



Education  
Funding  
Agency

# **Funding allocation pack 2013/14**

**Guidance for mainstream academies**

**February 2013**

## Funding Allocation Pack – Guidance Notes

### Introduction

The purpose of your Funding Allocation Pack is to present the component parts of your academy's funding for 2013/14. The arrangements from April 2013 are the first steps towards the development of a national funding formula for schools. The development of simpler and more transparent local formulae from which large numbers of academy budgets can be readily and accurately calculated is a major improvement in our service to academies, and is a significant milestone in the programme of school funding reform. In parallel the simple Education Services Grant will give you a clearer basis for planning too. Although plans for the national funding formula are still being developed, the Government remains firmly committed to it and to the establishment of a fair and transparent funding system. This Allocation Pack is one of the important steps on the way.

Sue Baldwin's letter to academy principals of 6 September set out the process to be followed in the development and publication of new funding arrangements for academies. During the autumn the EFA delivered over 30 briefing events for academies which were attended by some 2,000 academies staff. There were also four specialist High Needs briefing sessions which were equally well attended.

With your local authority's simplified formula in place we can now issue you with your current calculation for 2013/14. Your Funding Pack includes your AY2013/14 General Annual Grant Statement, a line-by-line explanation of how your statement has been calculated and a link to the Frequently Asked Questions, October briefing slides and funding presentations.

We have made every effort to ensure this Pack is clear and gives you all the information that you need about how your allocation is calculated. As this is the first year of the new system we are always looking to improve and would welcome your comments.

Looking ahead to 2014-15, the Department for Education is seeking views on what changes may need to be made to the formula factors. A review of 2013-14 Funding Arrangements has been published at: <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00221523/review-of-2013-14-school-funding-arrangements> and you may wish to comment on the proposals in it.

## Contents

Your Funding Allocation Pack contains the following information:

- A General Annual Grant Statement 2013/14, made up of the following tables:

Table A School Budget Share 2013/14

Table B Minimum Funding Guarantee Statement

Table C Education Services Grant

Table D Start-Up Funding (Sponsored Academies only)

Table E Insurance Top Up

Table F Pre-16 High Needs Funding (Designated High Needs Units only)

Table G Post-16 High Needs Funding (Designated High Needs Units only)

Table H Pupil Number Matrix

- Guidance Notes providing a detailed description of each element (this document).

A supporting set of Frequently Asked Questions, and a link through to a filmed version of the briefing material, is on our website at:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00213953/academies-funding-2013-14/briefings->

There are some funding streams which are not included in your Statement at this stage. These are:

- Post-16 (Sixth Form) Funding. If your academy has post-16 (Sixth Form) provision, you will already have received a Student Number Statement detailing the volume of 16-19 activity being funded. You will be notified of the cash element separately and this will be included when we confirm your final allocation by the end of March 2013. The 16-19 Discretionary Bursary Fund allocations will be notified at the same time.
- Pupil Premium. Your Pupil Premium allocation is calculated and paid separately to your main allocation. We expect to notify you of your Pupil Premium allocation by early summer 2013.
- Rates. Rates funding for 2013/14 will be provided, in full, on submission of information we request via separate collection from the academy. Guidance on the payment of rates will be available from the DfE website and will also be given in the e-bulletin shortly.
- Devolved Formula Capital (DFC). DFC will still be payable in 2013/14. Further guidance is likely to be published in May.

## AY2013/14 General Annual Grant Statement

This Statement summarises the elements that form your funding allocation with the exceptions mentioned in the Introduction. Please read the following notes alongside each of the tables that make up your allocation.

### 1. Table A - Factors making up the School Budget Share.

The 2013/14 academic year sees a significant reduction in the number of factors that local authorities can use in their formulae for allocating funding to schools. The allowable factors are weighted towards pupil characteristics rather than school organisation or premises characteristics. Local authorities have set out the factors they have agreed through their Schools Forum, and the rates allocated to each, in a pro forma which they have provided to the Education Funding Agency. The choice of factors used to determine the School Budget Share will differ across local authorities. The rates associated with the factors are listed on the local authority pro forma. The pro forma that your local authority submitted to the Education Funding Agency has been emailed to you and uploaded to your IM Portal.

