

**2026-27 SCHOOLS LOCAL FUNDING FORMULA UPDATE**

**Purpose of the Report**

To inform the Early Years & Schools Forum (the Forum) of the Dedicated Schools Grant (DSG) funding allocation for 2026-27 and the final local funding formula submitted to the DfE on the 22 January 2026 and approved by Elected Members on 2<sup>nd</sup> February 2026.

**Information and Advice**

**2026-27 DSG Funding Allocation**

The 2026-27 DSG funding allocation was published on 17 December 2025 and is detailed in the table below:

**Table one – DSG Funding Allocations 2025/26 and 2026/27**

Funding Block	October 24 Census	2025/26 Allocation	October 25 Census	2026/27 Allocation	Annual Change in Block
	Pupils	£m	Pupils	£m	%
Schools	113,710	705.7	112,449	733.4	3.9%
High Needs		130.2		135.0	3.7%
Early Years		128.1		153.7	20.0%
Central School Services		5.9		7.7	30.1%
		970.0		1029.8	6.2%

The provisional Dedicated Schools Grant 2026-27 funding allocation is £1029.8 million (2025-26 £970 million) for the schools, high needs, early years and central schools services blocks.

The schools block has increased by £27.7 million from 2025/26, this is partly due to the Schools Budget Support Grant (SBSG) and the National Insurance Contribution (NICs) being incorporated into the block for 2026/27.

The High Needs Block funding allocation has increased by £4.8 million from 2025/26, due to the SBSG and NICs being incorporated into the block for 2026/27.

The Early Years Block indicative 2026/27 funding allocation has increased by £25.4 million due to the full year effect of the working parents' entitlements for 2 year olds and under being extended to 30 hours. The final allocation will be confirmed in July 2027, determined by termly headcount data.

**2026-27 Schools Local Funding Formula**

A report was considered by the Forum in November 2025 which outlined the delays to publication of the indicative 2026-27 Schools Block funding announcement and suggested possible consultation options based on scenario where fully mirroring the NFF would not be affordable. The formal consultation on the proposals was held from 19 November to 3 December 2025.

A total of 86 responses were received to the school consultation (81 responses in 2025) which was a response rate of 25%

The Forum met on 10 December 2025 to consider the consultation responses and made its proposal on the local funding formula for 2026-27. The Forum approved the proposals as below:

- To continue with the principle of mirroring the National Funding Formula (in keeping with the acceptable minimum and maximum values) for each factor.
- If fully mirroring the National Funding Formula is not affordable, within the Schools Block of the DSG, the LA should set a negative MFG (minimum -0.5%) and reduce pupil factors and lump sum values.
- 0.5% block transfer from Schools Block to the High Needs Block (£3.7 million)

On 13 November 2025 the Forum approved the submission of a disapplication request regarding the calculation of the NFF Minimum Per Pupil value for Minster School, due it being disadvantaged by not having a standard number of year groups and a disproportionate number of primary and secondary pupils. The disapplication request was a repeat of requests approved by the Forum in previous years. The disapplication request was approved by the DfE.

On 13 November 2025 the Forum also approved the submission of a further disapplication request to fund rental costs for curriculum premises for four primary schools under the 'exceptional premises factor'. This disapplication was also approved by the DfE.

On 17 December 2025 the Schools Block funding allocation was announced together with the October 2025 census data.

**Table two – Nottinghamshire’s Schools Block NFF Summary 2026/27**

	October 2024 Pupil Number	Unit of Funding £	2025/26 Funding £ Millions	October 2025 Pupil Number	Unit of Funding £	2026/27 Funding £ Millions
Primary	65,704.50	5,482.15	360.2	64,632.00	5,772.54	373.1
Secondary	48,005.0	7,013.53	336.7	47,817.0	7,364.77	352.2
Premises including NNDR			6.8			7
Growth Funding			2			1.1
<b>Total</b>			<b>705.7</b>			<b>733.4</b>

The School Block allocation for 2026-27 is £733.4 million. Fully mirroring the NFF resulted in a funding shortfall of £2.5m against Nottinghamshire’s Schools Block. Due to the formula not being affordable, the pupil factors and lump sum were adjusted (in keeping with the acceptable minimum and maximum values) for each factor and MFG set at -0.5%. The Local Funding Formula continues to meet the criteria the principle to mirror the National Funding Formula. The NFF and LFF factor values for 2026/27 are shown at **appendix A**

The final distribution of the Schools Block funding is as follows:

**Table three Schools Block Distribution 2026/27**

	2026/27 £000
Distributed To Schools through LFF	729,032
Retained Growth Fund	724
Transfer to High Needs Block	3,667
<b>Total Schools Block Allocation</b>	<b>733,423</b>

## Growth Funding

The government introduced a new formula to allocate funding for growth in pupil numbers to local authorities in 2019-20. Allocations received via this formula are recalculated each year and therefore not guaranteed to continue at the same level.

