



Education & Skills  
Funding Agency

# **Academy general annual grant allocation guide: 2018 to 2019 academic year**

**A guide for mainstream academies and  
free schools open between 1 April 2018  
and 31 August 2018**

**April 2018**

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## Introduction

This operational guide helps you understand how the Education and Skills Funding Agency (ESFA) has calculated your 2018 to 2019 academic year funding. We have developed the guide in consultation with a sample of academies to make sure it meets your needs.

The guide supports your general annual grant (GAG) statement. It sets out the funding you will receive, how we have calculated it, the factors that have been applied and the source of the data we use.

2018 to 2019 is a significant year for the schools funding system. For the first time we have a national funding formula (NFF) for schools and for high needs, which we have used to allocate budgets to local authorities.

It is important to note that the NFF school-level allocations that we published in September 2017 were notional allocations only. In 2018 to 2019, local authorities have continued to set a local formula which has determined individual school and academy budgets in their authority. As in previous years, local authorities have submitted this local formula to us so that we can produce and issue academies allocation statements. Your GAG statement reflects the local formula.

## How to use the guide

We have produced the guide in a format that allows you to easily access the specific parts that interest you, or areas where you require more detailed information.

The [‘What’s new?’](#) section shows the changes to academy funding in the 2018 to 2019 academic year at a glance, and where the change is reflected in your GAG statement. The subsequent chapters take you through an example funding statement table by table, explaining each line in turn.

We recognise that GAG funding makes up only part of the overall funding for your academy. We have added a section to the end of the guide listing the main [non-GAG revenue and capital funding lines](#). It includes links to information about how and when these are paid.

## Who is the guide for?

This guide is for mainstream academies and free schools (including studio schools and university technical colleges (UTCs)) open between 1 April 2018 and 31 August 2018, including those with designated special units and resourced provision. Separate guidance is available for [special and alternative provision academies](#).

When we refer to academies in this document we are referring to all types, including free schools, UTCs and studio schools, unless otherwise stated.

## Further information

Further information about [academy revenue funding allocations](#) is available.

In addition, you can access [on-line presentations](#) about schools funding in the 2018 to 2019 academic year.

## What's new in the 2018 to 2019 academic year?

The changes to funding in 2018 to 2019 are summarised below and you can find more information on the technical aspects of these in subsequent chapters.

Further policy information on [pre-16 schools funding arrangements for 2018 to 2019](#) is also available. This includes the operational guidance on schools revenue funding which sets out the factors that local authorities can use in their funding formula. We have also published [high needs funding arrangements for 2018 to 2019](#).

## Changes to the funding formula and your GAG statement

The key changes to the funding methodology for 2018 to 2019 are set out below. It is important to note that local authorities have some flexibility about how they reflect these changes in their local formula, so you may not see these reflected in your GAG statement.

What's new?	What does this mean?	How will this be reflected in my GAG statement?
<p>Minimum level of per pupil funding factor</p>	<p>Local authorities can set a per pupil funding rate in 2018 to 2019, as a step towards the minimum per pupil funding of £3,500 for primary schools and £4,800 for secondary schools in 2019 to 2020.</p> <p>Local authorities can choose to take the NFF transitional protection approach to minimum per pupil funding.</p> <p>More detail can be found in the <a href="#">minimum level of per pupil funding</a> section.</p>	<p>If your local authority has chosen to use this factor, this will be shown in table A.</p> <p>Where your local authority has chosen to use the NFF transitional protection approach, the 2019 to 2020 minimum rates will be used in the school budget share (SBS) calculation in table A. You will also see that any capping and scaling applied in the minimum funding guarantee (MFG) calculation (table B) can't take the per pupil funding below the 2018 to 2019 transitional per pupil rates (£3,300 primary, £4,600 secondary).</p>

<b>What's new?</b>	<b>What does this mean?</b>	<b>How will this be reflected in my GAG statement?</b>
Flexible minimum funding guarantee (MFG)	Local authorities have the flexibility to set local MFG between +0.5% and -1.5% per pupil in order to offer higher levels of protection locally.	The level of MFG set by your local authority will be used in the calculation in table B.
Extended deprivation factor	Local authorities can now use both current free school meals, and Ever6 free school meals measures within their deprivation factor (local authorities could previously use one of these measures, but not both).	This will be reflected in the deprivation section in table A, if applicable.
Funding for pupils in SEN units within mainstream schools	Place funding will be £6,000 per place where the place is occupied by pupils on roll at the school. Places not filled by such pupils will be funded at £10,000 per place.	If your academy has a SEN unit, this will be reflected in table E. You will also note that we do not deduct high needs places from the pupil numbers used to calculate your SBS in table A.
Additional 16 to 19 funding line	There is an additional 16 to 19 funding line for capacity and delivery funding.	If your academy has a sixth form, you will see this line in the summary table: 16 to 19 allocation. It will show as zero unless your academy is eligible for this funding.

## The GAG statement explained

The following sections of this guide walk you through the GAG statement for the 2018 to 2019 academic year. Please note that the figures in the sample tables A to F **are intended as an illustration only**.

