



Guidance

Schools national funding formula (NFF) summary policy document for 2026 to 2027

Updated 4 August 2025

Applies to England

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1. Introduction

This document outlines key elements of the schools national funding formula (NFF) to support planning by local authorities, schools and academy trusts, ahead of the publication of the NFF allocations for 2026 to 2027. Detail on the high needs NFF for 2026 to 2027 will be published alongside the NFF allocations.

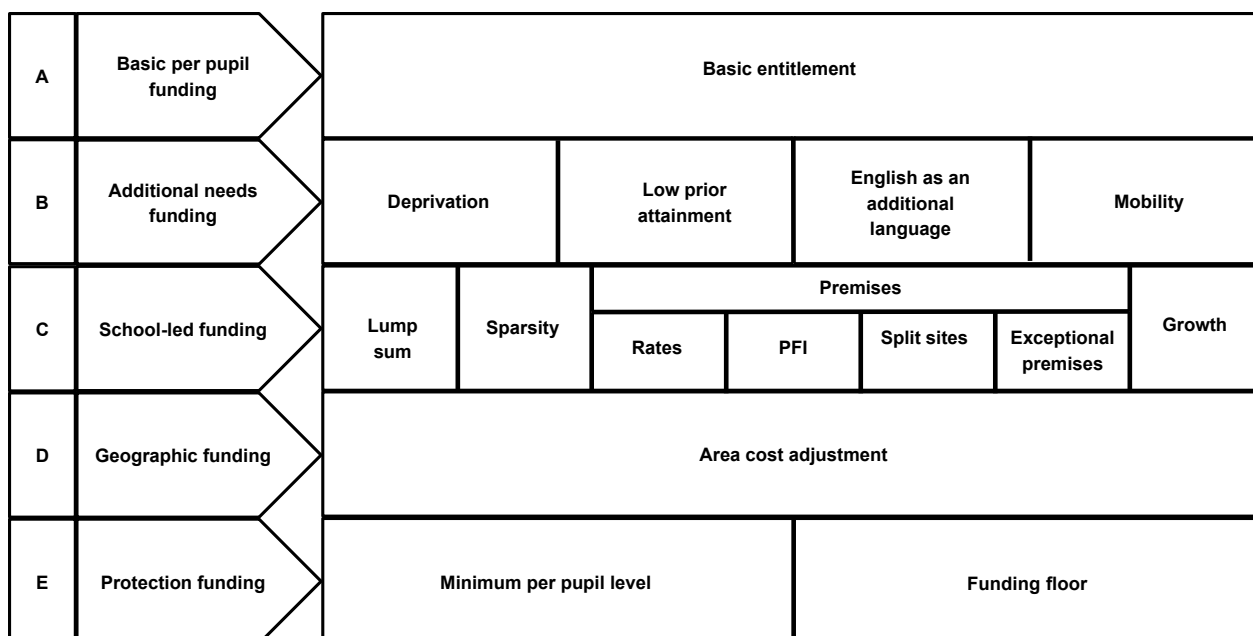
Specifically, this summary provides the structure of the schools NFF for 2026 to 2027, including which factors will be used and how they will operate, along with requirements on local authorities' funding formulae. We are publishing this information in advance of confirming the NFF factor values and NFF allocations for 2026 to 2027 to be published in autumn 2025.

In June 2025, the government announced that, starting from September 2026, free school meals (FSM) will be extended to all children in households receiving Universal Credit. For 2026 to 2027, we are not proposing any changes to the schools NFF to allocate funding for this expansion of FSM. Instead, the funding needed for the FSM expansion will be provided through a separate grant. Further details on how this grant will be calculated will be published separately in due course.

