

For the attention of:
Head Teachers
Chair of Governors
Finance Staff

27 February 2026

Dear Colleagues

Final School Budget Share 2026/27

The School's Forum considered the 2026/27 budget at its meeting on 15 January 2026, and the Local Authority (LA) has subsequently submitted the funding formula template to the Department for Education (DfE) which has received approval. Outlined below and in the accompanying annexes are the details of your final budget share for 2026/27, please note there have been no changes since the provisional budgets were published in January 2026.

Academies should note that this information is indicative only, as actual allocations will be notified by the DfE in their General Annual Grant (GAG) statement.

Further information on the 2026/27 school funding allocations is outlined in the [January 2026 Schools Forum Reports](#), the budget toolkit on [Local Management of Schools \(LMS\) website](#) and Annex A to this letter.

Please review this information carefully and if you have any queries, please contact the Finance Team by email at schoolsfinance@milton-keynes.gov.uk.

Budget Setting 2026/27

Guidance notes to assist schools with budget setting will be available on the [LMS website](#) in the week commencing 2 March 2026 – please ensure you read the guidance thoroughly.

Budget plans for maintained schools must be approved by your governing body, or a committee authorised to approve the budget and submitted to the Finance Team by 1 May 2026.

Need to contact us?

schoolsfinance@milton-keynes.gov.uk
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In normal circumstances schools are not permitted to plan for a deficit budget therefore if you are having difficulty setting a balanced budget, please contact the Finance team as soon as possible. A reminder on the rules for deficit balances is outlined in the [Scheme for Financing Schools](#).

3 Year Budget Plans

As per the Scheme for Financing Schools, maintained schools are required to provide LAs with three-year budget forecasts approved by your governing body, or a committee authorised to approve the three-year budget no later than 1 June 2026.

Further guidance and budget templates to complete will be published on the Local Management of Schools (LMS) website in due course.

Yours faithfully

Cristina Pompa

Cristina Pompa
Children's Services Lead Finance Manager

Annex A

Schools Block Funding

The components for determining the total funding allocations for each school can be summarised as follows:

- [Primary and secondary school funding formula](#)
- [Early years](#)
- [Top up funding and place funding for high needs pupils](#)
- Post 16 funding – these will be determined by the DfE
- [Government grants](#)
- [Growth funding](#) – some schools may receive funding for a planned growth in pupil numbers. This is determined in line with the [growth fund criteria](#) agreed by the Schools Forum.

National Funding Formula Factors

Basic Entitlement and Age Weighted Pupil Unit (AWPU)

The unit rate applies to each pupil on roll at the October 2025 census, including occupied places in special units, occupied places in resourced provisions and adjustments for approved growth places in new and growing schools.

Deprivation

Funding for deprivation is allocated to schools using a combination of free school meals (FSM), FSM Ever6 eligibility and the income deprivation affecting children index (IDACI) data for each school.

Eligibility for FSM uses the previous October census and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous October census.

The funding through IDACI is designed to meet the additional educational needs of children from deprived backgrounds. The DfE have determined that LA's must use six bands, the bands are configured on the probability that a pupil comes from a deprived background based on the postcode of the home of the pupil using IDACI criteria. There are 7 IDACI bands A to G where A is the highest level of deprivation, although funding is allocated to bands A to F.

Minimum per Pupil Funding (MPPF)

The MPPF factor has been mandatory since 2020/21. The MPPF sets the minimum amount of funding per pupil that each school attracts through the NFF.

For each school, the minimum per pupil is a weighted average for primary, KS3 and KS4, with the weighting determined by the number of year groups in the relevant phase that are present at the school. Only the year groups that contain pupils are counted in this calculation:

School Phase	2026/27 MPPF
Primary	£5,115
KS3	£6,388
KS4	£7,018

This provides per-pupil funding of at least £5,115 for each primary school, and £6,640 for each secondary school with standard structures of seven and five year groups respectively.

English as an Additional Language (EAL)

Pupils identified in the October census with a first language other than English attract funding for up to three years after they enter the statutory school system.

Low Prior Attainment (LPA)

This funding is based on prior attainment of pupils and is allocated to fund the low level special educational needs of children and contribute to the first £6,000 of needs of pupils with higher needs.

