

Date: 25 February 2025

Headteachers and Chairs of Governors

**Finance Service
County Hall
New Road
OXFORD
OX1 1ND**

Lorna Baxter
Executive Director of Resources
(Section 151 Officer)

Dear Headteacher and Chair of Governors

Re: Formula Funding 2025-26 and Three-Year Budget Planning

I am pleased to confirm that Individual Schools' Budget information for 2025-26 have been published on the Local Authority's Intranet on the Schools Budgets and Financial Planning page. Please follow the path below to access this information.

[Budget and financial planning | Schools \(oxfordshire.gov.uk\)](https://www.oxfordshire.gov.uk/schools/budgets-and-financial-planning)

Where a school believes it is not able to submit a balanced budget, it must contact and submit a draft budget plan to EFS by 31 March 2025, or earlier if possible. The local authority will work with those schools in seeking a balanced budget.

Oxfordshire continues to implement the National Funding Formula.

Compared to 2024-25, the national changes to formula factors for 2025-26 are as follows:

- Rolling the 2024 to 2025 teachers' pay additional grant (TPAG), the teachers' pensions employer contribution grant (TPECG) 2024, and the core schools budget grant (CSBG) into the NFF.
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the TPAG & TPECG basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- Further increases to NFF factor values (on top of the amounts added for the TPAG, TPECG and annualised CSBG), as can be afforded following the settlement of the core schools budget for 2025 to 2026.
- 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. That protection was only needed in 2024 to 2025 to ensure that any school losing out from the formularisation itself was protected through the NFF floor.

Further details about the development of the funding formula can be found in the Schools Forum papers, which are published on our public site and can be located by following the link below:

<https://www.oxfordshire.gov.uk/cms/content/oxfordshire-schools-forum>

Union Duties Contribution – Maintained schools only

For maintained schools the charge for 2025-26 will be £1.36 per pupil based on the school's October 2024 census return. The budget planner has been amended so that the annual Union Duty contribution is adjusted through allocated budget totals, rather than through recharges.

School Improvement Grant – impact on Maintained Schools only

Following consultation with all schools, School Forum at the meeting on 20th January 2025 agreed the level of de-delegation for School Improvement at £9.06 per pupil for maintained schools.

The adjustment is made through the budget planner.

Formula funding figures for your school are based on data supplied by the ESFA as at the October 2024 census count. The October 2024 pupil numbers for your school will be included in the data uploaded to the budget planning tool, but you will need to review numbers for future years and update accordingly.

In order to complete your budget plan for 2025-26 to 2027-28 you will need information about other sources of funding, this is contained within the Budget Guidance on the intranet schools budget page.

Planning for Future Years

The local authority school budget planning process covers the three-year period 2025-26 to 2027-28. The first year's information is in accordance with the DSG settlement announced by the DfE.

For future years, we have assumed a minimum increase for future years of 0.5%.

Changes in pupil numbers remain the key driver of change for funding levels. Other sources of funding such as grants should be assumed to remain at the same level unless schools are aware of changes in those pupils who qualify for this funding. It is important, however, that schools consider a number of "what if" scenarios in budget modelling for future years. For example, it would not be advisable to use one-off additional funding to pay for additional permanent staffing, as this could potentially be unsustainable in future years. Further information will be issued about future years as it becomes available.

Submission of Budget

In accordance with the Scheme for Financing Schools, schools are required to submit a balanced or in surplus budget plan covering the three-year period 2025-26 to 2027-28 to the local authority. The statutory deadline to submit your school's Governing Body approved budget to the local authority via Education Financial Services (EFS) is 2 May 2025 (for Special schools 9 May 2025), as agreed with Schools Forum. Where a school believes it is not able to submit a balanced budget, it must contact and submit a draft budget plan to EFS by 31 March 2025, or earlier if possible. The local authority will work with those schools in seeking a balanced budget.

May I remind schools that there is no right to a deficit budget under the above Scheme. A deficit is only allowed with the permission of the Director for Children's Services and the Chief Finance Officer. Conditions relating to the approval of a deficit budget are set out in the Scheme for Financing Schools, Section 4.

Schools with existing deficits and still forecasting a deficit at 31 March 2025 must continue to work closely with their EFS contact officer in order to set an agreed budget for 2025-26.

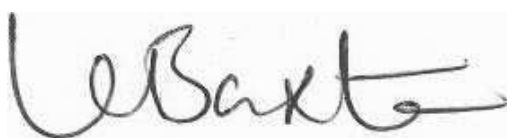
EFS will be contacting schools with details of budget surgeries. In order to make the most of the surgeries it is important that you have completed as much work as possible.

Please bring the content of this letter to the attention of all those involved in the construction of the school's budget plans.

I hope the above and links to the Intranet are useful to you, but if you require any further help or guidance on budget construction, please contact your EFS Finance Adviser directly.

We look forward to receiving your governor approved budget.

Yours sincerely



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