



# OXFORDSHIRE COUNTY COUNCIL

## Guide to Schools Funding and Finance 2025-26 and Onward

(version 1.0 – February 2025)

### NOTES:

This document is intended for maintained schools in Oxfordshire only.

This document will be updated as further information becomes available.

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## 1 Introduction

In addition to the information included in this guide the Local Authority have written to schools regarding Formula Funding for 2025-26 and Three-Year Budget Planning. Individual Schools' Budget information for 2025-26 has been published on the Local Authority's Intranet on the Schools Budgets and Financial Planning page.

## 2 Core Schools Budget Grant (CSBG) & Teacher Pay Grants

The 2024 to 2025 Teachers' Pay Additional grant (TPAG), Teachers' Pension Employer Contribution grant (TPEG) and Core Schools Budget grant (CSBG) has been rolled into the schools national funding formula (NFF).

Further information can be found on the link below on the incorporation of grant into NFF as from 2025-26:

- [National funding formula for schools and high needs 2025 to 2026 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

## 3 Early Years National Funding Formula (EYNFF) and LA Maintained Nursery Schools and Classes

On 10<sup>th</sup> December 2024, the government announced a 4.1% increase in the 3- and 4-year-old Early Years funding rate, a 3.3% increase in the 2-year-old hourly rate and a 3.3% increase in the 9 months to 2-year-old hourly funding rate. From 01 September 2025, the 15 hours per week entitlement for 2-year-olds and 9 months to 2-year-old children will be extended to 30 hours per week.

This section sets out the provision for Oxfordshire for 2025-26:

- Further details of the Early Years Funding for 2025-26 is provided in the ESFA guide: [Early Years Entitlements: local authority funding Operational Guide 2025-26](#)
- Details of the funding formulae can be found in the ESFA technical note: [2025 to 2026 early years national funding formulae: technical note - GOV.UK](#)

This section sets out the details of the provision for Oxfordshire.

### 3.1 3- and 4-year-olds

The Early Years National Funding Formula (EYNFF) has been in place since the 2017-18 financial year. This formula relates to both the 15-hour universal entitlement for all 3- and 4-year-olds and the additional 15 hours for 3- and 4-year-old children of eligible working parents (the 30 hours offer).

There are a number of requirements on how local authorities allocate the 3- and 4-year-olds funding to providers for the 2025-26 financial year, similar to the previous financial year. These include the following:

- A minimum amount of funding of 96% (95% in 2024-25) to be passed through to providers (Oxfordshire in consultation with providers have set the pass-through rate at 97%)
- A local universal base rate for all types of providers
- A mandatory Deprivation Supplement
- A quality supplement to distribute the funding LAs receive because of the mainstreaming of the teachers' pay and pensions grants.

- Restrictions on the overall level of supplements
- A special educational needs (SEN) inclusion fund
- A contingency fund

There is also separate Maintained Nursery Schools Supplementary funding of £5.27 per hour for 2025-26. This relates to 3- and 4-year-olds Universal hours only. In 2024-25, DfE allocated the Early Years Budget Grant (EYBG) which increased the MNS hourly funding rate by 50p from £4.64 to £5.14. The incoming grant rate has therefore been increased by 13p per hour.

### 3.2 3- and 4-year-olds Provider Rates and Calculations

The underlying universal provider base rates for 3- and 4-year-olds (excluding the deprivation supplement, SEN inclusion fund and contingency) are as set out below.

| Setting                                       | Underlying<br>Provider<br>Rate per<br>hour<br><br>2022-23 | Underlying<br>Provider<br>Rate per<br>hour<br><br>2023-24 | Underlying<br>Provider<br>Rate per<br>hour<br><br>2024-25 | Underlying<br>Provider<br>Rate per<br>hour<br><br>2025-26 |
|---|---|---|---|---|
| Nursery School                                | £4.35   | £4.58   | £5.30   | £5.53   |
| Attached Nursery School                       | £4.35   | £4.58   | £5.30   | £5.53   |
| Nursery Class in maintained school            | £4.35   | £4.58   | £5.30   | £5.53   |
| Nursery Class in academy                      | £4.35   | £4.58   | £5.30   | £5.53   |
| Private, Voluntary, and Independent providers | £4.35   | £4.58   | £5.30   | £5.53   |

Basis of calculation

Universal entitlement = Number of pupils x 38 weeks x 15 hours x rate per hour<sup>1</sup>

Assuming that a pupil attends for the maximum entitled time otherwise this calculation needs to be scaled back accordingly.

