

High Needs National Funding Formula Factors

Funding Formula Factor	% of Funding Allocated in 2025-26	Description & Purpose	Data Used for Calculation
(A) Basic entitlement factor	8.7%	Element 1 funding for pupils in special schools, Aps and independent schools; adjusted for local cost differences via the ACA.	October 2023 school census (for maintained special schools and academies), January 2023 AP census (for SEND pupils in independent schools), plus the Area Cost Adjustment (ACA).
(B) Historic spend factor	23.6%	Reflects 50% of each local authority's (LA's) actual high needs spending from 2017–18, acting as a benchmark for previous expenditure patterns.	Historical high needs spending data from the 2017–18 period (with adjustments for LA geographic changes).
(C) Population factor	33.2%	Allocates funding based on the size of the 2–18-year-old population in an LA, considers the impact of changes to school population.	Mid-2025 population projections for 2–18-year-olds (derived from mid-2018 ONS population estimates).
(D) FSM factor	6.0%	Distributes funding according to the number of pupils eligible for free school meals, highlighting areas with higher economic deprivation.	Data from the January 2024 school census for pupils eligible for FSM and information from the early years census for the 2-year-old offer or Early Years Pupil Premium.
(E) IDACI factor	5.7%	Adjusts funding in relation to income deprivation affecting children, thereby targeting funds to areas with higher proportions of children from income-deprived families.	The 2019 IDACI dataset (from the English Indices of Deprivation) together with mid-2022 population estimates for children aged 2–18 in each LSOA.
(F) Bad health factor	5.7%	Accounts for the additional needs and associated costs in areas with a higher proportion of children in bad or very bad health.	2021 general population census data reporting the number of children (age 0–15) in bad or very bad health.
(G) Disability factor	4.8%	Recognises the extra costs involved in supporting children with disabilities by allocating additional funding where needed.	Data on the number of children (age 0–15) with parents entitled to Disability Living Allowance (sourced from Stat-Xplore, published August 2024).
(H) KS2 low attainment factor	4.6%	Provides additional funding to address the support needs in areas where a higher proportion of pupils perform below the expected standard in KS2 testing.	Combined KS2 test results from the years 2019, 2022, and 2023 (with 2019 and 2022 data used as proxies for missing data due to Covid-19 disruptions), as provided by the Department for Education.
(I) KS4 low attainment factor	4.2%	Allocates funding based on the proportion of pupils with low attainment at KS4, ensuring support for areas where students are below national attainment targets.	KS4 attainment (Attainment 8) results from 2019, 2022, and 2023 (using proxy data where necessary) from the Department for Education.
(J) Funding floor factor	0.0%	Ensures that per-head funding increases by at least 7% over the 2024–25 baseline, protecting LAs against reductions and guaranteeing a minimum growth in allocations.	Calculated using the LA's 2024–25 historic spend, proxy factors, adjustments (including any baseline adjustments), and mid-2024/2025 ONS population projections.
(K) Gains limit factor	0.0%	Imposes an upper limit on funding growth, capping the per-head increase to a maximum of 10% over the baseline to control rapid funding rises.	Uses the baseline per-head funding figures from 2024–25, mid-2025 ONS population projections, and allocation calculations of the proxy factors.
(L) Historic teachers' pay and pension funding factor	0.1%	Represents historic costs for teacher pay and pensions in alternative provision, maintaining funding at the levels based on 2020–21 expenditure.	Historic funding data for AP teachers' pay and pension costs from previous allocations (e.g. based on 2020–21 teachers' pay grants and pensions employer contribution grants).
(M) Provisional 25–26 hospital education funding	0.2%	Provides funding for hospital education that ensures full-year payment adjustments, reflecting changes in hospital-based provision.	2024–25 hospital education funding figures (from published impact tables) adjusted with a 7% uplift and other specific adjustments as noted.
(N) Additional funding for new and growing special free schools	0.5%	Allocates extra funding to cover funding shortfalls in new and growing special free schools, ensuring that place funding deductions do not exceed the funding received.	Numbers of pupils and place data from the January 2024 school census and October 2023 school census, along with calculations based on £6,000 per pupil and place funding deductions.
(O) Import/export adjustment	2.7%	Adjusts an LA's allocation to account for high needs pupils who study outside their resident LA (exports) or in LAs where they are not resident (imports), ensuring cost neutrality.	Data from the January 2024 school census for specialist schools and ILR data (from the February 2024 cut) for post-16 providers, using a standard adjustment of £6,000 per net imported or exported pupil.
	100.0%		