This factor is applied for: -

- Primary pupils identified as not achieving a good level of development in the early years foundation stage profile (EYFSP).
- Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths.

Since 2017/18, the DfE has weighted the LPA factor for some secondary year groups so that year-on-year fluctuations in pass-rates, do not disproportionately affect the distribution of funding through the LPA factor in the mainstream formula.

In 2026/27, the DfE has carried forward the weightings it used in 2025/26 for the year 7 to year 10 cohorts, so they will apply to the year 8 to year 11 cohorts respectively.

For the financial year 2026/27, the weightings are:

- pupils in year 7 in October 2025: 60%
- pupils in year 8 in October 2025: 58%
- pupils in year 9 in October 2025: 56%
- pupils in year 10 and 11 in October 2025: 54%

The weightings will operate in the same way as in 2025/26: the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.

Following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to COVID-19, local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use:

- 2022 attainment data as a proxy for the missing assessments in 2021
- 2019 attainment data from the 2025 to 2026 APT as a proxy for the missing assessments in 2020 for primary pupils – based on the overall primary LPA proportion for the schools in question. (This is not relevant for secondary since the pupils who would have sat the missing key stage 2 assessments in 2020 have now left key stage 4)

Pupil Mobility

The mobility factor allocates funding to schools with a high proportion of pupils with an entry date in the last 3 years which is not typical. For year groups 1 to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. 'Not typical' means that the first census a pupil is recorded as attending the school is a January or May census.

For the reception year, 'typical' means the first census in October or January.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. An amount per-pupil is then allocated to all mobile pupils above that threshold.

Sparsity

Schools that are eligible for sparsity funding must meet two criteria: -

- its sparsity distance is equal to or above the main distance threshold, or above the tapered distance threshold, and
- the average year group size (calculated as the APT-adjusted pupil count divided by number of year groups present at the school) is below the relevant size threshold

As was the case last year sparsity distances have been measured using road distances instead of straight-line distances. To calculate a school's sparsity distance, the DfE take all the pupils for whom it is the nearest compatible school and find the average shortest road distance from these pupils' home post codes to their second nearest compatible schools.

As the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next.

A distance threshold taper was introduced in 2022/23, this means that where schools' sparsity distances are marginally below the main distance thresholds for sparsity funding, they will still attract some allocation through the NFF. The distance threshold taper has been set 20% below the main distance thresholds.

Lump Sum

This is set at a fixed amount for every school in line with the NFF rates.

Split Site

In 2024/25 a national formulaic approach has been introduced to split sites funding, which replaces the previous local authority-led approach. The split sites factor is compulsory for all local authorities, ensuring that split sites funding will be allocated consistently and fairly across the country. Local authorities are required to set their split sites factor values within the 2.5% mirroring threshold for the NFF.

The factor is made up of 2 parts, both of which are compulsory:

- basic eligibility funding: schools must be allocated a lump sum payment for each of their additional eligible sites
- distance funding: additional funding must be paid out on top of the basic eligibility lump sum for schools whose eligible sites are separated by more than 100 metres (by road distance) from the main site

The basic eligibility criteria for split sites funding requires additional sites to:

- be part of the main school, that is, to share the same unique reference number (URN) with the school's main site
- be separated from the school's main site by a public road or railway
- have a building on them which is maintained by the school, and which is primarily used for the education of 5 to 16- year-old pupils in mainstream education. This excludes playing fields, 'ancillary buildings' and buildings leased out full time by the school to another entity

Funding for the distance element is allocated through a tapered approach, beginning at 100 metres, with allocations increasing linearly up to 500 metres, from which point schools will receive the total maximum funding allowed.

National Non-Domestic Rates

Since 2022/23 funding for the cost of rates will no longer be passed to schools through the school budget share, instead rates will be paid to billing authorities directly by the DfE to settle schools rates liabilities.

Unit Rates

The DfE NFF unit rates have been applied but adjusted by the Milton Keynes area cost adjustment (ACA) of 1.02988.

Pupil Count

The pupil count is based on the October 2025 census, including occupied places for pre-16 pupils in special units and resourced provisions.