### Summary statement

The first page of your GAG statement is a summary of the tables that make up your GAG. The information used to populate the summary table comes from each of the tables in your pack. Section 2 (high needs allocation) will only be populated if your academy has a designated special unit. Section 3 (16-19 allocation) will only be populated if your academy has a sixth form.

### Academic year 2018 to 2019 summary table

 Education & Skills Funding Agency	<b>Academy General Annual Grant allocation statement: 2018 to 2019</b>	
Name	Provider name	
LA name	LA name	
LAESTAB	LAEstab number	
UPIN	UPIN	
UKPRN	UKPRN	
URN	URN	
Opening date	Date	
<b>1. Breakdown of academic year 2018 to 2019 school allocation</b>		
School budget share (excl. rates)	£0.00	<a href="#">See Table A</a>
of which notional SEN funding	£0.00	<a href="#">See Table A</a>
Minimum funding guarantee	£0.00	<a href="#">See Table B</a>
Post-opening grant (start-up grant)	£0.00	<a href="#">See Table C</a>
<b>Total school allocation</b>	<b>£0.00</b>	
<b>2. Breakdown of academic year 2018 to 2019 high needs allocation</b>		
Pre-16 high needs place funding	£0.00	<a href="#">See Table D</a>

Post-16 high needs place funding	£0.00	<a href="#">See Table E</a>
<b>Total high needs allocation</b>	<b>£0.00</b>	(Excludes any top-up funding from local authority)
<b>3. Breakdown of 16-19 allocation</b>		
Programme funding - formula	£0.00	See 16-19 allocation statement
Formula protection funding	(£0.00)	
Student financial support funding	£0.00	
Capacity and delivery funding	£0.00	
<b>Total 16-19 allocation including student financial support funding</b>	<b>£0.00</b>	
<b>Total allocation (1+2+3)</b>	<b>£0.00</b>	
Information on funding lines that are in addition to GAG will be provided separately (pupil premium, for example)		
Your allocation does not include funding for national non-domestic rates (NNDR). This is because you should claim separately for the funding required using an <a href="#">online claim form</a> . Payment is made in full within two months of the claim being submitted.		

## Sixth form funding

The summary table will present an extract from your 16 to 19 revenue funding allocation statement (which we upload to Document Exchange separately) as shown in section 3 of the sample table above.

Further information about [16 to 19 funding allocations](#) including [information](#) to help you understand your allocation is also available.

## Table A - school budget share

Table A sets out how we calculate your school budget share (SBS). Your local authority agrees funding factors and rates in consultation with its schools forum and supplies these to ESFA using the local authority pro forma tool. We apply these to your academy pupil numbers.

Pupil numbers are derived either from your autumn 2017 validated school census return or your agreed estimate of pupil numbers for the 2018 to 2019 academic year, depending on the terms of your funding agreement. However, where the local authority notifies us of variations in school census numbers (through their authority proforma tool, for planned growth or infrastructure changes) then these will be used to calculate your allocation. [Table F](#) gives further information about the pupil numbers we use in the calculation of your allocation.

In 2018 to 2019 we will not make a deduction to your SBS pupil numbers for high needs places. Instead we will determine the SBS based on the total number of pupils on roll, including those in the special unit or resourced provision<sup>1</sup>.

## Table A - structure description

**Factor:** this column shows the names of the factors through which the local authority can allocate funding. There are two mandatory factors that all local authorities must use in their funding formula: basic entitlement (AWPU) and deprivation.

Factors are labelled as either pupil-led or non-pupil-led. Pupil-led factors are driven by pupil numbers or pupil characteristics. At least 80% of a local authority's schools block funding must flow through pupil-led factors. This may not be the case for every individual school, however.

Non-pupil-led factors could include lump sum, split site funding, private finance initiative (PFI) and exceptional circumstances. The exceptional circumstances lines will only show on your statement if your local authority has ESFA agreement that it can apply exceptional factors and these are applicable to your academy.

**Description:** this column gives you more information about the basis for the calculation.

**Full year funding amount:** this is the amount the local authority has calculated for the 2018 to 2019 financial year.

**Part year funding amount:** this is a proportioned amount based on the full 2018 to 2019 financial year amount calculated by the local authority. It is based on the

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<sup>1</sup> We have made an adjustment between the high needs block, and the schools block for each local authority to reflect this change. Place funding rates have changed accordingly as set out in table E.

number of days between the date the academy opened and the end of the academic year on 31 August 2019. For academies open on or before 1 September 2018, this will be equivalent to the full year funding amount.

**Total pupil-led factors:** this shows the total of all the pupil-led factors applicable to your academy.

**Total other factors:** this shows the total of all the non-pupil-led factors applicable to your academy.

**Total school budget share:** this is the sum of your pupil-led factors and non-pupil-led factors (excluding rates).

**Funding previously de-delegated:** Funding for services is delegated by local authorities to schools through the funding formula. Maintained schools collectively may then pass back, or de-delegate, funding to the local authority for certain services to be provided centrally, with the approval of the schools forum. A list of those services for which funding can be de-delegated can be found in the [schools funding 2018 to 2019 operational guide](#).

