



Department  
for Education

# **Schools block national funding formula**

**Technical note**

**August 2018**

# Contents

Chapter 1: Introduction and overview	5
Introduction	5
Differences between the 2018-19 NFF and the 2019-20 NFF	6
Data and modelling approach	6
Chapter 2: Establishing baseline funding for LA allocations	8
Core schools funding baseline	8
Premises factors baselines	8
Mobility factor baseline	9
Growth factor baseline	9
Summary of total schools block baseline	9
Chapter 3: Core schools funding NFF calculation for LA allocations	10
Basic per-pupil funding	10
Additional needs funding	11
Socio-economic deprivation – FSM	12
Socio-economic deprivation – Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)	13
Low prior attainment factor	16
English as an additional language factor	17
Lump sum	18
Sparsity	18
Sparsity weighting	19
Area cost adjustment	20
NFF pupil-led unit of funding before applying the minimum per pupil funding and the funding floor	21
NFF school-led unit of funding	22
“If full” NFF school-led unit of funding for new and growing schools	22
Applying the minimum per pupil funding	22
Applying the funding floor	26
Core schools NFF funding – splitting between primary and secondary	29
Chapter 4: Core schools funding transitional protection	30
Core schools transitional protection funding – splitting between primary and secondary	32

Chapter 5: NFF allocations to LAs	33
Baseline funding	33
Provisional funding in 2019-20, based on 2018-19 pupil count	33
Core schools funding – Provisional funding in 2019-20	34
2019-20 primary and secondary units of funding	35
2019-20 actual premises and mobility funding	37
2019-20 provisional growth funding	38
Total provisional funding in 2019-20	38
Illustrative funding if the NFF was implemented without the gains cap, based on 2018-19 data	40
Core schools funding – illustrative funding if the NFF was implemented without the gains cap.	40
Illustrative premises, mobility and growth funding if NFF implemented without the gains cap	40
Total illustrative funding if NFF implemented without transition	40
Chapter 6: Calculating school-level illustrative allocations	41
How does this affect the calculation?	41
APT or GAG adjusted pupil count	41
APT or GAG premises and mobility	42
NFF pupil-led unit of funding (pre minimum per pupil funding and funding floor)	42
NFF school-led unit of funding	42
“If full” school-led unit of funding	43
NFF minimum per pupil unit of funding	43
NFF funding floor	43
Transition on to formula	43
NFF premises funding	43
What have we published at a school level?	44
Annex A: Additional area cost adjustment (ACA) information, calculation of the teacher pay cost adjustment and list of ACAs for each LA	47
Annex B: Schools new in 2018-19	53
New schools	53
Amalgamating schools.	54
Split schools.	54

Annex C: New and growing schools	55
Definition of new and growing schools	55
New and growing schools – transition on to formula	55
Annex D: Actual 2019-20 growth funding	57
2019-20 transitional growth funding	57
ANNEX E: Core schools funding – school-level adjusted pupil count and funding baseline	63
APT adjusted pupil count	63
APT adjusted baseline funding	63
New and growing schools – “if full” APT adjusted pupil count and baseline	64
“If full” APT adjusted pupil count	64
“If full” APT adjusted baseline funding	64

# Chapter 1: Introduction and overview

## Introduction

- 1.1. This document explains how we have calculated the local authority (LA) level schools block (SB) 2019-20 actual primary and secondary units of funding. It also covers the calculation of the LA-level and school-level provisional 2019-20 total funding under the national funding formula (NFF) both if implemented in full and without transition and with 2019-20 transitional protection:
  - a. Chapter 2 sets out how we have defined the baseline pupil count and baseline funding used to apply the transitional protections and understand the impact of the NFF. LAs can see these calculations in NFF COLLECT reports D2 and G.
  - b. Chapter 3 sets out the school-level calculation of the NFF pupil-led and school-led units of funding, including the minimum per pupil funding and the funding floor. LAs can see these calculations in NFF COLLECT reports E2 and F2.
  - c. Chapter 4 sets out our approach to the school-level transition on to the NFF in 2019-20. LAs can see these calculations in NFF COLLECT report F2.
  - d. Chapter 5 sets out the LA SB calculation, bringing together school-level output from the previous chapters and LA-level calculations of the premises, mobility and growth factors. LAs can see these calculations in NFF COLLECT reports H and I.
  - e. Chapter 6 sets out the differences between the data used to calculate LA-level SB allocations and the data used to illustrate the impact of the NFF at a school level. LAs and schools can see the calculation behind the school level illustrations in COLLECT report C (individual school summary).
- 1.2. Under the NFF the SB will allocate funding for pupils in Reception to Year 11 in state-funded mainstream schools and academies in England. Special schools, alternative provision, provision in nursery schools and classes, sixth form provision and post-16 only institutions are not funded under this formula. The City of London and Isles of Scilly are also excluded as they will receive a separate education grant covering funding for their schools. We have also excluded the two city technology colleges, who are funded outside of the dedicated schools grant (DSG).
- 1.3. We have published two outputs:
  - a. LA-level SB 2019-20 primary and secondary units of funding, which will be used to derive the final SB funding for LAs in December 2018, and an illustration of the impact at LA level of the second year of the NFF (provisional in 2019-20 and if implemented in full and without transition).