The DfE have advised that all new and growing schools should be funded through the funding formula on the basis of estimated numbers. This means a school expanding by one year group of 30 pupils will be funded based on the census plus an additional 30 pupils for 7 months of the year (September to March) i.e. $7/12 \times 30 =$ an additional 17.5 pupils.

Information on weighted pupil numbers to be applied was reported to Schools Forum in October 2025 and January 2026.

Post 16

Funding is allocated by the DfE on an academic year basis, therefore funding is currently available for April to July 2026 only. Further funding information will be issued to maintained schools for August 2026 to July 2027 when this is available.

Early Years

For 3 and 4 year olds the rate will be paid at £6.01 per hour, an increase of £0.28 per hour from the 2025/26 rate. The same rate will be payable to all provider types.

For 2 year olds – receiving additional support, the rate will be paid at £8.37 per hour, an increase of £0.34 per hour from the 2025/26 rate. The same rate will be payable for 2 year olds with working parents and to all provider types.

For under 2s the rate will be paid at £11.68 per hour, an increase of £0.44 from the 2025/26 rate. The same rate paid to all provider types.

Budgets will be issued in February using estimated hours of take up; deprivation calculations using postcode data from the January 2026 census, matched to the English indices of deprivation measure updated in November 2025 will follow once the census data has been confirmed.

Other early years funding is as follows:

- Disability Access Fund (DAF) – providers can claim for children from all age entitlements in receipt of Disability Living allowance (DLA) for this funding, the 2026/27 rate is £975 per annum.
- Early Years Pupil Premium (EYPP) – this funding is now paid for eligible children from all age entitlements, providing they meet the EYPP criteria. This will be paid at a rate of £1.15 per hour for 2026/27.
- The list of allowable funding supplements was extended in 2024/25 to include all of the age entitlements, for MKCC this means:
 - Deprivation funding is now applied to all age groups (3-4 year olds, 2 year olds and under 2s).
 - Inclusion funding is now applied to all age groups (3-4 year olds, 2 year olds and under 2s).

De-Delegation

There was agreement with Schools Forum members in October 2025 to de-delegate funding for the following services: -

Service	Basis of Allocation	Applies to
Facilities Time	Number on roll	Maintained Primary Schools
Insurance	Number on roll	Maintained Primary Schools
School Improvement	Number on roll	All Maintained Schools

The agreement for insurance was that de-delegation would be applied to maintained primary schools, if the rate set by Zurich (our insurers) was lower than the RPA rate. The RPA rate has been set at £29.00, and Zurich have confirmed the rate per pupil as £27.18 for 2026/27, so this will continue to be de-delegated for 2026/27.

Gains CAP

No gains cap has been applied to funding for 2026/27 meaning that all schools will attract their full formula allocation.

Minimum Funding Guarantee (MFG)

Local authorities are able to set an MFG between +0.0% and -0.5% per pupil. The Milton Keynes formula has been set at +0.0%, as per the consultation with all schools.

MFG protects schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through.

The following formula factors are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with the school finance regulations:

- The 2026/27 lump sum; this is excluded from both the baseline and 2026/27 funding so that schools are protected against significant change in the lump sum between years.
- The 2026/27 sparsity factor; this is excluded from both the baseline and 2026/27 funding so that schools are protected against significant change in the sparsity value between years.
- Rates are excluded from both the baseline and 2026/27 funding, at their respective values for each year.
- Split site funding: this is excluded from both the baseline and 2026/27 funding, at their respective values for each year. This exclusion ensures that funding increases and decreases in line with split site eligibility resulting from changes to the school estate.

Government Grants

Pupil Premium

The rates for 2026/27 have been announced, the allocations will be based on the October 2025 census data. Schools must ensure that all eligible pupils are recorded on the census in order to receive the funding.

	2026/27
Free School Meal Primary	£1,550
Free School Meal Secondary	£1,100
Service Children	£360
Looked After Children – funding to be allocated by the virtual head teacher	£2,690
Previously Looked After Children	£2,690

Pupil premium funding is allocated to eligible schools based on the number of:

- pupils who are recorded as eligible for free school meals, or have been recorded as eligible in the past 6 years (referred to as Ever 6 FSM)
- children previously looked after by a local authority or other state care, including children adopted from state care or equivalent from outside England and Wales

Pupil premium funding is allocated to local authorities based on the number of:

- looked-after children, supported by the local authority
- pupils who meet any of the eligibility criteria and who attend an independent setting, where the local authority pays full tuition fees

For pupils who are looked-after children, funding is managed by the local authority's virtual school head (VSH) in consultation with the child's school.