In order to give the local authority time to plan services, some de-delegated funds are retained by local authorities after maintained schools convert to academy status. In these cases, new academies do not receive the de-delegated funds until an agreed point later in the year. Until this point local authorities should continue to provide services to new academies where funding is de-delegated, if they are asked to do so.

Academies that open on 1 April 2018 receive all of the previously de-delegated funds from April to August 2018. They will continue to do so in their 2018 to 2019 academic year and subsequent allocations.

Academies that open after 1 April and before 1 September 2018 will not receive any previously de-delegated funding in the 2017 to 2018 academic year. They will, though, receive all of the previously de-delegated funds in their 2018 to 2019 academic year allocation. For these academies, local authorities should continue to provide services for which funding is de-delegated until September 2018, if they are asked to do so. If the local authority is unable to provide the requested service then they could, alternatively, pay the funding directly to the academy.

## Sample Table A – school budget share

The example includes explanations to help you understand your own table A.

[Back to summary table](#)

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>1. Basic entitlement age weighted pupil unit (AWPU)</b>	Primary (including reception)	£330,000.00	£330,000.00	This factor is mandatory. For 2018 to 2019 the minimum unit values for primary and secondary pupils are £2,000 and £3,000 respectively. The local authority can set different unit values for key stage 3 (KS3) and key stage 4 (KS4) but both of these must be at least £3,000 per pupil.  Local authorities also have the option to apply a reception uplift, i.e. to add new reception pupils starting between the autumn and January census during 2016 to 2017.
	Key stage 3	£1,433,951.20	£1,433,951.20	
	Key stage 4	£1,251,439.36	£1,251,439.36	
<b>2. Deprivation</b>	Primary IDACI band F	£5,000.00	£5,000.00	The Income Deprivation Affecting Children Index (IDACI) measures the proportion of children under the age of 16 that live in low income households in the local area. Your local authority formula can use any combination of IDACI categories and/or
	Primary IDACI band E	£0.00	£0.00	
	Primary IDACI band D	£0.00	£0.00	
	Primary IDACI band C	£0.00	£0.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation	
	Primary IDACI band B	£2,000.00	£2,000.00	free school meals and Ever6 data to allocate its deprivation funding.	
	Primary IDACI band A	£0.00	£0.00	A separate rate can be paid for each of the six categories in the IDACI index, and for the primary and secondary phases.	
	Secondary IDACI band F	£287.63	£287.63		
	Secondary IDACI band E	£0.00	£0.00		
	Secondary IDACI band D	£0.00	£0.00		
	Secondary IDACI band C	£0.00	£0.00		
	Secondary IDACI band B	£595.08	£595.08		
	Secondary IDACI band A	£0.00	£0.00		
	Primary free school meals (FSM)	£10,000.00	£10,000.00		This is the number of children in primary year groups in your academy eligible for a free school meal (FSM). Pupils eligible for FSM are recorded in the autumn 2017 school census. Note that if a local authority uses free school meals it can include either FSM or FSM6, or both.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Primary FSM6	£20,000.00	£20,000.00	These are primary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2017 to 2018 dataset onto the spring 2017 census.
	Secondary FSM	£11,294.92	£11,294.92	This is the number of children in secondary year groups in your academy that are eligible for a free school meal. Pupils eligible for FSM are recorded in the autumn 2017 school census.
	Secondary FSM6	£71,981.53	£71,981.53	These are secondary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2017 to 2018 dataset on to the spring 2017 census.
<b>3. Looked- after children (LAC)</b>	LAC	£0.00	£0.00	The term 'looked after' refers to children under 18 who have been provided with care and accommodation by children's services. The measure uses data collected from the <a href="#">SSDA903</a> return mapped to the spring school census. This factor covers all children who have been looked after for a day or more to 31 March 2017.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
4. Prior attainment	Primary attainment: primary low attainment 73 or 78 points (see details of factor in Table A.1)	£5,000.00	£5,000.00	<p>This factor may be applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP).</p> <p>The EYFSP changed in 2013, so a weighting may be used to ensure that funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups (years 1 to 5) assessed under the new framework.</p> <p>For pupils assessed using the old profile (year 6), local authorities will continue to be able to choose between two EYFSP scores, targeting funding to either all pupils who achieved fewer than 78 points; or all pupils who achieved fewer than 73 points on the EYFSP.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Secondary attainment: secondary pupils not achieving the expected standards in KS2 tests	£216,858.28	£216,858.28	<p>For secondary pupils, prior attainment funding can be targeted at pupils not achieving the expected standard in KS2 in either reading, writing or maths.</p> <p>A national weighting has been applied to year 7 and to year 8 pupils to ensure that these cohorts do not have disproportionate influence on the funding delivered through this factor.</p>
<b>5. English as an additional language (EAL)</b>	Primary EAL band 1	£0.00	£0.00	<p>Local authorities can choose to fund EAL for one, two or three years from the point where the pupil joins statutory education in England. This does not include reception.</p> <p>EAL band 1 refers to all pupils in their first year of statutory education, EAL band 2 includes those in their first or second year and EAL band 3 includes all pupils in their first, second or third year. The data will be taken from the national pupil database. The rate can differ for primary and secondary pupils.</p>
