

Committee report

Committee **SCHOOLS FORUM**

Date **16 JANUARY 2025**

Title **SCHOOL FUNDING FORMULA 2025/26**

Report of **DIRECTOR OF CHILDREN'S SERVICES AND DIRECTOR OF FINANCE**

EXECUTIVE SUMMARY

1. This report provides an update on the local school funding formula for 2025/26 following receipt of the December 2024 dedicated schools grant allocations including the October 2024 census impact. The principles and balancing of the formula directly link to discussions with Schools Forum at the December 2024 meeting, meetings with headteachers throughout the autumn term, and receipt of the final allocations.

SCHOOLS BLOCK ALLOCATION 2025/26

2. The dedicated schools grant (DSG) allocations for 2025/26 were confirmed by the Department for Education (DfE) on 18 December 2024 formalising previous announcements around the current funding settlement period. The final schools block allocation is included in the following table, compared against previously reported indicative figures, and can be found on the [DfE Website](#).

	Indicative £000	Final £000	Change £000
Allocation	96,009	93,658	2,350
Growth funding	0	241	241
Total Schools Block	96,009	93,900	2,109
Pupils used	15,091	14,695	396

3. The decreased basic allocation entirely resulted from an overall decrease in the number of pupils between October 2023 and October 2024, falling from 15,091 to 14,695 (in particular within the primary sector). Unlike in previous years, the DfE did not provide the Council with the modelling tool to estimate the Growth funding element for 2025/26. The final Growth funding allocation amounted to £241,383.
4. As the majority of funding is passported through the formula on a per pupil basis, there is no impact from the difference in final allocation on the previously discussed

proposals to setting the local formula.

5. As in previous years for the schools' block, the DfE calculate notional allocations for all schools in a local authority area using October 2024 pupil characteristics and use these to confirm Primary and Secondary Units of Funding (PUFs and SUFs). These are then multiplied by the actual pupil numbers included in the October 2024 census to determine the final allocation for the Isle of Wight.
6. The most significant movement in October 2024 pupil characteristics proportions that impacted on the affordability of the funding formula for 2025/26 financial year are in the following areas: English as an additional language (0.65%), low prior attainment in primaries (0.95%), Free school meals (1%), English as an additional language (0.38%) and Free school meals Ever 6 (0.6%) in secondaries.

FINAL LOCAL FUNDING FORMULA

7. The overarching theme and consensus from consultation work completed through the autumn, was to set the local formula using the national funding formula values avoiding future turbulence when the direct national funding formula (NFF) is implemented. Appendix A details the values, which are identical to those used throughout the consultation and indicative modelling process, and ultimately allow for increases in funding rates for all schools.
8. The final decision on setting the Isle of Wight schools' funding formula for 2025/26 is taken by the Isle of Wight Council Cabinet at a meeting on 9 January 2025. The formula is still significantly shaped through consultation with the Schools' Forum and the wider schools' community, and the following key principles, assumptions and decisions are a culmination of meetings and engagement through 2024.
 - a) The 2024/25 Teachers' Pension Contribution, Teacher's Pay Additional Grants and Core School Budget Grant have been rolled into the national funding formula adding an amount representing the grant into school baselines across some key factors such as basic entitlement and lump sum.
 - b) NFF values have been increased (on top of the rolled in grants) by in the region of 0.5%, slightly higher for Deprivation FSM, Deprivation – Ever 6 FSM, English as an additional language for primaries.
 - c) Continuation of a local formula for growth and falling roll funding. Minimum funding level introduced for growth funding in 2024-25 when additional classes (driven by basic need) are required.
 - d) Some technical changes to the split sites factor which was first introduced in the 2024 to 2025 NFF. In particular, the transitional floor protection that was included in 2024 to 2025 has now been removed.
 - e) Local authorities continue to be able to transfer up to 0.5 per cent to the high needs block in line with operational guidance limits with Schools Forum support, to contribute towards specific initiatives within the high needs area.

- f) Minimum funding guarantee (MFG) has been set to the highest level of protection ensuring all schools receive a minimum increase of +0.0%. Protection is required for 8 schools in 2025/26 financial year with the adjustment totaling £61,360. Information on schools eligible to MFG protection included in Appendix B.