1	<b>Basic Entitlement AWPU – (compulsory)<sup>1</sup></b>	<p><b>Reception Uplift.</b> This is an amount to reflect the fact that reception children often start in January instead of September. It will be based on the comparison between October 2011 Census and January 2012 Census.</p> <p><b>Primary (inc. reception).</b> This is an LA-specific per pupil rate multiplied by October 2012 census pupil numbers or 2013/14 estimates. The pro forma shows what percentage of your funding this is overall.</p> <p><b>Key Stage 3.</b> This is an LA-specific per pupil rate multiplied by October 2012 census pupil numbers or 2013/14 estimates. The pro forma shows what percentage of your funding this is overall.</p> <p><b>Key Stage 4.</b> This is an LA-specific per pupil rate multiplied by October 2012 census pupil numbers or 2013/14 estimates. The pro forma shows what percentage of your funding this is overall.</p>
2	<b>Deprivation (compulsory)<sup>2</sup></b>	<p><b>Primary FSM.</b> This is an LA-specific rate multiplied by eligible pupils receiving Free School Meals (FSM) as recorded in the Autumn Census.</p> <p><b>Secondary FSM.</b> This is an LA-specific rate multiplied by eligible pupils receiving FSM as recorded in the Autumn Census.</p> <p><b>Primary FSM 6.</b> This is an LA-specific rate multiplied by eligible pupils. Eligible pupils include any who have received Free School Meals (FSM) in the last six years.</p> <p><b>Secondary FSM 6.</b> This is an LA-specific rate multiplied by eligible pupils. Eligible pupils include any who have received Free School Meals (FSM) in the last six years.</p> <p><b>Income Deprivation Affecting Children Index (IDACI).</b> A separate unit amount can be paid for each of the five categories multiplied by the eligible pupils in that range, as recorded on the census.</p>

<sup>1</sup> Your local authority will use either FSM or FSM6 and only one will be contained in your Table A.

<sup>2</sup> Your local authority can use any combination of FSM and IDACI.

The following factors are optional. The pro forma sets out which factor, and the associated rate, are payable for your area. If your local authority has not used a factor, it will not appear on your table A.

<b>3</b>	<b>Looked After Children</b>	Eligible children multiplied by an amount per pupil. The same rate is paid for both Primary and Secondary pupils. Data will be taken from the National Pupil Database which is derived from the SSDA903 March 2012 data collection.
<b>4</b>	<b>Low cost, high incidence SEN</b>	Based on prior attainment scores at either Early Years Foundation Stage or Key Stage 2 results, depending on age. <b>Early Years</b> will be based on the number of children not achieving point score 73 or 78. Table A will show you which of the two scoring indicators your LA has used. <b>Key Stage 2</b> will be based on the number of children not attaining level 4 English and Maths multiplied by the LA rate. This information is collected by LAs and submitted to DfE.
<b>5</b>	<b>English as an additional language</b>	EAL can be used for up to three years from the point where the child joins compulsory education in England (this does not include reception, so if a child joins in reception the factor will be paid for Years 1, 2 & 3). Data will be taken from the National Pupil Database. EAL_3_PRI – Primary rate multiplied by eligible children. EAL-3_SEC-Secondary rate multiplied by eligible children.
<b>6</b>	<b>Mobility</b>	This is for pupils that start at an unusual time i.e. not in September (or January for Year 1). This factor can be claimed for up to three years after their start date. It is a unit cost multiplied by eligible children, based on data from the October census.
<b>7</b>	<b>Lump Sum</b>	This is a flat rate amount determined by the LA in conjunction with the Schools Forum. All schools within an LA area receive the same amount regardless of size or phase. It reflects the average fixed costs associated with running a school, up to a maximum of £200,000.
<b>8</b>	<b>Fringe payments</b>	For academies in the London-fringe area that have high differential salary costs within an LA (Essex, Herts, Bucks, W.Sussex, Kent only).
<b>9</b>	<b>Split site</b>	An amount agreed by the LA to cover additional costs associated with running a school across different sites. It must be based on objective criteria (e.g. definition and unit cost). The LA pro forma will provide a description of the exact criteria.
<b>10</b>	<b>PFI Funding</b>	This is for PFI contracts which were agreed in exchange for, e.g. new buildings. This factor relates to the additional administrative costs associated with the contract. There is no limit to how much an LA can allocate to this.
<b>11</b>	<b>Sixth form funding commitment</b>	To be used where the LA has subsidised 2012/13 Year 12 and 13 pupils. It is payable for one year only, to fund Year 13 pupils completing courses they started in the prior year.
<b>12</b>	<b>Exceptional circumstances</b>	As part of the process of developing their formulae, LAs were able to make cases for additional exceptional factors. In order to be approved, the factors must not affect more than 5% of schools and must account for no more than 1% of the school's budget.
	<b>Total School Budget Share (excl. rates)</b>	This figure will be equal to the first line of the School Budget Share summary.
	<b>Notional SEN budget</b>	This figure is included in the Total School Budget Share above but has been identified separately out for your information. Your notional SEN figure may require us to confirm the final figures with your local authority. In most cases, we expect there to be little or no change as a result of this. For a very small number of academies the field for the 'notional SEN' figure will read "TBC (to be confirmed)". In all cases we will confirm the final figure by the end of March 2013. As this is a notional amount, any amendments to this figure will not affect your final allocation total.

