they are allocated to support schools to manage an increase in pupil numbers before the lagged funding system has caught up.

Growth funding is distributed based on the actual growth that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the most recent October school census, and the census in the previous October.

Local authorities' growth funds can only be used to:

- Support growth in pre-16 pupil numbers to meet basic need.
- Support additional classes needed to meet the infant class size regulation.
- Meet the revenue cost of new schools.

Local authorities must continue to provide growth funding where a school or academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment).

Local authorities have to provide funding that is at least that calculated through using the following formula⁷:

$$\text{Primary Growth Factor value (£1,570)} * \text{Number of Pupils} * \text{ACA}$$

Funding for maintained schools is provided to cover the period from September to March before the lagged funding system 'catches up' from the subsequent April through the subsequent year's NFF. Since academies are funded on an academic year basis, they would receive additional funding (at a rate of an additional 5/7 of the allocation) to cover a full year's growth funding before the system 'catches up'.

Falling rolls funding

Alongside growth funding, we also allocate funding to local authorities on the basis of falling rolls.

Falling rolls funding is distributed on the basis of the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the most recent October school census, and the census in the previous October.

Local authorities will continue to have discretion over whether or not to operate a falling rolls fund within their local formulae. Where local authorities operate a fund, they will only be able to provide funding where the most recent school capacity data (SCAP) shows that school places will be required in 2025-26 and/or the subsequent two years.

⁷ The Primary Growth Factor value will be used as the factor value for all school types – recognising there is one teacher pay scale and that this funding is a minimum value.

Annex B: The structure of the high needs national funding formula (NFF) in 2025- to 2026

Overall design of the formula

The high needs NFF consists of a range of factors designed to indicate the level of need within a local authority. These can be seen in figure 2 below – and are unchanged from 2024 to 2025. The formula factors reflect both the nature of the local SEND system (reflecting local circumstances, for example, the number of special schools in the area) and the characteristics of the children and young people living in the area.

Figure 2 - The structure of the high needs NFF

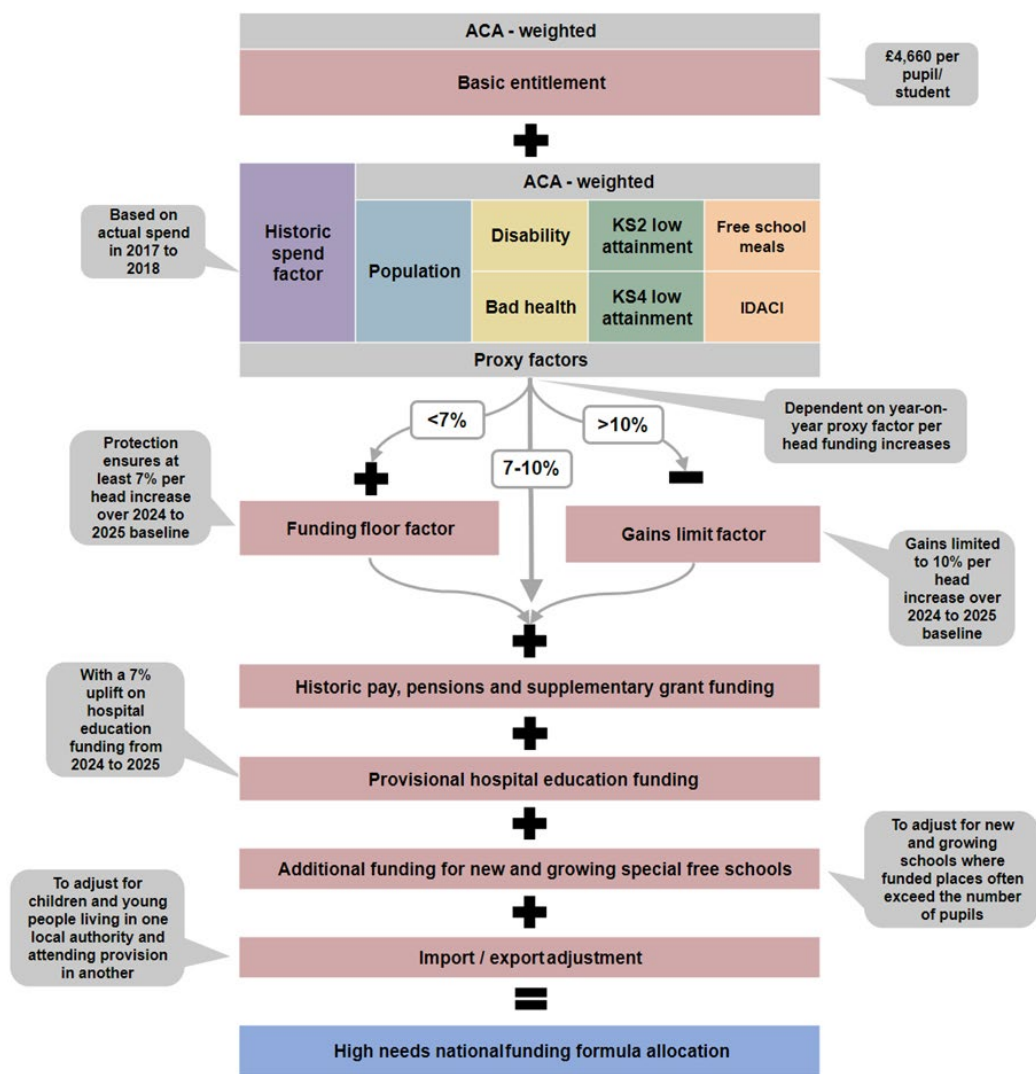


Figure 2 illustrates the formula factors that are used to calculate high needs funding allocations through the NFF. The diagram shows the range of factors which reflect the level of need in an area, as well as the funding floor and gains limit factors which ensure that all authorities receive in 2025-26 an increase in funding of between 7% and 10% per head of their 2 to 18 population.