Extended 30 hours = Number of pupils x 38 weeks x 30 hours x rate per hour<sup>2</sup>

Assuming that pupils attend for the maximum entitled time otherwise this calculation needs to be scaled back accordingly.

### 3.3 3- and 4-year-olds Deprivation Supplement

The allocation methodology remains the same as that introduced in 2017-18 and will follow the funding for Early Years Pupil Premium (EYPP) eligible children. The deprivation funding will be paid alongside EYPP at a rate of 47p per hour, rather than an amount being allocated at the start of the financial year. Funding for the EYPP has increased to £1 per hour for 3- and 4-year-old children eligible children attending up to 15 hours per week. The combined

<sup>1</sup> Alternatively, a school can use a similar calculation for each pupil 38 weeks x number of hours (maximum 15 hours) x rate per hour, then total the individual pupil calculations.

<sup>2</sup> Alternatively, a school can use a similar calculation for each pupil 38 weeks x number of hours (maximum 15 hours) x rate per hour, then total the individual pupil calculations.

rate for the EYPP and deprivation supplement will therefore be £1.47 per hour for each EYPP eligible child for 15 hours of attendance. (The 47p supplement also applies to additional hours, although EYPP can only be paid on the universal 15 hours).

### 3.4 3- and 4-year-olds Special Educational Needs (SEN) Inclusion Fund

LAs are required to have a SEN Inclusion Fund for all three and four-year olds with SEN who are taking up free entitlements. This is to target funding at children with lower level or emerging SEN. The process includes identifying Category “K” children, excluding children with higher needs.

### 3.5 2-year-olds expanded provision: additional support & working parents’ entitlement and 9-months to 2 years old working parents’ entitlement.

- From 01 September 2025, the 15 hours of free childcare for eligible working parents of children from 9 months up to 2 years old will be extended to 30 hours per week.
- From 01 September 2025, the 15 hours of free childcare for eligible working parents of 2-year-old children will be extended to 30 hours per week.
- The 15 hours of free childcare for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement) will continue in 2025-26.

Oxfordshire shall provide this provision to providers at the following basic rates per hour as set out in table below.

| Setting      | 2yrs old Additional Support Rate per hour | 2yrs old Working Parent Rate per hour | 9-months to 2 years Rate per hour |
|--------------|---|---------------------------------------|-----------------------------------|
|              | 2025-26                                   | 2025-26                               | 2025-26                           |
| All settings | £8.05                                     | £8.05                                 | £11.05                            |

### 3.6 Early Years Pupil Premium (EYPP)

The Government introduced an Early Years Pupil Premium (EYPP) for 3- and 4-year-olds from the start of the financial year 2015-16. The qualification for this is as per the School Pupil Premium, i.e., free school meals. This will be available for children in all Early Years settings, and as with the School Pupil Premium, emphasis will be placed on showing the impact of the use of this funding and it will be included in Ofsted Inspections.

The funding rate for the EYPP has increased to a maximum of £570.00 per child (from £387.60) accessing the full 570 hours. This funding will be allocated directly to providers as an addition to the hourly rate (Base Rate), at a rate of £1 per hour. EYPP is paid on the universal 15 hours only up to a maximum of 570 hours in the year (an eligible pupil attending for 30 hours per week will only receive EYPP for the universal 15 hours element).

For example, if eligible children are attending their full 15 hours of funded early education a week this would generate funding as follows:

| Number of children | Amount each year |
|--------------------|------------------|
| 1 child            | £570.00          |

### 3.7 Eligibility Checking System and Early Years Pupil Premium (EYPP)

For 2025-26, this allocation also applies to eligible 2-year-olds and 9-months to 2-year-olds. A child will be eligible for EYPP if they receive one of the following:

- 3.7.1 the universal 15 hours entitlement for 3 and 4-year-olds or;
- 3.7.2 the 15 hours entitlement for families of 2-year-olds receiving additional support or;
- 3.7.3 the 15 hours entitlement for children aged 2 years of eligible working parents or;
- 3.7.4 the 15 hours entitlement for children aged 9 months to 2 years of eligible working parents.

The same criteria will also apply when the entitlements are extended to 30 hours from September 2025.