## 2. Explanation of the Minimum Funding Guarantee Statement

The development of new local formulae is likely to result in changes to each school's budget share. In order to limit the impact of these changes and to provide stability and protection for schools, a Minimum Funding Guarantee (MFG) of minus 1.5% per pupil in 2013/14 and 2014/15 has been agreed by Ministers.

The purpose of the MFG is to protect your per-pupil funding from one year to the next, against significant changes in funding formulae or changes in data not directly related to pupil numbers. The items that will be excluded automatically from the MFG calculation are:

- non-DSG post-16 (Sixth Form) funding;
- allocations from the notional High Needs Block, including those for named pupils with SEN;
- the lump sum;
- allocations made through the early years single funding formula;
- rates.

The EFA has made technical adjustments to your 2012/13 per pupil funding, based on the local authority pro forma, to enable a baseline which is comparable with the 2013/14 funding methodology. These adjustments are set out in your MFG Statement. This is a step towards a much simpler calculation in 2014/15.

For most academies, the data to make the MFG calculation is returned from the local authority directly. Where this is not the case (eg for non- and partial-recoupment academies) the EFA has made the calculations following commentary as returned from the local authority.

<b>AY2012/13 Information</b>
<b>A. Generation of the AY2012/13 MFG Baseline</b>
<b>1. Full Year Pre-16 AY2012/13 School Budget Share.</b> This is the actual SBS <i>EXCLUDING</i> 2012/13 insurance, Non-DSG Post-16 funding and rates; and <i>INCLUDING</i> 2012/13 MFG funding. This is a FULL YEAR funding amount. For any 2012/13 part year openers, 2012/13 SBS funding has been grossed upwards to a full year allocation.
<b>2. AY2012/13 Pre-16 and non-DSG Post-16 Threshold Funding.</b> The funded amount for pre-16 and Non-DSG post-16 Teacher Threshold funding (aka TPG, UPS1,2,3 etc.). This funding is added into the baseline only where it is paid outside of the SBS for academies in 2012/13.
<b>3. AY2012/13 SEN AND Schools Block LACSEG:</b> 2012/13 LACSEG funding was made up of three components; SEN, School, and LA "blocks", and a protection amount. The 2013/14 funding formula has delegated the SEN and School block components directly into the SBS. Therefore the 2012/13 School and SEN block components are added in to ensure a comparable baseline. Discussion of the LA block and the protection amount can be found within the 'ESG' section of this guidance document.
<b>4. AY2012/13 PFI.</b> Where a local authority has delegated an amount for PFI into the 2013/14 SBS, the local authority will also have provided a comparable amount for PFI to be added into the 2012/13 baseline.
<b>5. AY2012/13 Individually Assigned Resources staying in the Schools Block.</b> Overarching changes to the funding of High Needs in 2013/14 has changed the way that funding is apportioned for SEN and High Needs. 2012/13 baselines need to be reflect this shift in funding to ensure that the MFG is calculating protection at the right level. The EFA has not historically funded Individually Assigned Resources, so it is not present within the starting SBS. Where a local authority is delegating IAR funding into the 2013/14 SBS an amount is provided by the local authority to add into the 2012/13 baseline to make this comparable and protect at the right level.
<b>6. AY2012/13 Total Funding to be moved to High Needs Block (excluding IAR).</b> As detailed in 5 above, the reverse may also apply; funding in 2013/14 may move out of the Schools Block and into the High Needs block. Where this is the case, an amount provided by

the local authority is removed from the 2012/13 baseline to make this comparable and protect at the right level. Where any IAR funding is moving from the Schools Block into the High Needs block, no adjustment will be made. The EFA has not historically funded IAR and so it will already be excluded from the baselines of existing academies.