The basic entitlement factor and the historic spend factor are designed to reflect aspects of the local SEND system:

- The basic entitlement factor gives a set amount of funding (£4,660) per pupil based on the number of pupils in special schools (including those in independent special schools), performing the same role as its counterpart within the mainstream schools NFF. The October 2023 school census data used for this factor will be updated using October 2024 data in the DSG allocations published in December 2024.
- The historic spend factor provides every local authority with a set percentage (50%) of their 2017-18 spending on high needs to reflect past spending patterns, given the constraints that the local demand for and supply of provision will continue to place on future spending. In the 2025 to 2026 NFF, the historic spend factor therefore remains at the same cash value as in 2024 to 2025, and is equivalent to an average of 25% of local authorities' provisional 2025 to 2026 NFF allocations. As part of our review of the NFF as a whole, we will continue to keep under review the significance of this factor in the formula, with a view to ultimately removing it altogether if alternative proxies for established patterns of the local demand for and supply of special and alternative provision become available in the future.

The proxy factors within the formula reflect the characteristics of the population within a local authority. We use proxy factors in the high needs NFF rather than prevalence of SEND or levels of education health and care (EHC) plans in each local authority. The population factor uses Office for National Statistics projections of the number of children and young people aged 2 to 18 living within a local area; and the 6 SEND and AP proxy factors allocate funding more specifically based on levels of attainment, deprivation and health/disability.

The weightings for each of these factors differ depending on whether the formula is providing a local authority with funding for SEND, AP or both. The weightings in each case, which are the same in the 2025 to 2026 formula as in previous years, can be seen in table 5 below.

Table 5: Factor weightings in the high needs NFF

Proxy factor type	Proxy factor	SEND weighting (90%)	AP weighting (10%)	Combined weighting
Population	Population factor	50%	50%	50%
Deprivation factors	FSM	8.33%	25%	10%
	IDACI	8.33%	25%	10%
Health and disability factors	Children in bad health	8.33%	0%	7.5%
	DLA	8.33%	0%	7.5%
Low attainment factors	KS2 low attainment	8.33%	0%	7.5%
	KS4 low attainment	8.33%	0%	7.5%

Table 5 illustrates the weightings for each of the proxy factors in the high needs national funding formula. The table highlights that the population factor receives the largest weighting, accounting for 50% of these elements of the funding formula. The other factor weightings reflect the extent to which the factors act as proxies for SEND, and the likely need for AP. A combined weighting is then shown for each factor.

Import/export adjustment

Apart from the basic entitlement factor (which reflects the number of children in special school places situated within a local authority, regardless of where the child lives), the high needs funding formula is designed to fund local authorities to meet the needs of children and young people who live in their area (regardless of where they are educated). The population and other proxy factors all use data inputs relating to the resident population rather than where they go to school or college.

Local authorities, however, face higher costs if they attract more pupils and students with high needs who live outside the local authority area into the school and college places that they fund (i.e. ‘imports’). Conversely, authorities that ‘export’ pupils and students to other school and college places in other local

authorities face lower costs. This is because the costs of place funding are borne by the local authority where the setting is located.

The import/export adjustment ensures the funding system reflects these differences in costs. It uses school census and individualised learner record (ILR) data on pupils and students who attract top-up funding. The calculation makes a comparison of the numbers occupying places in schools and colleges in the local authority area, for which that authority bears the cost of the places or core funding⁸, and those for whom the authority pays top-up funding wherever they receive their education. Where those two numbers are in balance the costs are neutral and therefore no adjustment is required to the funding through the formula. Where there are more imports than exports, or vice versa, a positive or negative adjustment is made, using a unit value of £6,000. This broadly represents the cost of the place funding, excluding the basic entitlement in special schools, or the equivalent in mainstream schools and colleges.

The amount of the adjustment included in the 2025 to 2026 high needs NFF allocations published in November 2024 is based on the January 2024 school census and the 2023/24 (R06) ILR data collected in January/February 2024. As in previous years, we minimise the lag between data and allocations by updating this adjustment during financial year. We will therefore use January 2025 school census data and the 2024/25 R06 ILR data collected early in 2025 to make the final adjustment for the 2025 to 2026 NFF through the DSG allocations.

Accurate recording of the relevant information in the school census and ILR is important to give local authorities confidence that their adjustment is being correctly calculated. The Department will publish this later data in May/June 2025, with an opportunity for local authorities to query significant data errors made by schools and colleges. As in previous years, guidance will be published on this process. In the meantime, the import/export adjustment amounts in the high needs NFF allocations published in November 2024, and the DSG high needs block allocations published in December 2024, will remain provisional with the final adjustments made in the DSG updates published in July and November 2025.

Further information on the factors within the high needs NFF can be found in the [2025 to 2026 high needs NFF technical note](#).

⁸ In the import/export adjustment calculation the Department is treated as the local authority responsible for the place funding for all non-maintained special schools and special post-16 institutions.



Department
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