	Primary EAL band 2	£0.00	£0.00	
	Primary EAL band 3	£3,000.00	£3,000.00	
	Secondary EAL band 1	£0.00	£0.00	
	Secondary EAL band 2	£0.00	£0.00	
	Secondary EAL band 3	£4,000.00	£4,000.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>6. Mobility (over 10% applicable only)</b>	Primary pupils starting school outside of normal entry dates (proportion above 10%)	£0.00	£0.00	Pupil mobility refers to pupils who started the school at an unusual time during the last three academic years i.e. not in September (or not in January for pupils joining in reception). This factor allows funding to be targeted at schools experiencing levels of pupil mobility in excess of 10% of the whole school cohort.
	Secondary pupils starting school outside of normal entry dates (proportion above 10%)	£0.00	£0.00	Data is taken from entry dates on the autumn census. Funding is applied to numbers in excess of a 10% threshold. A separate funding rate can be applied to primary and secondary phases.
<b>Total pupil-led factors</b>		<b>£3,365,408.00</b>	<b>£3,365,408.00</b>	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>7. Sparsity</b>	Sparsity funding (see further details in Table A.2)	£0.00	£0.00	<p>A fixed or variable amount may be applied to small schools and academies where the average distance to a pupil's second nearest school is more than 2 miles (primary) or 3 miles (secondary) and the average year group size is below the specified threshold for its phase.</p> <p>The maximum value for the sparsity factor is £100,000 per school (including fringe uplift). Local authorities can make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools.</p> <p>More detail can be found in the <a href="#">sparsity factor</a> section.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>8. Lump sum</b>	Lump sum	£108,606.33	£108,606.33	<p>The upper limit of the lump sum is £175,000. Local authorities may set a different lump sum for primary and secondary schools. All-through academies get the secondary rate, and middle schools get an average based on the number of year groups present in each phase.</p> <p>Any schools that merged in the 2017 to 2018 financial year will receive an allocation equivalent to 85% of the combined lump sums they would have received as separate establishments. The additional amount will be shown under the exceptional circumstance 1 line at the bottom of table A.</p>
<b>9. Split sites</b>	Split sites	£0.00	£0.00	<p>This is an amount agreed by the local authority to cover additional costs associated with running a school across different sites. If the local authority chooses to apply this factor it must be based on clear criteria and a clear methodology for calculating the funding and be shown in the LA's pro forma.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>10. Private finance initiative (PFI)</b>	PFI	£100,000.00	£100,000.00	This factor funds the additional costs of being in a PFI contract. This is not necessarily the full cost. This factor can relate to additional premises costs and/or the affordability gap of the contract where this has been delegated. There is no limit to how much a local authority can allocate to this but they must set out a clear methodology for calculating the funding.
<b>11. London fringe</b>	London fringe	£0.00	£0.00	This factor supports schools that have to pay higher teacher salaries because they are in one of 5 local authorities in the London fringe area, where only part of the authority is in this area. These are: Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex. It is applied as a multiplier to the total schools block factors excluding premises factors (PFI, split-site, and approved exceptional funding factors).
<b>Total other factors</b>		<b>£208,606.33</b>	<b>£208,606.33</b>	
Exceptional circumstance 1	Additional lump sum for schools amalgamated during the financial year 2017 to 2018	£0.00	£0.00	This is the additional amount payable as a result of the amalgamation. It is 85% of the combined lump sums from the year after amalgamation. Additional lump sums may be agreed in a second year after amalgamation, these will be shown as one of exceptional circumstance 3 to 6.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
Exceptional circumstance 2	Additional sparsity lump sum for small schools	£0.00	£0.00	Local authorities can apply to include an additional lump sum of up to £50,000 for very small secondary schools in sparsely populated areas.  Local authorities may request the inclusion of additional factors in their formula for exceptional circumstances relating to the nature of their premises. Such factors have to be approved by ESFA. To qualify as 'exceptional' these factors must normally affect fewer than 5% of schools (including academies) in the authority and the cost for the institution must normally exceed 1% of their budget. Note that these lines will only appear in Table A if your local authority has an approved exceptional factor and it applies to your academy.
Exceptional circumstance 3	Exceptional circumstance 3	£0.00	£0.00	
Exceptional circumstance 4	Exceptional circumstance 4	£5,000.00	£5,000.00	
Exceptional circumstance 5	Exceptional circumstance 5	£10,000.00	£10,000.00	
Exceptional circumstance 6	Exceptional circumstance 6	£0.00	£0.00	
MFL rate	Minimum funding level (MFL) per pupil rate (as set by the local authority)		£0.00	
MFL Adjustment	Total adjustment required to ensure the academy meets the MFL rate by the local authority		£0.00	Any adjustment to the SBS as a result of applying a minimum funding per pupil rate will be shown here. This is calculated as the minimum per pupil level rate, less the per pupil allocation, multiplied by number on roll.

