

Consultation on the local School Funding Formula for Bath and North East Somerset Mainstream Schools for 2026-27

Closing Date: Friday 14th November 2025

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List of Appendices attached to the email with this Consultation.

Appendix 1 – 2026-27 Estimated total school block amount and the amount of the 0.5% to be transferred from the school's block to the high needs block

Appendix 2 – Estimated impact of transferring 0.5% from the school's block to the high needs block for 2026-27

Section 1 - Introduction

The DfE issued a summary policy document for 2026 to 2027 on the 4th of August 2025 to confirm the key elements of the schools national funding formula (NFF), prior to the publication of the delayed NFF allocations for 2026 to 2027. It was published to support LA's, schools and academy trusts in planning, by providing the structure of the NFF for 2026 to 2027 (that is the factors that will be used in the NFF, and how they will operate). This is in advance of the department confirming the NFF factor values and NFF allocations for 2026 to 2027.

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, the department will not be proposing any changes to the schools NFF to allocate funding for this expansion. Instead, the funding needed for the FSM expansion will be provided through a separate grant.

The 2026 to 2027 schools NFF will use the same factors as the 2025 to 2026 NFF and these individual NFF factors will operate in the same way as in 2025 to 2026. The structure of the schools NFF for 2026 to 2027 will use the pupil-led factors, the school-led factors and will continue to provide the minimum per pupil levels (MPPLs) as well as the funding floor funding protections.

2023-24 was the first year of transition to the direct schools NFF with the end point being a system in which, to ensure fairness and consistency in funding, every mainstream school in England will be funded through the same national funding formula without adjustment through local funding formulae.

Local Authorities must continue to engage in open and transparent consultation with all mainstream schools in their area, as well as with the school's forum, about any changes to the local funding formula including the principles adopted and any movement of funds between blocks.

The NFF for 2026-27 is yet to be issued by the DfE, however the summary policy document released on the 4th of August confirmed the key elements of the schools national funding formula (NFF), prior to the publication of the delayed NFF allocations for 2026 to 2027. These key changes which affect local formulae are described in Section 2 of this consultation.

This consultation will cover the:

- A. changes in the local authority school's formula for 2026-27 that will be used to fund all BANES mainstream schools and 2 consultation questions.
- B. Continuation of the utilisation of school block resources to support High Needs

The schools Forum will be consulted on the responses by schools to the questions in this consultation at the next meeting on the 2nd of December 2025.

Section 2 – Changes to schools funding formula for 2026-27 and consultation questions that need a response from schools.

The DfE have advised the following key changes to the 2026-27 NFF and that local authorities will be required to continue to bring their own formulae closer to the schools NFF which will not require schools' forum approval.

There are a few consultation questions to answer below regarding the rolling in of the 2 grants currently allocated outside the NFF in the schools NFF for 2026 to 2027 and the 0.5% transfer of funding from the schools' block to the high needs block.

2.1 Rolling in the 2 grants into the schools NFF in 2026-27:

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

The funding of these grants 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, the DfE 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, the DfE 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 that was taken for rolling in the previous core schools budget grant (CSBG) into the 2025 to 2026 NFF.

Table 1 below shows the amounts that the DfE 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

Factors	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.

The LA plan to allocate the above grants in the manner that they are received from the ESFA.

Question 1

Do you agree for the LA to roll in the 2 grants currently allocated outside the NFF into the 2026-27 schools NFF, using the same methodology that the DfE use to allocate the funds to the LA?

2.2 The DfE have not yet confirmed how much total funding the LA will receive and whether the total funding to be allocated will fully support the NFF methodology for 2026-27. The LA will have to anticipate that a **cap on gains** or a **scale back** of eligible factor values may need to be introduced to avoid any overspend in the school's block funding allocated to the LA. A cap on gains would restrict schools with the largest increases in funding however scaling back eligible factor values would restrict funding to all schools. It was agreed for in the previous years that the LA scale back eligible factors if the resources were not sufficient.

As there are only a few changes to the methodology, there will be relatively even distribution of gains and losses due to the formula changes (grants rolling into the NFF) it is therefore suggested that the scaling back of eligible factors would be the preferred option.