**And** they meet any of the following criteria:

- 3.7.5 their family gets one of the following:
- 3.7.6 Income Support
- 3.7.7 income-based Jobseeker's Allowance
- 3.7.8 income-related Employment and Support Allowance
- 3.7.9 support under part VI of the Immigration and Asylum Act 1999
- 3.7.10 the guaranteed element of State Pension Credit
- 3.7.11 Child Tax Credit, provided they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190
- 3.7.12 Working Tax Credit run-on, which is paid for 4 weeks after they stop qualifying for working tax credit.
- 3.7.13 Universal Credit (household income must be less than £7,400 a year after tax, not including any benefits - this is assessed on up to 3 of the parent's most recent universal credit assessment periods) - further guidance on checking eligibility is set out below.
- 3.7.14 they are currently being looked after by a local authority in England or Wales
- 3.7.15 they have left care in England or Wales through:
- 3.7.16 an adoption order
- 3.7.17 a special guardianship order
- 3.7.18 a child arrangements order
- 3.7.19 If a child qualifies for EYPP under more than one set of criteria, they will only attract the funding once.

EYPP is only payable for the first 15 hours used by children taking up the eligible working parents entitlements for 3 and 4-year-olds and 2-year-olds and under. The EYPP is not payable on the additional 15 hours for these entitlements. Further information regarding eligibility can be found in the [Early Years entitlements: local authority funding operational guide 2025 to 2026](#).

### **3.8 Early Years Formula Funding Allocation Transfers Process (within IBC)**

The allocation process for maintained nursery schools and schools with nursery classes has been updated for 2025-26 and will be as follows;

- At the start of each (traditional) term 60% of the estimated funding claimed for that term will be credited to the school's SAP during the first month of each term. This is dependent on schools completing an estimated submission via the portal.
- Following the termly count a balance adjustment to that term's allocation will be made. If an estimated submission was not received by the school at the start of the term, then 100% payment will be made at this point.

### **3.9 Early Years Funding Update 2025-26**

The hourly rates for 3 and 4-year-olds, 2-year-old with additional support & working entitlement and 9-month to 2-year-old have been updated. The 2024-25 Early Years Budget Grant (EYBG) and Teachers Pay and Pensions Grants have been rolled into the core funding rates for 2025-26.

The DfE have announced funding rates for the following age categories:

- the 15 hours entitlement for eligible working parents of children from 9 months up to 2 years (due to be extended from 15 hours to 30 hours from 01 September 2025).
- the 15 hours entitlement for eligible working parents of 2-year-old children (due to be extended from 15 hours to 30 hours from 1 September 2025)
- the 15 hours entitlement for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)
- the universal 15 hours entitlement for all 3 and 4-year-olds
- the additional 15 hours entitlement for working parents of 3 and 4-year-olds
- 2-year-old disadvantaged parents' entitlement and
- 2-year-old working Parents entitlement.

The extension of EYPP and DAF to cover eligible children aged 9 months up to (and including) 2-year-olds, regardless of which entitlement they are accessing.

The following table summarises the funding that the Council has been allocated for 2025-26:

| Provision  | Rate Per Hour (Gross, includes Central Retained%)<br>2024-25 | Rate Per Hour (Gross, includes Central Retained%)<br>2025-26 | Movement | Movement | Funding<br>2025-26  |
|--|--|--|----------|----------|---------------------|
|  | £ / hr   | £ / hr   | £ / hr   | %        | £                   |
| Age 3-4 years Universal & Additional Entitlement | £5.80  | £6.00  | £0.20    | 3.4%     | £47,160,158         |
| 2 years Working Entitlement                      | £8.15  | £8.38  | £0.23    | 2.8%     | £22,689,614         |
| 2 years of families receiving additional support | £8.15  | £8.38  | £0.23    | 2.8%     | £3,725,701          |
| Age 9 months to 2 years Entitlement              | £11.06   | £11.35   | £0.29    | 2.6%     | £33,473,646         |
|  |  |  |          |          |                     |
| <b>Supplement Rates:</b>                         |  |  |          |          |                     |
| Maintained Nursery Schools                       | £4.64  | £5.27  | £0.63    | 13.6%    | £1,194,951          |
| Early Years Pupil Premium                        | £0.68  | £1.00  | £0.32    | 47.1%    | £654,218            |
| Disability Access Fund                           | £910 per year  | £938 per year  | £28.00   | 3.1%     | £496,202            |
| <b>Early Years Total Funding FY 2025-26</b>      |  |  |          |          | <b>£109,394,489</b> |