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Rate	+0.50%	+0.50%	+0.50%	+0.50%	+0.0%
Total Value	£158,236	£3,141	£0	£23,411	£61,360
Number of Schools	9	1	0	5	8

- g) School Forum endorsed the exceptional premises factor application for Medina College dual use arrangement within 2025/26 funding formula in November 2024. The disapplication request was submitted to the DfE within the timescale and in the required format however the request was rejected on the basis that utilizing council owned facility no longer qualify for exceptional premises factor funding as per the updated guidance for 2025/26. The DfE confirmed there is no route to appeal this decision. The exceptional premises factor has been removed from local funding formula in 2025/26.
- h) Schools Forum agreed in November 2024 to use the Growth factor allocation in the formula for Growth fund in 2025/26 and high needs transfer of 0.5%. If the formula is not affordable due to movement in pupil characteristics, high needs transfer and growth fund requirement, the capping and scaling mechanism in the formula will be used to balance to the schools' block allocation.

RECONCILIATION OF THE FINAL (DECEMBER 2024) SCHOOLS BLOCK

9. The following table details how the funding will be distributed for 2025/26 and based on the principles agreed in November Schools forum following consultation with the schools.

	2025/26 (£)
Schools block allocation (excluding growth)	93,658,282
Growth and falling roll factor allocation	241,383
Total Schools Block Allocation (December 2024)	93,899,665
Growth fund	192,577
Transfer to high needs 0.5%	469,498
TOTAL FUNDING FOR DISTRIBUTION	93,237,590

10. To balance the formula to the allocation, the gap of £619,561 was managed through the capping and scaling mechanism. Per pupil gain above 0.0% (MFG) is scaled back by 74.95%, resulting in an average reduction of 0.7% to schools' budget. Cash impact on individual schools is included in Appendix B.
11. The final DSG allocation resulted in the average per pupil increase in funding of 0.83% compared to 2024/25 funding. The sector increases are shown in the table below.

Sector	2024/25 Baseline incl. notional 12m CSBG, TPECG and TPAG grants	2025/26 Final	Change	% Change
All-through	£6,805.07	£6,851.59	£46.53	0.68%
Primary	£5,597.92	£5,659.11	£61.19	1.09%
Secondary	£7,257.03	£7,285.70	£28.67	0.40%
Grand Total	£6,292.44	£6,344.85	£52.41	0.83%

12. The variation in the level of increase between sectors is entirely pupil characteristics related. Increase in the English as an additional language and Lower prior attainment factor proportions in primary schools were the main contributors towards slightly higher funding in this sector.

NEXT STEPS

13. The DfE require the funding formula to be submitted on 22 January 2025. Following their compliance checks, and a period of call in after the political ratification on 9 January, the local authority should be in a position to communicate individual budget shares to schools the week commencing 24 February 2025 in line with the DfE's deadline of 28 February.

RECOMMENDATIONS

1. That Schools Forum notes the Isle of Wight local school funding formula for 2025/26.

APPENDICES ATTACHED

Appendix A – 2025/26 Final Local School Funding Formula

Appendix B – Mainstream Cash Changes and MFG Adjustments.

BACKGROUND PAPERS

Schools Forum - Paper C 2025-26 School Funding

Contact Point: Irina Rowan, Senior Finance Business Partner – Childrens Services, Isle of Wight Council, ☎ 01983 821000 e-mail: irina.rowan@iow.gov.uk

ASHLEY WHITTAKER
Director of Children's Services

CHRIS WARD
Director of Finance

APPENDIX A

Isle of Wight 2025/26 School Funding Formula (final values December 2024)

The final funding formula is included below. For reference, the current 2024/25, restated baseline (with additions from grants and CSBG uplift), and 2025/26 NFF values are also shown:

