Joint Report:
Director of Finance
Director of Education, Early Years and Skills

Item 4 – 2026/27 NFF Funding Announcements (Schools Block & Central School Services Block)

Schools Forum – 03rd December 2025

1 Purpose of the Report

1.1 This report provides an update on provisional funding allocations for the 2026/27 financial year through the Schools and Central School Services National Funding Formulae (NFF). It outlines key changes, compares allocations with 2025/26, and sets out next steps.

2 Schools Block & Central School Services Funding 2026/2027

2.1 The Department for Education (DfE) published information and indicative allocations for 2026/27 for the Schools and Central Schools Services Block on Wednesday 19th November 2025. The actual resources for 2026/27 will be known in late December so the position will change

2.2 The main features in the schools NFF for 2026 to 2027 are:

(a) Total provisional funding for mainstream schools through the schools NFF will total £50.90 billion in 2026 to 2027.

(b) The funding factors used in the 2026/27 national formulae remain the same.

(c) Funding for 2026/27 includes funding that was allocated in 2025/26 through the Schools Budget Support Grant (SBSG) and National Insurance Contributions (NICs) grant, which has been 'rolled in' to the schools NFF in 2026 to 2027 to help simplify the funding system.

(d) Almost all factor values have increased from 2025/26 to 2026/27. 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 Schools Budget Support Grant (SBSG) and the National Insurance Contribution (NICs) Grant from 2025 to 2026, as

highlighted in (b) above. On top of this, a further 2.11% increase has been applied to the basic entitlement; FSM6 values and the lump sum factors.

(e) A 2.11% increase has also been applied to the IDACI, Low Prior Attainment (LPA), English as an Additional Language (EAL), Mobility, Sparsity and Split Sites factors.

(f) A 1.66% uplift has been applied to the FSM factor in the NFF, in line with inflation forecasts.

(g) All primary schools will attract at least £5,115 per pupil, and all secondary schools at least £6,640 per pupil – the minimum per pupil funding levels incorporate the rolled in SBSG and NICs Grant funding, but no further percentage uplift has been applied for 2026/27.

(h) Premises funding for exceptional circumstances and business rates will continue to be given at the local authority level, based on the amounts reported by local authorities in their 2025 to 2026 local funding formulae.

(i) Local authority funding formulae must include a minimum funding guarantee (MFG) that works in a similar way to the funding floor. In 2026 to 2027, the MFG can be set between 0 % and -0.5%.

2.3 The main features in the Central Schools Services Block (CSSB) funding for 2026 to 2027 are:

(a) The total budget for ongoing responsibilities in 2026-27 is £379m. This includes the following funding streams given out separately in 2025-26, which have now been rolled in to the CSSB NFF:

- £22 million for centrally employed staff through the NICs grant;
- £17 million for centrally employed staff through the SBSG.

(b) The CSSB NFF continues to allocate funding to LAs for ongoing responsibilities using a pupil led formula. The formula uses two main factors:

- a basic per-pupil factor, through which LAs receive the majority of funding; and
- a deprivation per-pupil factor

(c) In 2026-27, for LAs that receive it, their historic commitments funding will be reduced by 20% compared to their 2025-26 baseline.

2.4 Table 1 below shows the funding for 2025/26 and a comparison to the provisional allocations for 2026/27 for the Schools & Central School Services Block.

Table 1 – Schools Block & Central Services School Block Funding 2025/26 to 2026/27

	2025/26 Actual £k	2026/27 Provisional £k	Change £k	
Schools Block	274,777	290,459	15,682	
CSSB:				
Historic Commitments	679	543	-136	
Ongoing Responsibilities	1,880	1,998	118	Includes £76k rolled in re NIC & SBSG
Total CSSB	2,559	2,541	-18	

3 Next Steps

3.1 The Schools Finance Team will be sending information to all schools in the next week re the proposed cash values to be used in the Schools Block budgets for 2026/27.

3.2 The DfE have not yet published details re the High Needs indicative NFF allocations and operational guide. They have confirmed they will publish the high needs operational guide alongside the High Needs NFF allocations in December.

4 Actions/ Recommendations

4.1 Schools Forum is requested to note the contents of the report.