

SCHOOLS FORUM

Exceptional Premises Factor – Disapplication Request

6 NOVEMBER 2025

Content applicable to:		School Phase:	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority	X	Post 16	
		High Needs	X

Purpose of the report

Content requires:		By:	
Noting	X	Maintained Primary School Members	X
Decision	X	Maintained Secondary School Members	X
		Maintained Special School Members	
		Academy Members	X
		All Schools Forum	

Purpose of the Report

1.The purpose of this report is to seek Schools Forum approval for the continued application of the exceptional premises factor within the 2026-27 Leicestershire school funding formula and to secure Schools Forum support for the associated disapplication request required by the Department for Education (DfE).

2.This disapplication request is required to maintain financial support for unavoidable rental costs incurred by a small number of schools where those costs are essential for curriculum delivery but are not recognised within the national factors of the National Funding Formula (NFF).

Recommendations

3.It is recommended that Schools Forum approves the continuation of the exceptional premises factor for 2026-27.

4.It is further recommended that Schools Forum endorses the submission of a disapplication request to the DfE to allow this factor to remain operational within the local formula.

Background

5.Under the structure of the NFF, local authorities are only permitted to include premises funding within the local formula where it falls under the nationally defined factor set, such as PFI or split-site funding.

6.A small number of schools in Leicestershire incur rental costs for essential buildings or sports facilities, due to estate limitations, planning restrictions or the absence of suitable on-site provision.

7.These rental commitments have historically been accepted by the DfE as legitimate exceptional premises costs and funding has been included in the Leicestershire formula over a number of years with DfE approval.

8.The continuation of this exceptional factor ensures that the impact of these unavoidable site constraints is not unfairly borne by the individual schools affected.

Detail

9.The Local Authority proposes to maintain this funding for seven eligible schools in 2026-27 where formal lease or licence agreements exist.

10.The Local Authority reviews all rental agreements annually to confirm that costs remain essential, unavoidable and directly linked to delivery of the statutory curriculum.

11.Without this support, schools would be required to absorb a level of cost that would lead to reductions in staffing or curriculum provision that are not required in other schools.

12.The Local Authority is satisfied that these arrangements remain exceptional, essential and that no alternative mechanism exists to fairly reflect these costs within the NFF.

Financial Implications

13.For 2025/26 the total cost of the exceptional premises factor was £82,670, supporting seven schools.

14. This funding will continue to be met from within the Schools Block.

15. The scale of this cost remains immaterial in the context of the overall Schools Block but material to the financial viability of the schools in receipt, particularly those with smaller pupil populations.

16. As this represents a continuation of existing approved funding, there is no affordability impact on other schools.

Policy and Regulatory Compliance

17. The exceptional premises factor meets the DfE requirement that such funding applies only to a very small number of schools and reflects costs essential to statutory curriculum delivery.

18. The Local Authority has maintained a consistent methodology and evidence base for eligibility year-on-year.

19. DfE approval continues to be required via disapplication because this factor sits outside the core NFF structure, and Schools Forum support must be confirmed before such approval can be granted.

Conclusion

20. The continuation of the exceptional premises factor promotes fairness within the NFF by ensuring estate constraints do not lead to disproportionate financial consequences for a small number of schools.

21. Schools Forum support is a necessary step to secure DfE approval for this factor to remain in the local formula for 2026-27.

Background papers

Report to the Cabinet on 12 September 2025, "Medium Term Financial Strategy – Budget Monitoring and MTFS Refresh",
<https://democracy.leics.gov.uk/documents/s191577/MTFS%20Sept%2025%20Cabinet%20-%20030925%204pm%20FINAL.pdf>

Report to the Schools Forum on 9 September 2025, "2026/27 Schools' Block Transfer",
<https://democracy.leics.gov.uk/documents/s191584/School%20Block%20Transfer%20Report%2009092025.pdf>

Report to the Schools Forum on 10 June 2025, “2026/27 Schools’ Block Transfer”

<https://democracy.leics.gov.uk/documents/s190104/2026-27%20Schools%20Block%20Transfer.pdf>

Report to the Schools Forum on 10 June 2025, “SEN Investment Fund Update”

<https://democracy.leics.gov.uk/documents/s190092/SEN%20investment%20fund.pdf>

Report to the Schools Forum on 12 February 2025, “2025-26 Schools Budget”,

<https://democracy.leics.gov.uk/documents/s188368/5.%202025-26%20Schools%20BudgetV3.pdf>

Report to the Schools Forum on 4 November 2024, “Resetting the SEN Finance System”

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=7978&Ver=4>

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