<b>Factor</b>	<b>Description</b>	<b>Full year funding amount</b>	<b>Part year funding amount</b>	<b>Explanation</b>
	<b>Total school budget share (excluding rates)</b>	<b>£3,589,014.33</b>	<b>£3,589,014.33</b>	
	<b>of which notional SEN budget</b>	<b>£249,240.19</b>	<b>£249,240.19</b>	
	<b>funding previously delegated</b>	<b>£12,287.38</b>	<b>£12,287.38</b>	
	<b>De-delegation funding retained by the LA (to 31 August 2018)</b>			

## Minimum funding level of per pupil funding

Local authorities can choose to include a new minimum per pupil funding factor in their formula.

The local authority can set a separate value for primary schools (up to £3,500), for secondary schools (up to £4,800) and for secondary pupils in middle schools (up to £4,200, referred to as the KS3 rate below). The minimum funding level (MFL) applied to an individual academy calculation is therefore dependent on the phase of education of that establishment and is calculated as follows:

Phase	Minimum funding level rate applied (where local authority is using the factor)
Primary	primary level (up to £3,500)
Middle	$((\text{primary level} * \text{primary year groups}) + (\text{KS3 level} * \text{secondary year groups})) / \text{total year groups}$
Secondary	secondary level (up to £4,800)
All-through	$(\text{primary level} * 7/12) + (\text{secondary level} * 5/12)$

Local authorities may choose to apply the national funding formula (NFF) transitional protection calculation, subject to agreement by ESFA. Where they do so, the minimum funding level rates applied through SBS will default to the rates used in the NFF for 2019 to 2020 (£3,500 for primary, £4,200 for KS3 in middle schools and £4,800 for secondary).

The total academy SBS allocation (excluding any prior year adjustment) is divided by the funded number on roll (NOR) (reception to year 11) to arrive at the per pupil allocation for comparing with the minimum funding level. As local authorities include funding for rates in maintained school SBS allocations<sup>2</sup>, ESFA will include the rates figure from the local factors dataset as a proxy measure of rates for inclusion in the calculation.

Local authorities can also choose to exclude rates, PFI, split sites and/or exceptional factors from the minimum funding level calculation. Where the local authority chooses to exclude one or more of these factors, these values will be deducted from SBS before the per pupil allocation is calculated.

<sup>2</sup> ESFA exclude rates from the SBS allocation and instead pay rates funding separately using an online claim form.

If the academy's per pupil allocation is higher than the minimum per pupil level rate set by the local authority the minimum funding level allocation is zero. Otherwise, the minimum funding level allocation is calculated as the minimum per pupil level rate, less the per pupil allocation, multiplied by NOR.

Where an academy receives a minimum funding level allocation, they will be exempt from capping and scaling in the minimum funding guarantee (MFG) module. Similarly, where they do not receive a minimum funding level allocation, but the local authority uses the factor to set a minimum funding level, capping and scaling should not take the budget lower than the minimum per pupil funding level.

Further details are included in the MFG section.

## The sparsity factor

The sparsity factor is derived from the distance that pupils live from their second nearest eligible school. For each school, those pupils for whom the school is the closest eligible school are identified and then the average distance to the second nearest eligible school for these pupils is calculated. Distances are calculated using the crow flies distance from a pupil's postcode to a school's postcode. This has been calculated using pupil and school postcode coordinates from the autumn pupil level and school level census. For the purposes of this factor, selective grammar schools are not considered when identifying the second nearest school. In addition, pupils living outside of England are excluded from the sparsity distance calculations.

The school size criteria in the sparsity calculation is based on average year group.

A school may attract sparsity funding if it meets the following criteria:

Phase	Average year group size fewer than:	Average distance from second nearest school
Primary	21.4 pupils	2 miles or more
Middle	69.2 pupils	2 miles or more
Secondary	120 pupils	3 miles or more
All-through	62.5 pupils	2 miles or more

Local authorities can narrow the eligibility criteria by increasing the average distance to the second nearest school or reducing the pupil number thresholds. They may not widen the eligibility criteria. Local authorities can determine a sparsity lump sum for each of the above phases, up to a maximum of £100,000 per academy in each case. They can also use a 'taper' so that the amount paid to an institution is relative to their pupil numbers. This means the smallest schools receive higher sparsity funding.

Local authorities can make a request to ESFA to apply the NFF methodology which gives the lump sum to the smallest schools and then applies a taper for those with an average year group size greater than 50% of the threshold.

Local authorities can also apply to include an additional lump sum of up to £50,000 for very small secondary schools in sparsely populated areas. The criteria for eligibility of a school are:

- pupils present in years 10 and 11
- 350 pupils or fewer
- a sparsity distance of 5 miles or more

If this additional lump sum applies to your academy it will be shown in the [exceptional circumstances](#) part of table A.