Service pupil premium is additional funding for schools with children and young people of service families.

Early years Pupil Premium has been confirmed for 2026/27 – this is payable to schools, nurseries and childminders, who will receive £655.50 per year, £1.15 per hour (2025/26 £570.00, £1.00 per hour). The additional funding is to support disadvantaged children and will be applied where the child is

from a low-income family, or where the child is looked after or has left care through an adoption order, special guardianship order or a child arrangements order.

Universal Infant Free School Meals (UFSM)

The Universal Infant Free School Meals grant (UFSM) is allocated on an academic year and the funding is agreed for the 2025/26 academic year. The allocation is based on the average number of meals recorded in the school census in October 2025 and January 2026.

The funding rate for 2025/26 is £2.61.

Primary PE and Sports Premium

The Primary PE and Sports Premium grant is allocated on an academic year basis and the funding is agreed for the 2025/26 academic year.

The allocations are based on the number of pupils in years 1 to 6 as recorded in the January 2025 census.

- Schools with 16 or fewer pupils received £1,000 per pupil
- Schools with 17 or more pupils received £16,000 + £10 per pupil.

[Further guidance can be found here.](#)

High Needs Funding

The high needs funding system supports provision for children and young people with special education needs and disabilities (SEND) from their early years, up to the age of 25. The block includes funding for pre-16 and post-16 places in both maintained and academy special schools, alternative provision, pupil referral units and further education institutions. The high needs block funds commissioned places in these settings, together with top up funding for individual pupils and students. As a result of the significant funding pressures on the High Needs Block during 2026/27, it has been agreed in the High Needs Reference Group that there will be no payments for High Needs Top Up Funding for children without an EHCP during 2026/27. This will be reviewed subject to any further government funding announcements, and any changes will be communicated to schools. The 2026/27 funding rates can be found in the below table:

Description	Hourly Rates	Annual Rate	Apr-26		Sep-26		Comments
			Pre 16	Post 16	Pre 16	Post 16	
SEN Funding:							
Mainstream Top up Funding (for a child with an EHCP)	£13.55						Annual payment dependant on hours agreed at SEN Panel
Early Years Inclusion Grant	£13.55						Annual payment dependant on hours agreed at SEN Panel
Disability Access Fund (DAF)		£975.00					Must be claimed by school and paid in a lump sum
Additional Notional SEN Payment							Different for every school, dependant on number of children with an EHCP compared to trigger point
Place Funding:							
Pre-16 (if filled) for all units and resources provision per place		£6,000					Place filled / unfilled is determined at October census date
Pre-16 (if unfilled) for all units and resourced provision per place		£10,000					Place filled / unfilled is determined at October census date
Post-16 (filled or unfilled) for all units and resourced provision per place		£6,000					
Units:							
Bradwell Village - ASC			£12,632	£0	£12,632	£0	
Germander Park - ASC			£12,632	£0	£12,632	£0	
Priory Common - ASC			£12,882	£0	£12,882	£0	
Southwood - ASC			£12,632	£0	£12,632	£0	
Romans Field - ASC			£11,186	£0	£11,186	£0	
St Paul's Catholic School - Social Comm (Emmanuel)			£11,186	£0	£11,186	£0	
Resourced Provisions:							
Charles Warren Academy			£15,180	£0	£15,180	£0	
New Bradwell - Communication			£11,797	£0	£11,797	£0	
Shepherdswell Academy - Communication			£15,180	£0	£15,180	£0	
Orchard Academy - Communication			£10,658	£0	£10,658	£0	
Radcliffe - Social Communication			£10,564	£10,564	£10,564	£10,564	
St Paul's Catholic School - Social Comm			£10,846	£10,846	£10,846	£10,846	
St Paul's Catholic School - HI			£23,031	£22,194	£23,031	£22,194	
St Paul's Catholic School VI			£15,292	£14,455	£15,292	£14,455	

Need to contact us?

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