			NFF	Isle of Wight				FINAL Formula	Change	
Funding Type	Factor	Phase	2025/26 Values (after area cost adjust)	Current 2024/25 value	Additions to baselines from grants and CSBG uplift	Current 2024/25 baseline before area cost adjustment	2024/25 Baseline after area cost adjustment	FINAL 2025/26 value	£	%
Basic Per Pupil Funding	AWPU	Primary	£3,904	£3,562	£264	£3,826	£3,883	£3,904	£21	0.5%
		Secondary KS3	£5,502	£5,022	£371	£5,393	£5,473	£5,502	£29	0.5%
		Secondary KS4	£6,203	£5,661	£419	£6,080	£6,170	£6,203	£33	0.5%
	Minimum Per Pupil Level	Primary	£4,955	£4,610	£319	£4,929	£4,929	£4,955	£26	0.5%
		Secondary KS3	£6,221	£5,771	£414	£6,185	£6,185	£6,221	£36	0.6%
		Secondary KS4	£6,831	£6,331	£462	£6,793	£6,793	£6,831	£38	0.6%
Additional Needs Funding	Deprivation - FSM	Primary	£502	£490	£0	£490	£497	£502	£5	0.9%
		Secondary	£502	£490	£0	£490	£497	£502	£5	0.9%
	Deprivation - Ever 6 FSM	Primary	£1,076	£820	£233	£1,053	£1,069	£1,076	£7	0.7%
		Secondary	£1,578	£1,200	£345	£1,545	£1,568	£1,578	£10	0.6%
	Deprivation (IDACI - Primary)	Band A	£695	£680	£0	£680	£690	£695	£5	0.7%
		Band B	£528	£515	£0	£515	£523	£528	£5	1.0%
		Band C	£497	£485	£0	£485	£492	£497	£5	1.0%
		Band D	£452	£445	£0	£445	£452	£452	£0	0.0%
		Band E	£289	£285	£0	£285	£289	£289	£0	0.0%
		Band F	£238	£235	£0	£235	£238	£238	£0	0.0%
	Deprivation (IDACI - Secondary)	Band A	£964	£945	£0	£945	£959	£964	£5	0.5%
		Band B	£756	£740	£0	£740	£751	£756	£5	0.7%
		Band C	£705	£690	£0	£690	£700	£705	£5	0.7%
		Band D	£644	£630	£0	£630	£639	£644	£5	0.7%
		Band E	£457	£450	£0	£450	£457	£457	£0	0.0%
		Band F	£345	£340	£0	£340	£345	£345	£0	0.0%
	EAL	Primary	£604	£590	£0	£590	£599	£604	£5	0.9%
		Secondary	£1,619	£1,585	£0	£1,585	£1,608	£1,619	£11	0.7%
	Mobility	Primary	£979	£960	£0	£960	£974	£979	£5	0.5%
		Secondary	£1,405	£1,380	£0	£1,380	£1,400	£1,405	£5	0.3%
	Low attainment	Primary	£1,192	£1,170	£0	£1,170	£1,187	£1,192	£5	0.4%
		Secondary	£1,811	£1,775	£0	£1,775	£1,801	£1,811	£10	0.5%
School Led Funding	Lump Sum	Primary	£147,246	£134,400	£9,921	£144,321	£146,456	£147,246	£790	0.5%
		Secondary	£147,246	£134,400	£9,921	£144,321	£146,456	£147,246	£790	0.5%
	Sparsity	Primary	£58,249	£57,100	£0	£57,100	£57,945	£58,249	£304	0.5%
		Secondary	£84,633	£83,000	£0	£83,000	£84,228	£84,633	£405	0.5%
	Split sites	Basic & distance	£82,198	£80,600	£0	£80,600	£81,792	£82,198	£406	0.5%
	Premises / Other			Actual costs	0		Actual cost	Actual costs		

Mainstream Cash Changes, impact of MFG protection and capping and scaling.