## Table B – minimum funding guarantee (MFG)

Table B sets out how your minimum funding guarantee (MFG) is calculated. The MFG is a protection against changes in per pupil school budget share (SBS) funding between the 2017 to 2018 and 2018 to 2019 academic years. The amount of protection will vary according to the impact of local changes in the funding formula and the effect of these on individual per pupil rates.

In 2018 to 2019, local authorities have the flexibility to set local MFG between +0.5% and -1.5% per pupil in order to offer higher levels of protection locally.

To determine whether to apply the MFG we calculate and compare the MFG per pupil values for the two academic years. If there is a fall in per pupil funding of more than the rate set by the local authority, the fall is capped at this rate.

As the MFG calculation operates at a per pupil level, not on the overall SBS, we do not protect falling budgets caused by a reduction in pupil numbers.

MFG is not calculated for special and alternative provision academies, as these are funded for the number of agreed high needs places.

MFG applies to pupils in reception to year 11, excluding any reception uplift if it is applied by the local authority.

### Exclusions and adjustments

A number of exclusions and adjustments are applied to the respective SBS to ensure a valid comparison.

#### Exclusions

The funding lines automatically excluded from the MFG calculation are:

- early years funding – this is paid by the local authority and not included in the SBS
- post-16 funding – this has its own form of protection called formula protection funding and not included in the SBS.
- the lump sum – this is not treated as a per pupil amount because for small schools the lump sum forms a significant amount per pupil. If it were included in the MFG calculation it would build in excessive protection where a school is increasing its numbers
- the sparsity factor - sparsity is similar to the lump sum in its purpose and therefore including it would distort the protection that MFG provides
- national non-domestic rates (NNDR) - these are paid on receipt of a claim using an [online form](#), and paid in a single amount outside of the SBS

High needs pupils in designated units are excluded from the MFG baseline, but included in the 2018 to 2019 MFG budget.

Any additional lump sum funding received in the 2017 to 2018 academic year by academies that amalgamated during the 2016 to 2017 academic year is deducted from the baseline only. Any additional lump sum funding in the 2018 to 2019 academic year for academies amalgamating in 2017 to 2018 is excluded from the 2018 to 2019 MFG budget, but not the baseline.

If local authorities wish to exclude any additional funding lines from the MFG calculation (from either the 2017 to 2018 baseline funding or the 2018 to 2019 academic year funding) they must make an exceptional case to ESFA. An example of an approved MFG exclusion is where a school would be receiving split site funding for the first time in the 2018 to 2019 academic year. This exclusion allows the school to receive the full benefit of the additional funding. Similarly, where a school will no longer be operating on a split site in 2018 to 2019 the local authority may wish to exclude the split site funding from the baseline for 2017 to 2018 when calculating the MFG, so that the protection does not include funding for which the school is no longer eligible.

## **Technical adjustments**

Local authorities can make technical adjustments to the 2017 to 2018 baseline to make this comparable with 2018 to 2019 funding in certain exceptional circumstances. These relate to changes in delegation, for example, where a budget was previously funded centrally and is now delegated into the funding formula, or where funding has been moved to the high needs block to commission AP places for schools as well as for the local authority.

## **Capping and scaling – affordability adjustments**

Local authorities are able to cap and/or scale back overall gains for schools to make the funding formula affordable. The cap is the limit to which any per pupil gains in SBS can be retained by the school or academy. The scale is the degree to which gains above the cap will be scaled back in the calculation. Local authorities in consultation with their schools forums determine whether and how to limit gains. This must be applied on the same basis to all schools.

For example:

- a 4% cap and 40% scaling means gains up to 4% are kept by schools, and any gains above 4% are scaled back by 40%
- a 10% cap and 100% scaling means all gains above 10% are removed
- a 0% cap and 70% scaling means all gains are scaled back by 70%

Your SBS includes all gains before any MFG is applied. Any adjustments made as a result of capping or scaling will appear as a negative amount on your summary table.

Capping and scaling will not be applied to new schools if they have opened in the last 7 years and do not have all year groups present.

## **Capping and scaling and MFL**

Where an academy receives a minimum funding level (MFL) allocation, they will be exempt from capping and scaling in the minimum funding guarantee (MFG) module. However, this is not true if a local authority has chosen to apply the NFF transitional protection approach to minimum per pupil funding. This means that an academy may not necessarily receive the full MFL allocation allocated through the SBS if these gains are in excess of the year-on-year gains cap applied. In addition, the post-MFG check uses the transitional rates to ensure that any capping and scaling has not taken the per-pupil funding below the transitional rate for 2018 to 2019 (£3,300 primary, £4,600 secondary).

Similarly, where they do not receive a MFL allocation, but the local authority uses the factor to set a minimum funding level, capping and scaling should not take the budget lower than the minimum per pupil funding level.

## **Alternative gains cap**

Local authorities can replicate the alternative gains cap approach used in NFF. If this is the case academies will see a maximum gain of either 3% of their baseline funding or 20% of their remaining gains in 2018 to 2019.