Where any direct funding for an SEN Unit is moving from the Schools Block into the High Needs block, an adjustment *WILL* be made. Although this is funded by the LA in some instances, an assumption has been made that direct SEN funding will be present in most EFA baselines and so will be removed.

**7. AY2012/13 Early Years Funding.** In 2013/14 there is a separate Early Years funding formula for all schools and academies which contains an element of protection. If an academy was previously funded by the EFA for Early Years, this funding amount will be removed from the 2012/13 baseline to make this comparable with the 2013/14 SBS.

**8. Technical Adjustments to AY2012/13 baseline.** This may be a positive or a negative adjustment factor as determined by the local authority. These adjustments will cover any additional circumstances needed to make the 2012/13 baselines comparable with the 2013/14 funding. An example of a technical adjustment would be to correctly represent a situation where cluster funding has been delegated into the SBS for 2013/14. In this case, one school or academy in 2012/13 may have managed a budget to provide services for a group of schools or academies. If this funding is delegated into the SBS in 2013/14 then, to make the baselines comparable, the lead school would receive a negative adjustment, and the other schools in the cluster would receive a positive adjustment.

**9. Adjusted Pre-16 AY2012/13 School Budget Share:** = 1 + 2 + 3 + 4 + 5 - 6 - 7 - 8

**10. Insurance in AWPU of local authorities' funding formula for 2013-14 (estimated at £25 per FTE).** A nominal amount per pupil (£25) is added into the baseline to balance out the amount that is assumed to be included within the 2013/14 AWPU values for insurance. Pupil count includes Nursery and Post 16.

**11. Lump Sum in local authorities' funding formula for 2013-14.** To enable a year on year comparison of per-pupil funding, and as the lump sum is excluded from MFG, the 2013/14 lump sum amount must also be deducted from the 2012/13 baseline.

**12. Approved MFG exclusions for AY2012/13.** These are funding items that have been applied for by the local authority to be excluded, and approved by DfE. An example may be where in year growth, or bulge classes will be funded centrally in 2013/14, and so should be excluded from 2012/13 SBS.

**13. Total MFG budget for AY2012/13:** = 9 + 10 - 11 - 12

**14. Pupil numbers AY2012/13 (Reception - Y11).** October 2011 census pupil numbers or, if applicable, 2012/13 estimated pupil numbers. The October 2011 census is taken as the pupil count to enable a like with like comparison, as the AY2013/14 SBS is generated using the October 2012 census numbers.

**15. Pupils funded through High Needs places to be excluded.** A manual adjustment is made for High Needs pupils as required. This adjustment removes from the pupil count the number of pupils who are funded through High Needs places (i.e. are in Special units or resourced provision).

**16. AY2012/13 Adjusted Pupil NOR:** = 14 - 15

**17. AY2012/13 MFG Unit Value:** = 13 / 16

This can also be expressed as: AY2012/13 MFG Budget, divided by AY2012/13 Adjusted Pupil NOR to derive an amount per pupil to allow comparison.

#### AY2013/14 Information

#### B. Calculating the MFG Budget for AY2013/14

**18. AY2013/14 School Budget Share.** This is the actual full year SBS *EXCLUDING* 2013/14 insurance top-up, Non-DSG Post-16 funding and rates. This is inclusive of any funding apportioned as 'Notional SEN'.