School Name	2024/25 Post MFG budget incl notional 12 months CSBG, TPAG, TPEGC	2025/26 Final pre MFG Budget	MFG Protection	Capping and scaling	2025-26 Post MFG budget	Cash Change between 2024/25 and 2025/26	Cash change %	NOR change %
Cowes Primary School	£831,759	726,258		-8,154	£718,105	-£113,654	-15.6%	-27
Gatten and Lake Primary School	£1,195,152	1,213,173		-20,394	£1,192,779	-£2,373	-0.2%	-5
Godshill Primary School	£866,868	848,552		-5,223	£843,329	-£23,539	-2.8%	-6
Gurnard Primary School	£2,137,154	2,133,270			£2,133,270	-£3,884	-0.2%	-5
Nettlestone Primary School	£1,094,363	1,057,845		-2,406	£1,055,439	-£38,924	-3.7%	-10
Newchurch Primary School	£1,096,967	1,140,257		-14,574	£1,125,682	£28,715	2.5%	4
Barton Primary School	£1,619,453	1,592,300	5,843		£1,592,300	-£27,153	-1.7%	-5
Nine Acres Primary School	£2,213,218	2,259,851		-3,464	£2,256,387	£43,170	1.9%	8
Niton Primary School	£1,082,964	1,079,863		-17,475	£1,062,388	-£20,576	-1.9%	-8
Hunnyhill Primary School	£1,974,461	1,956,226		-6,667	£1,949,559	-£24,902	-1.3%	-7
Haylands Primary School	£2,030,534	2,100,023	13,034		£2,100,023	£69,489	3.3%	13
St Helens Primary School	£595,406	599,186		-5,523	£593,663	-£1,742	-0.3%	-1
Wootton Community Primary School	£1,088,655	1,140,757		-23,873	£1,116,883	£28,229	2.5%	3
Wroxall Primary School	£787,148	716,302	385		£716,302	-£70,845	-9.9%	-15
Broadlea Primary School	£1,383,543	1,362,312		-4,482	£1,357,830	-£25,713	-1.9%	-6
Binstead Primary School	£1,087,790	1,118,246		-18,216	£1,100,029	£12,239	1.1%	1
Greenmount Primary School	£1,886,227	1,802,681		-12,790	£1,789,891	-£96,336	-5.3%	-22
Summerfields Primary School	£1,154,260	1,178,795	5,509		£1,178,795	£24,535	2.1%	5
Dover Park Primary School	£1,195,244	1,225,242		-2,185	£1,223,058	£27,814	2.3%	5
Queensgate Foundation Primary	£2,188,894	2,164,298		-4,087	£2,160,211	-£28,683	-1.3%	-6
Arreton St George's Church of England (Aided) Primary School	£789,772	600,419		-22,227	£578,193	-£211,579	-35.2%	-52
Bembridge Church of England Primary School	£1,056,785	1,016,392		-11,145	£1,005,248	-£51,537	-5.1%	-12
Brading Church of England Controlled Primary School	£1,012,447	963,382		-20,703	£942,679	-£69,768	-7.2%	-15
Carisbrooke Church of England Controlled Primary School	£2,031,507	1,994,733		-495	£1,994,238	-£37,269	-1.9%	-8
Shalfleet Church of England Primary School	£976,505	988,627		-7,196	£981,431	£4,926	0.5%	0
Brighstone Church of England Aided Primary School	£567,093	581,634		-4,273	£577,361	£10,268	1.8%	2
Oakfield Church of England Aided Primary School, Ryde	£1,357,431	1,245,830		-19,633	£1,226,197	-£131,234	-10.5%	-25
Freshwater & Yarmouth Church of England Aided Primary School	£929,701	1,046,621		-11,158	£1,035,462	£105,761	10.1%	10
St Mary's Catholic Primary School	£1,014,263	988,529		-36,369	£952,160	-£62,103	-6.3%	-16
St Saviour's Catholic Primary School	£801,127	729,341	65		£729,341	-£71,786	-9.8%	-15
Holy Cross Catholic Primary School	£865,217	874,259	16,532		£874,259	£9,043	1.0%	0
St Thomas of Canterbury Catholic Primary School	£1,122,620	1,117,347	5,711		£1,117,347	-£5,274	-0.5%	-1
Newport Church of England Aided Primary School	£1,569,486	1,579,363		-17,247	£1,562,115	-£7,371	-0.5%	-3
Christ The King College	£6,484,514	6,853,605		-47,699	£6,805,905	£321,391	4.7%	42
The Bay Church of England School	£8,887,418	8,741,799		-67,682	£8,674,117	-£213,301	-2.4%	-40
St Blasius Shanklin CofE Primary Academy	£1,110,083	1,069,745	14,281		£1,069,745	-£40,338	-3.8%	-8
St Francis Catholic and Church of England Primary Academy	£1,061,428	1,077,449		-22,452	£1,054,997	-£6,431	-0.6%	-3
Northwood Primary School	£1,054,995	1,043,306		-1,920	£1,041,386	-£13,609	-1.3%	-3
Lanesend Primary School	£2,292,804	2,196,191		-14,577	£2,181,614	-£111,190	-5.1%	-23
Ryde Academy	£9,797,079	9,786,539		-47,978	£9,738,560	-£58,519	-0.6%	-13
The Island Free School	£4,442,523	4,456,030		-29,596	£4,426,434	-£16,089	-0.4%	-4
Cowes Enterprise College, An Ormiston Academy	£7,828,478	7,273,274		-39,904	£7,233,370	-£595,108	-8.2%	-92
Medina College	£6,023,609	5,825,228		-8,128	£5,817,101	-£206,508	-3.5%	-28
Carisbrooke College	£4,372,292	4,392,070		-39,664	£4,352,406	-£19,886	-0.5%	-5
	£94,959,235	£93,857,151	£61,360	-£619,561	£93,237,590	-£1,721,645		-£396

Increasing	12
Decreasing	31
TOTAL SCHOOLS	43