The following table summarises the rates that will be paid to providers;

| Provision  | Provider Rates<br>2024-25 | Provider Rates<br>2025-26 | Movement | Movement |
|--|---------------------------|---------------------------|----------|----------|
|  | £ / hr                    | £ / hr                    | £ / hr   | %        |
| Age 3-4 years Universal & Additional Entitlement | £5.30                     | £5.53                     | £0.23    | 4.3%     |
| 2 years Working Entitlement                      | £7.83                     | £8.05                     | £0.22    | 2.8%     |
| 2 years of families receiving additional support | £7.83                     | £8.05                     | £0.22    | 2.8%     |
| Age 9 months to 2 years Entitlement              | £10.73                    | £11.05                    | £0.32    | 3.0%     |
|  |                           |                           |          |          |
|  |                           |                           |          |          |
| <b>Supplement Rates:</b>                         |                           |                           |          |          |
| Maintained Nursery Schools                       | £4.64                     | £5.27                     | £0.63    | 13.6%    |
| Early Years Pupil Premium                        | £0.68                     | £1.00                     | £0.32    | 47.1%    |
| Disability Access Fund                           | £910 per year             | £938 per year             | £28.00   | 3.1%     |

#### 4 Post 16 allocations from the Department for Education for schools with sixth forms

There is a national funding formula used by the DfE (and previously the ESFA) to allocate post 16 funding to fund programme costs. The DfE funding formula incorporates factors including student numbers, student retention, higher cost subjects, disadvantaged students, and area costs.

This is supplemented by additional funding for high needs students, bursaries and other financial support awarded to individual students.

Historically allocations have been calculated on academic years and for maintained schools are adjusted to financial year allocations by applying a pro-rata calculation of 4/12<sup>th</sup> of current year funding and 8/12<sup>th</sup> of next academic year's funding.

Oxfordshire has one maintained secondary school – Carterton Community College.

Further information for academic year 2024-25 can be found here:

- <https://www.gov.uk/guidance/16-to-19-funding-information-for-2024-to-2025>

The DfE have yet to release updated allocation information for the 2025-26 academic year.

#### 5 Universal Infant Free School Meals (UIFSM)



Introduced in September 2014 all Reception, Year 1 and Year 2 pupils in stated-funded schools have been offered a Free School Meal (FSM). The cost of these meals has been subject to a separate government grant, Universal Infant Free School Meals (UIFSM).

This grant shall continue into financial year 2024-25.

The DfE have yet to release updated allocation information for the 2025-26 academic year, the below is specific to 2024-25 and so is subject to change going forward.

The allocations for the first 2024 to 2025 payments were calculated using the 2023 to 2024 academic year UIFSM funding rate. It has now been confirmed that a further uplift to £2.58 will be implemented for the 2024 to 2025 academic year. This additional payment will be delivered alongside the final allocation for 2024 to 2025 in June/July 2025 and backdated to the start of the academic year.

The allocation is paid to the local authority in two instalments; 7/12 is paid in June of the current financial year (FY 2024-25), and 5/12 is paid in June of the next financial year (FY 2025-26).

The 2024/25 rate per pupil is £2.58 (2023/24 = £2.53).

Further information can be found here based on latest updated.

- 2024-25 conditions [Universal infant free school meals \(UIFSM\): conditions of grant 2024 to 2025 - GOV.UK](#)

## 6 Pupil Premium Grant

The pupil premium grant is designed to allow schools to help disadvantaged pupils by improving their progress and the exam results they achieve.

**Important Note:** From April 2021, pupil premium allocations for mainstream and special schools will be calculated based on the number of eligible pupils recorded by schools in the October census prior.

The allocation is paid to the local authority quarterly, in June, September, December and March, however Oxfordshire County Council provides the full allocation to maintained schools at the first payment date. **Note:** this amount can be adjusted in-year as the DfE can adjust allocations at each payment date.