**19. Newly Delegated SEN.** Some local authorities are delegating an amount of SEN funding

into the SBS in 2013/14. This funding would not be present within the 2012/13 baselines, and to ensure the protection is measured against the correct funding elements, the amount of Newly Delegated SEN is excluded from the MFG Calculation.
<b>20. Approved MFG Exclusions for AY2013/14.</b> These are funding items that the local authority has applied to have excluded and those exclusions have been approved by DfE. An example may be where PFI is a brand new formula factor in 2013/14.
<b>21. Lump Sum in local authorities' funding formula for 13-14.</b> The 2013/14 Lump Sum is a standard exclusion for the 2013/14 MFG methodology.
<b>22. Total MFG budget for AY2013/14:</b> = 18 - 19 - 20 - 21
<b>23. Pupil numbers AY2013/14 (Reception - Y11).</b> October 2012 census pupil numbers or, if applicable, 2013/14 estimated pupil numbers.
<b>24. Pupils funded through High Needs places to be deducted.</b> An adjustment is made for High Needs pupils as required. This adjustment removes from the pupil count the number of pupils who are funded through High Needs places (i.e. are in Special units or resourced provision).
<b>25. AY2013/14 Adjusted Pupil NOR:</b> = 23 - 24
<b>26. AY2013/14 MFG Unit Value:</b> = 22 / 25 AY2013/14 MFG Budget, divided by AY2013/14 Adjusted Pupil NOR to derive an amount per pupil to allow comparison.
<b>MFG and Scaling / Capping Calculation</b>
<b>C. Application of MFG Floor and Scaling / Capping</b>
<b>27. MFG Floor.</b> For AY2013/14 the level of protection is set at -1.5%. This means that the resulting 2013/14 unit value will be no more than 1.5% lower than the 2012/13 unit value in your statement.
<b>28. LA Capping Factor.</b> Owing to the significant change in funding methodology for 2013/14, Local Authorities have been allowed to set capping and / or scaling factors to minimise gains and make the new funding formula affordable. This only applies where the 2013/14 funding formula results in a per pupil increase over the 2012/13 unit value in your statement. Any gains will be capped at a percentage amount defined by the LA. If an LA has not returned a capping factor, the default set by the EFA is 0% (no cap applied).
<b>29. LA Scaling Factor.</b> As 28, any gains above the cap will be scaled back by a percentage amount defined by the LA. If an LA has not returned a scaling factor, the default set by the EFA is 100% (no scaling applied).
<b>30. Percentage change in MFG Unit Value AY2012/13 to AY2013/14:</b> = (26 - 17) / 17 Percentage difference between the MFG unit values (per pupil amounts).  This can also be expressed as: = (2013/14 MFG Unit Value MINUS 2012/13 MFG Unit Value ) DIVIDED BY 2012/13 MFG Unit Value.
<b>31. Extent to which percentage change falls below the MFG floor.</b> This demonstrates by how much the per pupil funding has dropped beyond the MFG protection level from 2012/13 to 2013/14: = IF 30 less than -1.5%, then = 27 – 30  This can also be expressed as: = IF Percentage change in MFG Unit Value is less than -1.5% then -1.5% MINUS Percentage change.
<b>32. MFG Adjustment Value (applying the MFG Floor).</b> If the percentage change (at 30) is less than the -1.5% then the MFG adjustment value is calculated. This is the amount of funding that will be added to the 2013/14 SBS as MFG protection: = 31 * 25 * 17  This can also be expressed as: = Extent to which percentage change falls below the MFG floor MULTIPLIED BY AY2013/14 Adjusted Pupil NOR MULTIPLIED BY AY2012/13 MFG Unit Value.

**33. Extent to which percentage change exceeds the Cap.** This demonstrates the difference between the percentage change and the local authority capping factor as applied by the local authority. It is only calculated where the percentage change EXCEEDS the local authority's capping factor: = 30 - 28

This can also be expressed as: = Percentage change in MFG Unit Value MINUS LA Capping Factor.

**34. Scale Factor applied to excess above Cap.** This demonstrates the total adjustment to be made. Any gains received from the capping calculation will be scaled back further to an amount as set by the LA: = 33 \* 29

This can also be expressed as: = Extent to which percentage change exceeds the Cap MULTIPLIED BY LA Scaling Factor.

**35. Affordability Value Adjustment (applying the Scale Factor above Cap).** If the percentage change, in box 30, is greater than the cap, and the scaling factor applied, then the affordability adjustment value is calculated. This is the amount of funding that will be subtracted from the 2013/14 SBS as the amount defined as the affordability adjustment. = 34 \* 25 \* 17

This can also be expressed as: = Scale Factor Applied to excess above Cap MULTIPLIED BY AY2013/14 Adjusted Pupil NOR MULTIPLIED BY AY2012/13 MFG Unit Value.