Funding for growth is based on the year-on-year increases in pupil numbers as measured at Middle Super Output Area (MSOA) level.

The growth fund can only be used to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the revenue costs of new schools
- meet the revenue costs, for schools, of removing or repurposing surplus places

The growth allocation for Nottinghamshire for 2026-27 is £1.160 million (2025-26 £2.020 million)

Nottinghamshire has allocated £0.649 million of the growth allocation to fund growth in new and growing primary schools and secondary schools that are currently permanently increasing PAN due to Basic Need.

### Table 4 Pupil Number variations through APT 2026/27

School	Reason
Millside Spencer Academy	New/ Growing Free School
Whipman Woods Flying High Academ	New/ Growing Free School
Thorseby Vale Free School	New/ Growing Free School
Carlton le Willows Academy	Permanent PAN Increase

Nottinghamshire has also clawed back £0.218 million from a school who was overfunded for growth in 2025/26 due to projected pupil intake not fully materialising

The retention of growth funding is subject to Schools Forum approval, and this will be sought for the remaining £0.724m.

A paper will be presented to Forum in June 2026, detailing how the retained growth funding is being used for 2026/27.

## Schools Funding Formula Approvals

The Nottinghamshire 2026-27 formula and school budgets were submitted to the DfE on 22 January 2026, Nottinghamshire is awaiting confirmation of approval from the DfE.

The report on the 2026-27 Schools Local Funding Formula was approved by NCC elected members on the 2 February 2026.

## **RECOMMENDATION/S**

That the Forum

- 1) Notes the content of the report.
- 2) Approves the amount of growth funding centrally retained for 2026-27, £0.724m.

### **For any enquiries about this report please contact:**

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## APPENDIX A

	Nottinghamshire Local Funding Formula 2026-27			National Funding Formula 2026-27		
	Primary	Secondary	Secondary KS3 Only	Primary	Secondary	Secondary KS3 Only
	Unit Value £	Unit Value £	Unit Value £	Unit Value £	Unit Value £	Unit Value £
<b>Minimum Per Pupil</b>	5,115.00	6,640.00	6,388.00	5,115.00	6,640.00	6,388.00
<b>Basic Entitlement - per pupil</b>						
Primary	4,036.52			4,075.70		
KS3		5,647.55			5,702.38	
KS4		6,366.65			6,428.46	
<b>Deprivation - per eligible pupil</b>						
FSM Current	501.59	501.59		506.45	506.45	
FSM6	1,201.82	1,713.34		1,213.48	1,729.97	
IDACI Band A	695.27	963.44		702.02	972.79	
IDACI Band B	526.42	754.86		531.53	762.19	
IDACI Band C	496.62	705.20		501.44	712.04	
IDACI Band D	451.92	645.60		456.31	651.87	
IDACI Band E	288.04	456.89		290.84	461.32	
IDACI Band F	238.38	342.67		240.69	345.99	
<b>Low Prior Attainment - per eligible pupil</b>	1,191.89	1,812.66		1,203.46	1,830.26	
<b>English as an Additional Language - per eligible pupil</b>	605.88	1,618.98		611.76	1,634.69	
<b>Lump sum - per school</b>	151,667.41	151,667.41		153,139.78	153,139.78	
<b>Sparsity - per eligible school</b>	58,768.77	85,445.38		58,768.77	85,445.38	
<b>Pupil Mobility - per eligible pupil</b>	978.34	1,405.43		987.84	1,419.08	
<b>Split Sites</b>						School specific unit values
<b>Rental</b>						School specific unit values
<b>Rates</b>						School specific unit values
<b>Minimum Funding Guarantee</b>	-0.50%					Between -0.5% and 0%
<b>Gains Cap</b>	0.00%					

**Note:** The National Funding Formula unit values have been increased to reflect the Area Cost Adjustment for Nottinghamshire