2. The structure of the schools NFF for 2026 to 2027

The 2026 to 2027 schools NFF will use the same factors as the 2025 to 2026 NFF. These are shown in the diagram below, and then explained in more detail:

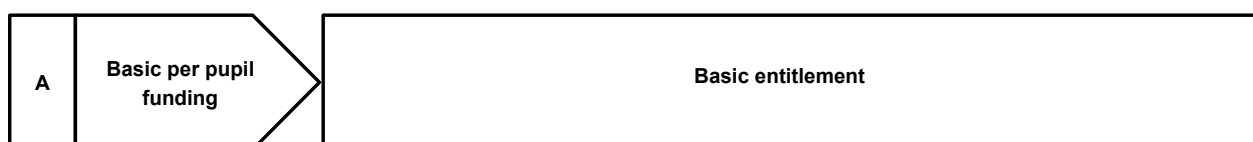
2.1 Figure one: provisional factor values in 2026 to 2027



This diagram, which is not to scale, illustrates the factors that are used when calculating schools block dedicated schools grant (DSG) funding allocations through the NFF.

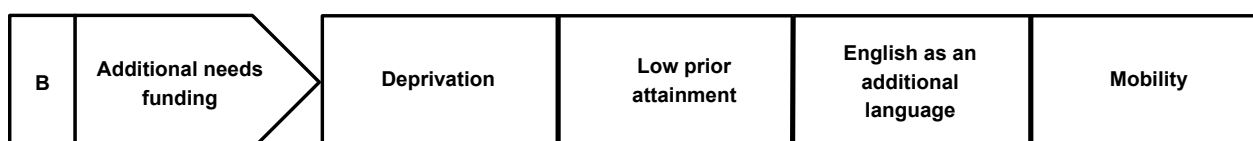
The individual NFF factors for 2026 to 2027 will operate in the same way as in 2025 to 2026.

2.2 Figure 2: basic entitlement factor for 2026 to 2027



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.

2.3 Figure 3: additional needs funding for 2026 to 2027



Additional needs funding – the NFF in 2026 to 2027 will continue to provide funding for pupils with additional needs, which will vary by phase (primary or secondary) unless noted, as measured by:

Deprivation

- 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. The value of this factor will not vary depending on the phase of the pupil
- free school meals Ever6 (FSM6) factor – all pupils who are recorded as eligible for free school meals, or who have been at any point in the last 6 years, attract funding through this factor. FSM and FSM6 pupil data will be taken from the October 2024 schools census, and will not reflect the recently announced expansion in FSM eligibility. As explained above, schools will receive funding for the costs of the FSM expansion through a separate grant outside the NFF
- income deprivation affecting children index (IDACI) – this funding is based on the 2019 area-based 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

Low prior attainment (LPA)

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 reading, writing or maths.

English as an additional language

Pupils would attract this funding if they entered state education in England during the last 3 years, and they have a first language other than English.

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).

2.4 Figure 4: school-led funding factors for 2026 to 2027



The school-led factors that will be used in the NFF for 2026 to 2027 are:

Lump sum

Each school attracts the same lump sum through the NFF irrespective of its size or phase.

Sparsity factor

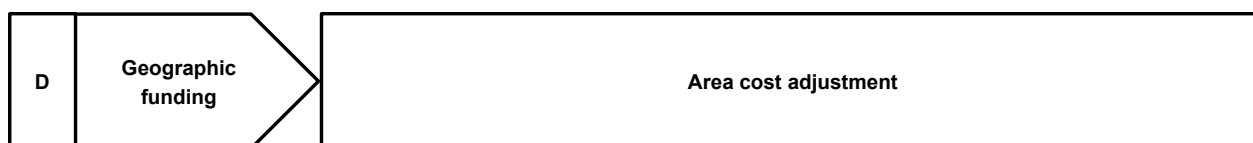
Eligibility for sparsity funding depends on the distance the pupils living closest to the school would have to travel to their next nearest appropriate same phase school, and the average number of pupils per year group. The distance thresholds, year group size thresholds, and operation of the distance and year group size tapers will remain as they were for 2025 to 2026. The value of this factor varies depending on the phase of the school.