**36. Overall Net Adjustment (MFG minus Affordability).** This is the overall amount of funding to be added or subtracted from the 2013/14 SBS. In reality any academy will EITHER receive a protection amount from the MFG Adjustment Value, OR will have any gains capped / scaled back through the Affordability Adjustment, never both. It is equally likely that no adjustment is made at all: = 32 - 35

This can also be expressed as:  
= MFG Adjustment Value MINUS Affordability Value Adjustment

**37. AY2013/14 MFG Budget after MFG and Affordability Adjustments.** The following calculations are purely to allow a comparison of the outcome, and will not impact on funding received. This calculation generates the 2013/14 MFG Budget with the Overall Net Adjustment included: = 22 + 36

This can also be expressed as:  
= Total MFG budget for AY2013/14 ADD Overall Net Adjustment

**38. AY2013/14 MFG Unit Value after MFG and Affordability Adjustments.** This calculation allows the comparison of the 2013/14 MFG unit value with the adjustment funding included: = 37 / 25

This can also be expressed as: = AY2013/14 MFG Budget after MFG and Affordability Adjustments DIVIDED BY AY2013/14 Adjusted Pupil NOR

**39. Percentage change in MFG Unit Value after adjustments.** This calculation allows a cross check to be carried out. The percentage change in 2013/14 MFG unit value (including the adjustments), should equal -1.5%.

**40. Total AY2013/14 School Budget Share.** This calculation demonstrates the overall SBS with the adjustment included. Please note that the SBS as stated here is *EXCLUDING* 2013/14 insurance top-up, Non-DSG Post-16 funding and rates., Please refer to the GAG Summary for the actual SBS to be funded. = 18 + 36

This can also be expressed as: = AY13/14 School Budget Share ADD Overall Net Adjustment

### 3. Table C - Education Services Grant

From 2013-14, new funding arrangements for education services will apply for local authorities and academies. LA Block LACSEG for academies, and the corresponding element of local government revenue funding, will be replaced by the new Education Services Grant (ESG). The ESG will be allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible. Local authorities will be required to delegate the maximum amount of the Dedicated Schools Grant through their revised local funding formula. This means that Schools Block and SEN Block LACSEG for academies will be replaced by additional money in the School Budget Share. The schools block and SEN block will be included when the EFA calculates the Minimum Funding Guarantee (MFG) protection of -1.5% per pupil in 2013/14.

For 2013/14 each academy will receive £150 (£562.50 for Alternative Provision academies and £637.50 for Special academies) multiplied by the total number of 3-19 pupils from the October 2012 census pupil numbers or, if applicable, estimated pupil numbers. For Alternative Provision and Special academies the allocation will be based on planned places data as agreed with the DfE in January 2013.

In order to protect academies from significant year-on-year reductions in funding, the higher of two protections will apply. These are:

- a) a 10% per pupil protection applied to the published 2012/13 LA Block LACSEG rates for the local authority in which the academy is situated; and
- b) a 20% per pupil protection on the academy's individual 2012/13 LA Block LACSEG allocation.

For mainstream academies that opened before 1 April 2013, the existing 2012/13 funding arrangements will continue to apply until the end of the 2012/13 academic year. This will also apply to Special units attached to mainstream academies.

For mainstream academies that open after 1 April 2013 the new funding arrangements will apply. This means they will receive more funding delegated through the School Budget Share. They will continue to receive LA Block LACSEG calculated on the basis of the 2012/13 LA Block LACSEG rate for the relevant local authority, now paid as the ESG. This will also apply to Special units attached to mainstream academies.

More information is available at:

<http://www.education.gov.uk/a00218881/new-education-services-grant-from-2013-14>

#### 4. Table D - Start Up Grants

From April 2013, the Start Up Grant will have two components:

- SUG A - a flat rate allocation depending on phase and forms of entry; and
- SUG B - a formulaic allocation for diseconomies of scale as a result of a new academy having a pupil Number on Roll (NOR) which is less than an agreed percentage of the final capacity (this is currently 90%).

The Start Up Grant that was calculated before April 2013 will remain at the levels you were previously notified. Your 2013 allocation will be stated here in Table D.