- b. An illustration of the impact of the NFF at school level. This covers notional funding in 2019-20 and if the NFF had been implemented in full and without any transitional protection.

## **Differences between the 2018-19 NFF and the 2019-20 NFF**

- 1.4. The main formula is substantially the same as in 2018-19. However, we have introduced some changes<sup>1</sup>
  - a. As set out in 2018-19, the 2019-20 the NFF will include full values for:
    - i. The floor, calculated at 1% above baseline, rather than 0.5% as in 2018-19.
    - ii. The minimum per pupil funding levels, calculated at the full rates as appropriate to phase, rather than the interim rates used in the 2018-19 NFF.
  - b. Other unit values are unchanged with the exception of the primary low prior attainment unit value which has been adjusted to reflect the changes in the population (Chapter 3).
  - c. The formula allocation will be made based on school and pupil characteristics data from the 2018-19 authority proforma tool (APT) data. Baselines for floor funding and transitional funding are still the 2017-18 baselines used in the 2018-19 NFF.
  - d. We have added a method to deal with schools without a 2017-18 baseline (Annex B).
  - e. We have formularised growth funding at LA level (Annex D).
  - f. We have changed the way the minimum per pupil amounts are calculated for KS3 and KS4 only schools (Chapter 3).

## **Data and modelling approach**

- 1.5. To calculate the LA-level SB 2019-20 units of funding and illustrative impacts at LA level of the NFF, we have used pupil and school characteristics data from the 2018-19 APT. To illustrate the impact of the formula on schools for 2019-20 and if the NFF had been implemented in full and without transitional protection, we have used data from the 2018-19 APT for LA maintained schools, and from their 2018/19 general annual grant (GAG) statement for academies and free schools. For LA maintained schools this data will not reflect any changes since March 2018, and for academies and free schools this data will not reflect any changes since May 2018. We want schools and LAs to be able to compare the impact of the proposed formula

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<sup>1</sup> 1.1. (set out in the policy document [2019-20 NFF](#))

directly to the funding they receive now. Future funding allocations will be adjusted to take account of changing pupil numbers and characteristics, so these illustrative allocations should not be taken as firm allocations for any particular year.

- 1.6. We have published two sets of SB illustrative figures, one at LA level and one at school level. The difference between these publications is that the LA units of funding have been calculated using pupil and school characteristics data from the 2018-19 APT only, whereas the school-level figures use APT data for LA maintained schools and GAG data for academies. We use APT and GAG data as appropriate for the school-level figures so that schools can recognise their funding baseline. The school-level figures are illustrations to help inform schools of the possible impact of the NFF in 2019-20: the actual funding allocations that schools will receive in that year will be determined by the relevant LA formula.
- 1.7. The 2019-20 per-pupil units of funding that we have published are based on 2018-19 APT data and have been calculated using October 2017 census pupil counts, to be consistent with the pupil counts used in allocations currently.
- 1.8. As we have used data from the 2018-19 APT for maintained schools and from the 2018/19 GAG for academies and free schools to illustrate the school-level impact of the NFF, the total of the illustrative impact across all schools (from the Impact of the schools NFF table) will not match the total of the illustrative LA allocations (from the NFF summary table).
- 1.9. The NFF calculation is split into four components, which this note will refer to as:
  - a. Core schools funding: this makes up the vast majority of the SB. The LA-level primary and secondary NFF units of funding cover core schools funding. Core schools funding covers funding through the:
    - i. Pupil-led factors: basic per-pupil, deprivation, low prior attainment, English as an additional language, minimum per pupil funding, funding floor and transitional protections.
    - ii. School-led factors: lump sum, sparsity.
    - iii. The area cost adjustment: this is a multiplier that applies to both pupil-led and school-led factors (this is explained further in Chapter 3).
  - b. Premises funding: premises funding covers funding through the PFI, split sites, rates and exceptional circumstances factors.
  - c. Mobility funding: covers funding through the mobility factor.
  - d. Growth funding: this is calculated at LA level using a mix of school-level and LA-level data.