For example, an academy gaining a 10% increase in funding per pupil would receive only the 3% capped gains as this is greater than (20% of 10% =) 2%. If an academy was due to receive a 25% increase in per pupil funding through SBS, then their gains would instead be capped at (20% of 25% =) 5%, as this is higher than 3%.

## Sample Table B – academic year 2018 to 2019 minimum funding guarantee

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Line	Value	Calculation	Explanation
1. Academic year 2018 to 2019 school budget share	<b>£3,589,014.33</b>	From Table A	This is the school budget share shown in your Table A. It is the 2018 to 2019 financial year allocation calculated by the local authority adjusted for the 2018 to 2019 academic year.
2. MFG adjustment - full year	£0.00		This is the calculation made by the local authority for the whole 2018 to 2019 financial year. If a local authority has applied capping or scaling then this would appear as a deduction.
3. Pupil numbers used in original MFG calculation	765		
4. Number of pupils actually funded	765		This shows the total number of pupils being funded.
5. MFG adjustment – 365 days pro rata	£0.00	$= (2 / 365 \text{ days} \times 365 \text{ days}) \times (4 / 3)$	This is the total MFG adjustment, proportioned for the number of days your academy is open between 1 September 2018 and the end of the academic year, 31 August 2019. For academies open on or before 1 September 2018 this will be equivalent to the amount in [2].
<b>6. Adjusted academic year 2018 to 2018 school budget share</b>	<b>£3,589,014.33</b>	<b>= 1 + 5</b>	

## Table C – post-opening grant (start-up grant)

Table C will only be populated if you are due to receive start-up grant or post-opening grant funding in the 2018 to 2019 academic year.

### Start-up grant (SUG)

SUG is paid to full sponsored academies only.

There are two elements, part A and part B. Part A is a flat rate allocation that is paid in the first year of opening. Part B is a formulaic allocation that is intended to contribute to costs, such as leadership, as a new academy grows towards full capacity. It is paid over 2 years for primary schools and 3 years for secondary schools.

The part A rates and the calculation of part B are different for primary and secondary, and for special and alternative provision academies. More information is available in [sponsored academies funding: advice for sponsors](#).

### Post-opening grant (POG)

Free schools, studio schools and university technical colleges (UTCs) are provided with a post-opening grant to reflect the additional costs in establishing a new publicly-funded school which cannot be met through the general annual grant (GAG). The post-opening grant provides funding in two elements as the free school grows: per pupil resources, paid on a per pupil basis, and a leadership diseconomies grant. These titles reflect the basis on which the funding is calculated, but the grant can be spent on any legitimate purpose of the school.

The first element (resources) is paid each year that the school builds up to capacity for each new pupil expected to be on roll.

The second element (leadership) is paid annually based on the number of year groups that the school will ultimately have that do not yet have pupils. The amount is paid to mainstream schools with pupils aged 5-15 each year depending on how many year groups (cohorts) are empty.

## Sample Table C – academic year 2018 to 2019 post-opening grant (start-up grant)

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Line	Value	Calculation	Explanation
1. Start-up grant part A	£0.00		For academies that opened from April 2013 this is a one-off payment.
2. Start-up grant part B – formulaic allocation	£0.00		For academies that opened from April 2013 the total part B value will be paid in the first 3 years after opening for secondary and the first 2 years after opening for primary academies.
3. Post-opening grant – per pupil resources	£0.00		For free schools, UTCs and studio schools, this is the total of the resource element of the POG.
4. Post-opening grant – leadership diseconomies	£0.00		For free schools, UTCs and studio schools, this is the total of the diseconomies element of the POG.
<b>5. Total post-opening grant (start-up grant) allocation</b>	<b>£0.00</b>	<b>= 1 + 2 + 3 + 4</b>	The sum of SUG or POG elements as applicable.

## Table D – pre-16 high needs place funding

This table will only be populated for those mainstream academies that have designated special units.

From April 2018, pre-16 place funding rates at SEN units in mainstream schools has changed. From April 2018, pre-16 places at special units occupied by pupils recorded on the school census as sole or dual (main) will be funded at £6,000. Pupils in these places will also attract funding through the mainstream school formula.

Other places are funded at £10,000. This may apply where:

- the place is or will be occupied by a pupil registered on the roll of another school
- a place isn't occupied at the time of the school census count, but is likely to be filled, and requires funding
- spare capacity is required for another reason

ESFA confirm the number of high needs places in mainstream academies and free schools to fund in 2018 to 2019 as part of the [annual place change notification](#) process.

This provides a base level of funding. Any additional funding above this level (top-up) must be agreed with your commissioning local authority. Top-up funding is paid by the local authority and is therefore not shown on your GAG funding statement.