The Pupil Premium rates for the Financial Year 2024-25 are set out in the table below. The DfE is yet to release information on the pupil premium grant for 2025-26. There will be an update to this document once this information is received.

|  | <b>Rates<br/>2022-23<br/>(£)</b> | <b>Rates<br/>2023-24<br/>(£)</b> | <b>Rates 2024-25<br/>(£)</b> |
|--|----------------------------------|----------------------------------|------------------------------|
| <b>Primary Pupil</b>   | 1,385                            | 1,455                            | 1,480                        |
| <b>Secondary Pupil</b>   | 985                              | 1,035                            | 1,050                        |
| <b>Looked After Child</b>  | 2,410                            | 2,530                            | 2,570                        |
| <b>Children ceased to be<br/>looked after because of<br/>adoption, special<br/>guardianship order etc.</b> | 2,410                            | 2,530                            | 2,570                        |
| <b>Service Child</b>   | 320                              | 335                              | 340                          |

Further information can be found here:

- Use and accountability - [Pupil premium: effective use and accountability - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pupil-premium)

## **7 PE and sport premium**

The DfE have yet to release updated allocation information for the 2025-26 academic year, the below is specific to 2024-25 and so is subject to change going forward.

The premium is to be used to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils to encourage the development of healthy, active lifestyles.

For 2024-25 the allocation is paid to the local authority in two installments, one at the end of October (covering September to March), and one at the end of April (covering April to August). Schools with 16 or less pupils will receive £1,000 per pupil, schools with 17 or more will receive £16,000 plus an additional £10 per pupil.

Further information on can be found here:

- Guidance 2024-25 - [PE and sport premium for primary schools - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pe-and-sport-premium)
- 2024-25 allocations and conditions - [PE and sport premium: conditions of grant 2024 to 2025 - GOV.UK](https://www.gov.uk/pe-and-sport-premium-conditions)

## **8 Teachers' Pay Grant (TPAG) and Core Schools Budget Grant (CSBG)**

For mainstream schools TPAG, TPECG and CSBG are now fully rolled into the National Funding Formula. For special schools, the equivalent funding is now separately identified in the special school funding statement.

TPG and TPECG for maintained nursery schools has been rolled into the early years funding.

Post-16 TPG allocations were rolled into core 16-19 funding from the start of the 2022-23 academic year. The DfE have yet to release updated allocation information for the 2025-26 academic year. The DfE confirmed in October 2023 that Post 16 TPECG will continue to be funded separately to core allocations.

## **9 High Needs Funding**

### **9.1 High-needs top-up funding**

For pre-16 pupils, this is paid directly by the commissioning local authority for high needs pupils where the total cost exceeds the following thresholds.

The per pupil funding for mainstream schools includes funding for pupils with SEND, whose additional support costs are lower than £6,000. Schools & academies should have sufficient funding in their delegated budget to enable them to support pupils' SEND where required up to the mandatory cost threshold of £6,000 per pupil per annum.

Where the pupil is in a Special Educational Needs Unit, the cost threshold is £10,000, this amount includes the costs of all pupils' basic educational entitlement and £6,000 place funding.

Schools are expected to meet any cost of support below these thresholds from their budget allocations. See high needs matrix for pre-16 below.

| Type of provision   | Core funding   | Top up funding (expected to be distributed in real time)  |
|---|--|---|
| Mainstream schools  | First £6,000 of additional need costs to be met from delegated budget  | Agreed per pupil top up paid by commissioning LA  |
| Special units and resourced provision in mainstream schools | A combination of per pupil funding through the LA funding formula plus £6,000 per place for those occupied by pupils on roll and £10,000 for remainder of places to be funded. | Agreed per pupil top up paid by commissioning LA  |
| Maintained special schools                                  | £10,000 per place based on number of places to be funded.  | £660 per place reflecting the roll in of the Teacher's pay and pensions funding.<br><br>Agreed per pupil top up paid by commissioning LA. |
| Nursery Schools   | Per pupil funding through the early years funding formula. The place funding system does not operate in 0 to 5-year only settings  | Agreed per pupil funding paid by commissioning LA   |

## 9.2 Secondary school SEN funding

As in previous years, secondary school SEN funding had been delegated to schools through the Schools Funding Formula as a SEN allocation, using number on roll, deprivation, and low-cost high incidence data.

Since 2014-15 this secondary schools' high needs funding from the DSG High Needs Block has simply been allocated to secondary schools using the pre-April 2013 allocation methodology.

## 9.3 Special Educational Needs (SEN) Units (Resource Bases)

From 2021-22 onwards pre-16 places at special unit and resourced provision (bases) occupied by pupils recorded on the school census (as either sole or dual [main]) will be funded at £6,000. This is funded from the High needs block and allocated by the authority. In addition, the pupils in these places will also have attracted funding through the mainstream school formula (deemed to be £4,000).

Other agreed places will be funded at £10,000 and may apply where:

- The place is or will be occupied by a pupil registered on the roll of another school.