Question 2

Should resources allocated by the DfE for the LA schools block not be sufficient to support the NFF in full, should the LA either

Question 2.1 A) introduce a cap on gains for 2026-27 to restrict schools with the largest gains to balance the schools block allocation or

Question 2.2 B) scale back the value of all eligible factors?

Section 3 - Utilisation of Schools Block for High Needs

The DfE have delayed the announcement of the provisional allocations for the High Needs Block but have indicated that there will be limited changes to the funding regime for 26-27. The government publishes its high needs operational guidance annually. The details on the high needs NFF for 2026 to 2027 will be published alongside the NFF allocations.

It is likely that the DfE will use floors and caps of gains for the High Needs Block allocations as it did for the 2025-26 budget allocations (these resulted in a floor of 7% per pupil and a maximum gain of 10% per pupil). Local authorities are likely to be able to transfer up to 0.5% of their school's block funding into the high needs block with school's forum approval. Transfers above 0.5%, or any amount without school's forum approval will require Secretary of State Approval even if ministers agreed the same amount in the past two years.

Schools are aware that the high needs pressures in BANES are growing, and that the LA has entered a Safety Valve agreement with the DfE and have recently resubmitted a revision of that agreement to the DfE. The resubmission shows that the LA will overspend its High Needs Block budget allocation by £12.5m in 2025-26.

The Councils SEN strategy of increasing local provision will take time to generate the efficiencies anticipated. As part of the strategy, the LA is seeking the continuation of the 0.5% transfer of Schools Block funding to the High Needs Block.

The LA consulted with schools on the transfer of 0.5% from the school's block to the High Needs Block from 2018-19 to 2025-26. The Schools Forum agreed the transfer in each year following consultation. The resources that transferred in 2025-26 were £723k.

For 2026-27, it is not yet possible to calculate the exact figure that would be requested as the increase in the Schools Block has not been announced, but it is likely that the increase is likely to be in excess of 3% as the grants allocated to schools in 2025-26 amount to 0.50% of the school block funding. We estimate that the High Needs Block transfer would be approximately £747k.

The Local Authority is therefore proposing that a request should be made to the school's forum to continue the transfer of 0.5% schools block funding to the high needs block for 2026-27.

Question 3

Do you agree to extend the current arrangement of transferring **0.5%** of the Schools Block funding to the High Needs Block for 2026-27?

The estimated impact of transferring 0.5% from the school's block to the High Needs Block on each school's funding for 2025-26 is shown in **Appendix 1**. These estimated calculations have been complicated by the lack of accurate data about overall funding to the LA from the DfE for 2026-27, therefore the estimates have been generated using the 2025-26 same pupil numbers and factor data used in the formula calculations for 2025-26. Some assumptions have also been made which are detailed in the appendix.

It must be stressed that the figures shown in Appendix 1 are for LA modelling purposes only and schools should not use any of this information as part of their budget planning as the DfE have yet to confirm the final DSG allocations for 2026-27.

Question 4

Do you have any other comments you would like to make about the local National Funding formula for 2026-27?

Section 4 - How to respond to this consultation.

This consultation is being sent to all Head teachers at maintained schools and Chief Executive Officers of Academy Trusts

It is the LA's intention to take the responses received from either maintained schools or academy trusts, but to record the trust responses as a response for all schools in the trust. Therefore, if a trust has two secondary schools and five primary schools then their responses would be counted as seven schools in total.

If two responses are received from an individual school and its trust, then the trust responses will override the school response.

Responses to the consultation will be **required by Friday 14th November 2025** for the officers to process the responses to submit the LA school funding proposals to the school's forum meeting on 2nd December 2025 and if required for the LA to submit a disapplication request to the DfE.

An electronic response form has been attached to the email with the consultation. The form will allow you to make comments on the LA proposals. These views will be fed to the schools Forum who will make the final decision. Please return your completed electronic response forms to the email address below.

Should you have a question about the proposals could you also e-mail them to: -

SchoolsStrategic_FinanceTeam@bathnes.gov.uk

Your query can then be passed to the most appropriate officer.