## Sample Table D – academic year 2018 to 2019 pre-16 high needs place funding

[Back to summary table](#)

Type		Place numbers	Annual per place unit value	Total pre-16 allocation	Calculation	Explanation
1.	Special unoccupied	3	£10,000.00	£30,000.00		<b>Place numbers:</b> rolled forward 2017 to 2018 places (or agreed place numbers where a change in place numbers has been requested).
2.	Special occupied	5	£6,000.00	£30,000.00		<b>Unit value:</b> £6,000 per occupied place, £10,000 per unoccupied place <b>Total allocation</b> = place numbers x unit value
3.	Alternative provision	0	£10,000.00	£0.00		<b>Place numbers:</b> rolled forward 2017 to 2018 places (or agreed place numbers where a change in place numbers has been requested). <b>Unit value:</b> £10,000 per place <b>Total allocation</b> = place numbers x unit value
4.	<b>Total pre-16 high needs allocation</b>			<b>£60,000.00</b>	<b>= 1 + 2 + 3</b>	Total pre-16 allocation (special) + total pre-16 allocation (alternative provision)

## Table E – post-16 high needs place funding

This table will only be populated for those mainstream academies that have post-16 pupils in designated special units.

High needs funding for post-16 pupils in designated units in mainstream academies is calculated on a per-place basis. This is paid in two elements: £6,000 per place which is paid through the high needs block (and shown in table E) and the per pupil amount paid at the national funding formula rate (included in the 16-19 allocation lines shown on the summary table of your statement).

ESFA confirm the number of high needs places in mainstream academies and free schools to fund in 2018 to 2019 as part of the [annual place change notification](#) process.

This place funding provides a base level of funding. Any additional funding for post-16 high needs above this level (top-up funding) must be agreed with your commissioning local authority. Top-up funding is paid by the local authority and is therefore not shown on your funding statement.

## Sample Table E – academic year 2018 to 2019 post-16 high needs place funding

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Place numbers	Annual per place unit	Total post-16 allocation	Explanation
2	£6,000.00	£12,000.00	<b>Place numbers:</b> rolled forward post-16 2017 to 2018 places (or agreed place numbers where a change in place numbers has been requested). <b>Unit value:</b> £6,000 <b>Total post-16 allocation</b> = place numbers x unit value

Further information on [high needs funding arrangements for 2018 to 2019](#) is available.

## Table F – pupil number matrix

Table F shows the pupil numbers used in each of the calculations. The main sources of pupil numbers are the autumn 2017 census, estimates provided by academies and agreed high needs places. Within your allocation the number of pupils attracting the various funding elements may differ. For example, the calculations for school budget share (SBS) do not include nursery or 16 to 19 pupils.

In 2018 to 2019, pupils in designated special units or resourced provision in mainstream academies are included in the calculation of SBS pupil-led factors. These pupils are also funded under the place funding system as described in table E.

Your local authority can opt to apply a reception uplift to your pupil numbers. The pupils counted in the reception uplift are also counted in all other primary pupil-led factor calculations in the SBS. They are not, however, included in the calculation of MFG.

For census-funded academies, pupil numbers are taken from the autumn 2017 validated school census using single registration at the school and current main-dual registration. However, where the local authority notifies us of variations in school census numbers (through their authority proforma tool, for planned growth or infrastructure changes) then these will be used to calculate your allocation.

For estimate-funded academies pupil numbers are drawn from the final validated revenue funding data collection (RFDC) dataset.

### Sample table F – academic year 2018 to 2019 pupil number matrix

	Reception uplift 1	Primary 2	Secondary 3	Post-16 4	Total	Calculation
School budget share (SBS)	0	100	665	N/A	765	= 1 + 2 + 3
Minimum funding guarantee (MFG)	N/A	100	665	N/A	765	= 2 + 3

## Funding outside the GAG

The previous sections explain the elements that make up your GAG funding. As an academy you will receive other revenue funding that is not part of your GAG. This includes:

- [early years funding](#) - paid by the local authority to academies with a nursery class through the early years single funding formula (EYSFF)
- national non-domestic rates (NNDR) - paid on receipt of a claim using an [online form](#) in a single amount outside of the SBS
- [pupil premium](#) - paid in four instalments by ESFA
- [PE and sport premium for primary schools](#) - paid in two instalments by ESFA
- [universal infant free school meals](#) - paid in two instalments by ESFA to academies with infant classes or pupils of infant age
- [year 7 literacy and numeracy catch-up premium](#) – paid in one instalment by ESFA to academies with year 7 pupils who did not achieve the expected standard in reading or maths at the end of key stage 2 (KS2)
- high needs top-up funding - paid by the local authority where required. In the case of AP, top-up funding can be paid directly by other schools and academies. Information about the [high needs funding arrangements for 2018 to 2019](#) is available.

Further information about [revenue funding payments for academies](#), the [growth fund](#) and [falling rolls fund](#) is available.

In addition your academy may receive [capital funding](#) from the ESFA.

## Risk protection arrangement (RPA)

If you are a member of [RPA](#) any adjustment made to your funding will be shown on your monthly pay schedule. It is not shown on your allocation statement as it does not affect your allocation, but does affect the amount you will receive on a monthly basis. If you opt into RPA you will not receive an adjusted allocation statement, but your monthly pay schedule will be reissued. Details of the values for new academies are on the monthly remittance advice notes issued to the academy trust.



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