- A place is not occupied at the time of the school census but is likely to be filled and requires funding.
- Spare capacity is required for another reason.

#### **9.4 Special Schools**

In 2021-2022 the DfE incorporated the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) within the high needs national funding formula. There is an additional DSG condition of grant requiring local authorities to pass this on to special schools and special academies. An additional allocation of £660 per place has been included for 2025-26, to reflect the Teachers' Pay and Pensions funding. This has been separately recorded on funding statements for ease of reference and transparency.

In the financial year 2025-26 maintained special schools, special academies and maintained hospital schools, will also receive an inflationary increase to the core top up, other top up factors and residential factor within the funding formula. The inflation uplift has not been applied to Place or Legacy factors. It also has not been applied to Teacher costs.

### **10 Redundancy Allocations**

The default Government position for the responsibility for early retirement and redundancy costs, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget.

However, since September 2011 maintained schools have been responsible for paying their own redundancy costs. The previously centrally held funding has been passed to schools annually. Allocations are made to schools either as a per pupil amount for primary and secondary schools or for special schools based on pupil numbers but weighted to reflect the higher adult to pupil ratio.

It was agreed at Schools Forum of 10 March 2011 that the overall resources to be made available to schools would be capped at £6.79 per pupil and this remains the allocation rate.

Special schools receive a weighted allocation to account for the greater staff per pupil in these establishments. This weighting is five times the pupils on roll.

### **11 Devolved Capital**

Funding Allocations will be circulated to all schools once the funding methodology has been confirmed (usually June). The 2025-26 allocations are calculated from pupil numbers from the 2024 spring school census.

It is expected that the Devolved Formula Capital funding methodology remains unchanged and is calculated using the same approach as in previous years.

Each year's allocation per school will be calculated according to the DfE formula set out below.

Allocations for 2025-26:

Each institution receives a fix sum of £4,000 and a variable amount based on their weighted pupil numbers.

The DFE have weighted the numbers to reflect the different levels of floor area per pupil in different settings:

| <b>Pupil Phase</b>           | <b>Phase-related</b> |
|------------------------------|----------------------|
| Nursery / Primary            | 1.0                  |
| Secondary                    | 1.5                  |
| Post-16                      | 2.0                  |
| Special / PRU / AP/ Boarders | 4.5                  |

The base rate is £11.25. This means that the total DFC calculated for each school is as follows:

$£4,000 + (£11.25 \times \text{weighted pupils})$

Schools are to ensure that devolved formula capital allocations are spent appropriately on Asset Management Plan and ICT priorities.

At the time of writing provisional amounts for 2025-26 are not yet known or whether Devolved Formula Capital (DFC) allocations will continue. However, for planning purposes schools should assume that DFC will continue at the current levels of funding.

Capital funding is based on financial years (April to March), not academic years. You must spend DFC within 3 financial years, with year one being the financial year payment is made.

Where funding for particular programmes has time limits for achieving expenditure, any grant left unspent is at risk of clawback.

## **12 National Copyright Licenses**

The Department for Education has agreed with a number of agencies to purchase a single national licence for all state-funded schools in England, a list of which can be found at the link below.

This means that local authorities and schools no longer need to negotiate any of the individual licences listed via the link below. Schools are not permitted to opt out of this arrangement.

All other licenses required by individual schools must be purchased from the school's delegated budget.

Further information can be found here:

- [Copyright licences for state schools in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/copyright-licences-for-state-schools-in-england)

## **13 Permanently Excluded Pupil funding**

The Schools and Early Years Finance (England) Regulations require the excluding schools budget share be recalculated where a pupil is permanently excluded (other than a special school, pupil referral unit or from a place reserved for children with special educational needs). This ensures the funding attributable to a pupil follows them or provides funding with which the local authority can fulfil its duty to provide education for a permanently excluded pupil.

Where a pupil is permanently excluded, Base Entitlement funding will be withdrawn for the remainder of the financial year at the rate relevant for the Key Stage in that financial year.

If the pupil is eligible for pupil premium funding, this funding will be withdrawn for the remainder of the financial year.

Where an excluded pupil is admitted to another, then the receiving school will be allocated funding from the admission date to the end of the current financial year.

#### **14 Pupils who are the responsibility of other local authorities**

Any top up funding in respect of out of county pupils that schools (and academies) educate will need to be agreed between the school (academy) and the commissioning/placing local authority. Schools are recommended to ensure that the amount reimbursed is at least the same as a pupil with similar needs is funded by Oxfordshire.