#### 5. Table E - Additional Insurance Funding

Instead of being required to submit a claim for the cost of their premium each year, all academies will receive per-pupil funding for insurance as part of their General Annual Grant (GAG). This funding will be in two parts:

- an amount delegated by the local authority through the local funding formula, which is the equivalent to the amount maintained schools receive for insurance. This is estimated to be, on average around £25 per pupil; and
- an additional top-up grant of £20 per pupil to reflect the fact that, on average, insurance premiums are higher for academies than they are for maintained schools.

To assist academies, the Department for Education has worked with the Crescent Purchasing Consortium (CPC) to provide a route to the insurance market which offers the best value. Many academies and multi-academy trusts have already been successful in bringing costs down through competition. More [information about CPC](#) can be found on their website.

We recognise that there may be a few academies in specific and exceptional circumstances that struggle to meet the costs of their insurance premium from their 2013/14 GAG. We want to ensure that these academies can cover the cost of their insurance and we are therefore offering them the opportunity to apply for additional funding to meet the costs of securing adequate insurance cover for 2013/14. More information is available at:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00212650/funding/insurance-premiums-13-14>

#### High Needs Funding from within the School Budget Share

From 2013 local authorities will have an enhanced role and budgets in funding, as the commissioner of further education provision for their High Needs pupils. This means that the funding will change and institutions will receive funding from both the EFA and local authority for their High Needs pupils. The funding is split into 3 distinct elements. Element 1 and 2, the 'place-led' component, will be allocated direct to the institution from the EFA, and element 3 will be allocated by the EFA to LAs, who will in turn contract with institutions for this element:

- **Element 1, or "core education funding"**: the mainstream unit of per-pupil or education funding, based on the national 16-19 funding system (this is the money attracted through basic entitlement).
- **Element 2, or "additional support funding"**: a clearly identified budget for academies (based on a proposed amount of £6,000 per High Needs pupil) to provide additional support for High Needs pupils with additional needs up to an agreed level. (this will come from notional SEN monies that have been devolved into the SBS).
- **Element 3, or "top up funding"**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual High Needs pupil, as based on the pupil's assessed needs.

For more information on High Needs Funding for 2013/14, see:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00213953/academies-funding-2013-14/briefings->

## **6. Table F - Pre-16 High Needs Funding**

This table will only show High Needs pupils within designated units, Special and Alternative Provision academies. Academies with High Needs funding will have been notified of the latest position on places in January. Finalised places will be funded at £10,000 per Special place and £8,000 for Alternative Provision places. The 'Top-Up' element will be paid by the commissioning local authority to meet the needs of each pupil and is not included in the allocation. High Needs pupils within a unit will not be included in the School Budget Share as they attract the per place funding.

## **7. Table G - Post-16 High Needs Funding**

This allocation is for dedicated units with agreed places or individual High Needs pupils. The places used are the latest returned to us by your local authority for post-16. Final numbers will be confirmed in your final AY2013/14 allocation, which you will receive by the end of March.

As a transition measure for the period April-August 2013, post-16 places will be funded in the same way as pre-16 places (£10,000 on a pro rata basis for 5 months) to cover this period. In common with pre-16, if top up funding is required this will need to be met by the commissioning Local Authority.

The new arrangements for post-16 pupils will begin in September 2013. Your allocation from the EFA is based on your October 2012 census pupil numbers and the new standard national 16-19 funding per pupil formula (element 1). In addition you will receive £6,000 per place from the EFA for the number of places declared by local authorities (element 2). As with pre-16 the 'Top-Up' element (element 3) will be paid by the commissioning local authority to meet the needs of each pupil and is not included in the allocation.

## **8. Table H - Pupil Numbers**

The main sources of pupil numbers will be the October 2012 Census, estimates provided by the academy or agreed places for designated units, Special academies and Alternative Provision academies. Within your allocation, the number of pupils attracting certain funding elements can vary, for instance, the calculations for School Budget Share do not include nursery or post-16 provision. However, they are included in the calculations for the Education Services Grant (Table C) and the Additional Insurance funding (Table E). For mainstream academies with designated High Needs unit, pupils within the unit will not be included in the School Budget Share as they are funded separately on the place plus system. ESG for Special and AP academies will be based on FY2013-14 planned places.



Education  
Funding  
Agency

© Crown copyright [2013]

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at Education Funding Agency, 53-55 Butts Road, Earlsdon Park, Coventry CV1 3BH.