Premises

The NFF in 2026 to 2027 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 DfE. Actual allocations to schools in those areas will not include funding for rates. All rates are based on actual costs
- private finance initiative (PFI) – the purpose of this factor is to fund the unavoidable additional costs to a school of being in a PFI contract. PFI factor funding is allocated to local authorities based on historic spend, subject to approval by DfE. Further information is available in the [private finance initiative \(PFI\) factor in the schools national funding formula \(NFF\) guidance](https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2025-to-2026/private-finance-initiative-pfi-factor-in-the-schools-national-funding-formula-nff-guidance) (<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2025-to-2026/private-finance-initiative-pfi-factor-in-the-schools-national-funding-formula-nff-guidance>)
- split sites – this factor targets extra funding to schools which operate across more than one site. 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 DfE to direct additional funding to a small number of schools with significant additional and atypical premises costs. Local authorities receive exceptional circumstances funding based on approved spend in 2025 to 2026

2.5 Figure 5: area cost adjustment for 2026 to 2027



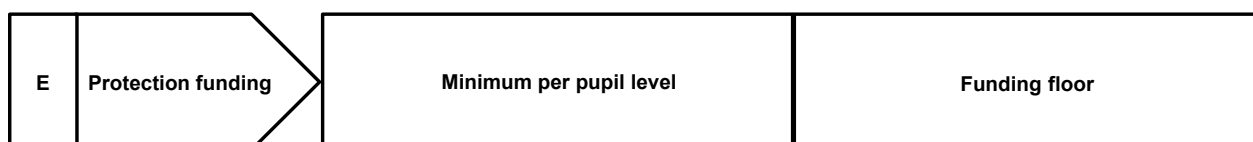
The area cost adjustment (ACA) in the schools NFF provides an uplift to the allocations for some local authorities to reflect variations in labour market costs across the country, based on the general labour market trends and the salary variations in the teaching workforce.

It is a combination of:

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

Some local authorities, those that are partly in 'London fringe' areas, will have one ACA for schools in the fringe part of the authority, and a different ACA for the schools in the non-fringe area. The level of uplift that schools in these local authorities receive will depend on the local district area in which the school is located.

2.6 Figure 6: funding protections for 2026 to 2027



We will continue to provide funding protections in 2026 to 2027:

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. The MPPL values are compulsory in local authorities' funding formulae that 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 excessive drops in their funding even where the core formula factors indicate that their funding would otherwise be lower. Local authorities' funding formulae must include a minimum funding guarantee (MFG) that operates in a similar way to the funding floor.

3. Rolling in previous grants

The schools budget support grant (SBSG) and the National Insurance contributions (NICs) grant will be rolled into the NFF for 2026 to 2027.

For these two grants, the funding will be rolled in following a very similar approach to previous grants. That is:

- 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
- 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
- adding cash amounts to the MPPLs for primary, key stage 3 and key stage 4 respectively, to reflect the average per pupil amount of funding that schools attracted through the preceding grants
- 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

For the NICs grant, the funding rolled in to the NFF will use the published funding rates directly.

For SBSG, however, we will take a slightly different approach to rolling in this funding to the NFF. This is because the total funding in the SBSG in 2025 to 2026 is calculated regarding 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 2025). Therefore, to roll in this funding, we will calculate the full year equivalent of the whole of the SBSG and then calculate new (higher) full-year equivalent funding rates from this new total. The cash values rolled into the NFF in 2026 to 2027 will then reflect these full-year equivalent funding rates. This is the same approach we took to rolling the previous core schools budget grant (CSBG) into the 2025 to 2026 NFF.

Table 1 below shows the amounts that we will add to the core factor values in the 2026 to 2027 NFF in respect of the grants. For the SBSG, this

represents the full-year equivalent amount. The ACA calculation will be applied to these factors, just as area cost adjustments (ACAs) are applied to the current grants, to reflect geographical variation in labour market costs.

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

Factor	NICs	SBSG	Total
Primary basic per-pupil	£78	£55	£133
Key stage 3 basic per-pupil	£68	£78	£146
Key stage 4 basic per-pupil	£77	£88	£165
Primary FSM6 per-pupil	£75	£49	£124
Secondary FSM6 per-pupil	£60	£72	£132
Lump sum	£2,400	£2,086	£4,486

Table 2 below shows the amounts that will be added to the MPPLs in the 2026 to 2027 NFF in respect of the grants. This also reflects the full-year equivalent uplift in respect of the SBSG grant.