Schools are reminded that it is their responsibility to ensure that the income is collected.

#### **15 What Schools Must Publish Online**

Maintained schools are required to publish on their website additional information in relation to the funding detailed in this document.

Further information can be found here:

- [What maintained schools must publish online - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/what-maintained-schools-must-publish-online)

#### **16 Budget Submission Timetable**

The deadline for all maintained primary, including nursery schools and secondary schools to submit their governor approved budget to the Local Authority covering the period 2025-26 to 2027-28 is to be Friday 2nd May 2025. For maintained special schools the date is to be set as Friday 9 May 2025.

#### **17 School Budget and Inflationary Pressures**

The below rates should be assumed for the next three years unless specified.

The Consumer Price Index (CPI) Inflation forecast published in the Autumn Statement was 2.5% in October.

The following items are dependent on contractual arrangements entered into by schools;

- Contracts – General
- Contracts – Building Maintenance
- Catering Supplies
- Water
- Energy
- Insurances – specific arrangements made by schools
- Staff insurance schemes - arranged by schools and tailored to school's individual needs. Premium rates usually dependent on claims history.
  - Maternity
  - Teaching and non-teaching staff long term sickness
- Licenses – most licenses are already covered under the copyright license agreement. Any additional will need to be paid by the school.
- Contracts – Agency Staff

The following pay related items are dependent on school specific arrangements and dependent on current pay point and progress criteria.

- Other teachers pay-related costs.
  - Threshold
  - Leadership
  - Increments
- Other staff pay related costs.
  - Increments
- Redundancy - costs met by schools unless agreement compatible with contents of Scheme for Financing Schools

| Income                             | Inflation / Increase Rate  | Comment   |
|------------------------------------|--|---|
| <b>Formula funding allocations</b> | <p>CSBG, TPAG and TPECG grants have been rolled into the NFF.</p> <p>NFF factor values have increased from 2024-25 to 2025-26 as follows:</p> <ul style="list-style-type: none"> <li>• AWPU = 7.9%</li> <li>• FSM6 = 29.1%</li> <li>• IDACI = 0.4%</li> <li>• MPPL = 7.8%</li> <li>• Funding Floor = 0%</li> <li>• Lumpsum = 8%</li> </ul> | <p>Formula model is replicating the national funding formula in full. Changes in allocations are made up of changes in factors, allocation rates for factors and inflation.</p> <p>The CSBG 2024-25 grant rates are included and have been uplifted to make them annualised before rolling them into the NFF for 2025-26.</p> <p>The model assumes 0.5% increases for future years.</p> |

| Expenditure Pressure  | Inflation / Increase Rate                    | Comment  |
|---|--|--|
| <b>Teachers' Pay</b>  | Year 1: 2.8%<br>Year 2: 2.8%<br>Year 3: 2.8% | Teachers pay is agreed nationally. Future years are assumptions.   |
| <b>Non-teaching Staff Pay</b>   | Year 1: 3.5%<br>Year 2: 3.5%<br>Year 3: 3.5% | Dependent on national and local pay deals. Year 1 is an average assumption with future years following this same assumption.   |
| <b>On-costs: National Insurance and pension costs</b>   | 1.2%   | The 1.2% increase is for the increase in Employers National Insurance contributions. Also, the secondary threshold for when Employers start paying NICs will be reducing from £9,100 to £5,000 per year. |
| <b>Apprenticeship Levy</b>  | 0%   | No change expected for 2025-26   |
| <b>Demographic pressures</b> <ul style="list-style-type: none"> <li>- Free School Meals</li> <li>- SEN</li> </ul> | School specific                              | Dependent on specific demand and need.   |
| <b>Rates</b>  | Most recent rates revaluation became         | All Oxfordshire districts have now signed up to the ESFA proposal to pay billing authorities directly on behalf of state-funded schools from April 2023.   |

|   |   |   |
|---|---|---|
|   | effective April 2023  | The ESFA is closing on the 31st March 2025 and will be re-incorporated into the DfE from 1st April 2025.<br>Any changes to rate bills will be managed by the DfE. |
| - ICT Purchases & Services<br>- Examination Fees<br>- General Price Increases (inflation) | 2.5%  | Increase in line with CPI   |
| Energy  | Fuel (Electricity and Gas at 20% 2025-26 and 20% 2026-27)   | This is the assumption that OCC are forecasting at for next year.   |
| Water   | 20% for 2025-26   | This is the assumption that OCC are forecasting at for next year.   |
| Bought-in Services  | Generally, around 3%.<br>May vary due to changes to offers. | In-house bought in services mainly re-costed to bundling of similar services costs increased for anticipated pay awards. Final figures yet to be agreed.          |

Some of the above inflationary pressures will have already been built into the local authority (via Hampshire's EFS) provided budget planning tool. There is some uncertainty around future pay awards and as this is the significant element of school budget plan costs and schools should consider making appropriate contingency and/or seek economy of scale efficiency savings.

## 18 Budget Pressures identified by Schools

These lists are not in any particular order of either impact or importance. There are also not exhaustive and are similar to those of earlier years.

- Reduction in enrichment activities
- Reduction in counselling/mental health support
- Voluntary donations from parents
- Increasing levels of sickness
- Ancillary staff pay scale restructure and assimilation.
- Uncertainty as to future years funding
- Staff vacancies
- Uncertainty as to continuation of specific grants (UIFSM, PE and Sports, Pupil Premium)
- Contingency planning and cost uncertainty relating to impact of unknowns.
- Increasing staff workloads
- Increments / high-cost staff
- Implementing new/changes to curriculum
- Apprenticeship Levy
- Prices inflation on resources
- Falling pupil numbers
- Auto enrolment in pension schemes
- Provision for pupils with SEN
- Impact of formula changes
- Curriculum provision in a small school



- Recruitment costs – advertising, recruitment agencies
- Extra cost to ensure recruitment and retention (R&R payments)
- Cost of agency staff – supply cover and recruitment
- Leadership and management costs
- Building maintenance costs and inflation
- Energy and water inflation
- Uncertainty on if the increase in Employers National Insurance contributions will be funded.
- Increase in the National Living wage increasing.
- Impact of suppliers increasing costs due to the increase in Employers National Insurance contributions increasing and an increase in the National Living wage from April 2025.
- Uncertainty on grant funding for pay awards.

| <b>Primary specific</b>                         | <b>Secondary Specific</b>                 |
|---|---|
| <b>Volatility in pupil numbers in nursery</b>   | Volatility in pupil numbers in sixth form |
| <b>School expansion, increase pupil numbers</b> | Reduction in DfE sixth form funding       |
| <b>UFSM provision cost and varying take-up</b>  | Increasing class sizes                    |
| <b>CPD costs and requirements</b>               | Examination fees                          |
| <b>SEN support - parental expectation</b>       | School expansion, increase pupil numbers  |

## 19 Deficit budget planning

The Scheme for Financing Schools requires schools to submit a balanced or in surplus budget plan covering the three-year period (2025-26 to 2027-28) to the local authority. Where a school believes it will not be able to submit a balanced budget, it must contact and submit a draft budget plan to Education Finance Services (EFS) by 31 March 2025, or earlier if possible. The local authority, through EFS, will then work with those schools in seeking a balanced budget.

Schools are reminded that there is no right to a deficit budget under the above Scheme. A deficit will only be 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 are still forecasting a deficit at March 2025 must continue to work closely with their EFS contact officer and look to set an agreed budget for 2025-26.

The View 'My financial insights (VMFI)' tool is expected to have been updated with data from the 2024/25 Consistent Financial Reporting (CFR) return. VMFI is a free tool that provides you with enhanced analytics into the financial position and performance of your school/s, alongside comparisons to your 30 most similar schools. VMFI is part of the DfE's benchmarking offering and the team also hold monthly webinars to showcase VMFI and to answer any questions you may have.

The VMFI tool can be accessed via [View my financial insights - GOV.UK \(www.gov.uk\)](https://www.gov.uk/view-my-financial-insights)

## 20 Union Facilities Charge

Schools Forum, following discussion and deliberation, has agreed to continue with the de-delegated from maintained schools of the per pupil contribute to the cost of providing the union facilities arrangement. Also, academies will be asked to contribute at the same level.

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.

## 21 Finance Documents

The following documents are of use to schools:

- Scheme for Financing Schools
- Financial Manual of Guidance

Both these documents are available on the Finance pages ([Schools Finance | Schools \(oxfordshire.gov.uk\)](#)) of the local authority's InSite: Schools web pages.

## 22 Change Log

| Version | Date     | Change        |
|---------|----------|---------------|
| 1.0     | Feb 2025 | Annual Update |