Table 2: Minimum per pupil (MPPL) funding uplifts

MPPL	NICs uplifts	SBSG uplifts	Total
Primary MPPL	£93	£66	£159
Secondary MPPL	£83	£91	£174

The rolling in of these grants into the schools' notional NFF allocations will affect the core budgets that maintained schools will receive from April 2026, and that academies receive from September 2026. To avoid a gap in the support provided to academies, academies will receive further grant payments of the SBSG and NICs grant for the period April 2026 to August 2026.

4. Local authority formulae in 2026 to 2027

Local authorities will continue to be responsible for deciding local funding formulae for mainstream schools in their area for 2026 to 2027. The funding levels that schools – both maintained schools and academies – receive will be determined by the respective local formulae.

Local authorities must continue to move their local formula factor values at least a further 10% closer to the corresponding NFF values (the comparison is made after the latter is adjusted by the ACA), except where local formulae are already ‘mirroring’ the NFF. These criteria do not apply to rates, PFI or exceptional circumstances factors.

As in previous years, local factor values within 2.5% of the respective NFF values will be taken as ‘mirroring’ the NFF. This means that local authorities with factor values within +/- 2.5% of the NFF values in 2025 to 2026 can set their 2026 to 2027 factor values anywhere within +/- 2.5% of the 2026 to 2027 NFF values. Additionally, no local authority will be required to adjust their factor values closer than +/- 2.5% of the 2026 to 2027 NFF due to the 10% tightening requirement.

As part of the tightening requirements, local authorities are not allowed to ‘overshoot’ the NFF value by more than the 2.5% ‘mirroring’ threshold. As such, a local authority which had a local factor value below the NFF value in 2025 to 2026 should increase the local factor value in 2026 to 2027 to get closer to the NFF – but it cannot set the factor value more than 2.5% above the NFF value. Conversely, a local authority which had a local factor value above the NFF value in 2025 to 2026 cannot set that factor value more than 2.5% below the 2026 to 2027 NFF value.

For 2026 to 2027, there are 16 funding factors, most of which are mandatory for all local authorities. These mandatory factors remain unchanged from 2025 to 2026. The specific requirements for the values of these factors in local funding formulae will be confirmed when the NFF allocations are published.

Mandatory:

- basic entitlement
- FSM
- FSM6
- IDACI
- minimum level of per-pupil funding
- LPA
- English as an additional language
- pupil mobility
- sparsity

- lump sum
- London fringe (for the eligible authorities)
- split sites
- MFG

Optional:

- rates
- PFI contracts (with DfE agreement)
- exceptional circumstances (with DfE agreement)

5. Timeline

We plan to publish the NFF allocations and supporting documentation (including operational guidance) in autumn 2025 due to the multi-year spending review concluding in June 2025. We expect that the DSG allocations using the NFF will be published in December 2025 as in previous years.

The authority proforma tool (APT) will be released for local authority submissions in mid-December 2025 with a deadline return date towards the end of January 2026. This is like previous years. The APT will again be populated from schools block data, primarily drawn from the autumn 2025 schools census.

6. Disapplication

Each year, local authorities can submit requests to 'disapply' certain regulations governing their local funding formulae. These disapplications range from highly technical issues specific to individual schools to requests for transferring funds from the schools block to the high needs budget, which local authorities may see as crucial for managing their high needs cost pressures.

We encourage local authorities to submit disapplications as early as possible but all requests should be submitted by 17 November 2025. This is to ensure decisions are communicated back to local authorities prior to the APT submission deadline.

Please contact LA.Disapplications@education.gov.uk with any questions about a school's eligibility or to discuss any other request you are

considering making.

We will contact local authorities if the evidence provided to DfE is not sufficient. In order to build the strongest possible case for your request and allow us to respond by the APT deadline please provide all necessary supporting evidence in your initial request. If we need to come back to you requesting further information, it will increase the risk of us not being able to give you an answer before the APT deadline.

7. Block transfers

As in previous years, local authorities will be allowed to transfer up to and including 0.5% of the schools block into another block, with schools forum approval, without submitting a disapplication request. For a transfer exceeding 0.5%, or without schools forum approval, a disapplication request must be submitted to the Secretary of State.



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