## Chapter 2: Establishing baseline funding for LA allocations

- 2.1. The NFF calculates notional allocations at school level and then aggregates these to produce LA-level allocations. We use pupil and funding data from the 2018-19 APT for both schools and academies at this point so that the funding is all on a consistent basis. This means the notional 2019-20 allocations for academies which contribute towards the 2019-20 LA-level allocation is based on the APT allocation, not their actual GAG allocation.
- 2.2. This chapter sets out the baseline funding used to calculate 2019-20 SB allocations to LAs under the NFF. Chapter 6 sets out how we have separately calculated notional allocations at school level to illustrate the impact of the formula. These published allocations use pupil and funding data from 2018/19 GAG statements for academies and free schools.

### Core schools funding baseline

- 2.3. In order to calculate the NFF funding floor and transitional protection, we compare the funding schools received in the FY to 31 March 2018 with their funding under the NFF in 2019-20, if the formula was implemented in full. We calculated these 2017-18 baselines for the first year of the NFF and have reused the existing baselines, except in the case of schools with no extant 2017-18 baseline (i.e. brand new schools with no predecessors or schools that are shown as new amalgamations or splits in the 2018-19 APT) - see Appendix B. Although we have not recalculated them, the process of establishing the 2017-18 baselines can be found at Annex E.
- 2.4. Where schools do not have a 2017-18 baseline, we will create a theoretical baseline based on LA formulae from 2017-18. This is to ensure that new schools are not disadvantaged compared to other schools in their LA area. We will do this separately for each LA for three categories of school: (a) new schools with no successor, (b) schools that have amalgamated and (c) schools that have split. Details can be found in Annex B.

### Premises factors baselines

- 2.5. The premises baselines for the LA-level illustrative allocations are the total funding each LA allocated through each premises factor as recorded on the FY 2017-18 APT and as shown in the baselines for the 2018-19 illustrative NFF. The individual funding factors that make up the total premises factor are:
  - a. Private finance initiative (PFI)
  - b. Split sites

- c. Rates
- d. Exceptional circumstances

2.6. The baselines at school level and LA level are the 2017-18 figures as shown in the illustrative 2018-19 NFF. These baselines take account of adjustments for one-off funding, the reception uplift, and funding for pupils in high needs units at mainstream schools.

## **Mobility factor baseline**

2.7. The mobility baseline for the LA-level illustrative allocations is the total funding each LA allocated through the mobility factor as recorded on the FY 2017-18 APT (this is the mobility total shown at LA level in the 2018-19 illustrative NFF)

## **Growth factor baseline**

2.8. The growth factor baseline at LA level will be the total allocated through the growth factor in the 2018-19 DSG allocation.

## **Summary of total schools block baseline**

2.9. We split this total baseline into 4 components:

- a. Core schools funding 2017-18 baseline: we take the 2017-18 APT adjusted baseline for each school from the 2018-19 NFF, and aggregate up to LA level. (See Annex E for details of how we calculated this APT adjusted baseline)
- b. Premises factors 2017-18 baseline from the 2018-19 NFF: baseline set out above in chapter 2.
- c. Mobility factor 2017-18 baseline from the 2018-19 NFF: baseline as set out above in chapter 2.
- d. Growth factor 2017-18 baseline from the 2018-19 NFF: baseline as set out above in chapter 2.

## Chapter 3: Core schools funding NFF calculation for LA allocations

- 3.1. We set out each component of the SB NFF that is calculated at a school level in this chapter. We use pupil and school characteristics data to calculate the NFF pupil-led and school-led units of funding, the minimum per pupil funding and the funding floor. For calculating LA allocations, we use data from the 2018-19 APT for all schools, and this chapter sets out the calculation of core schools funding for LA allocations
- 3.2. For calculating the illustrative impact on individual schools, we use 2018-19 APT data for maintained schools and 2018/19 GAG data for academies and free schools. That calculation will be described later on in Chapter 6.
- 3.3. Core schools funding covers funding through the NFF that is calculated at a school level. Through the core schools funding calculation we produce a NFF primary and secondary per pupil unit of funding for each LA.
- 3.4. The NFF uses APT adjusted pupil numbers. This adjustment is made to remove the reception uplift where the LA has applied it, since this is not a component of the NFF.
- 3.5. The NFF core schools funding covers funding through the basic per pupil, deprivation, low prior attainment (LPA), English as an additional language (EAL), lump sum, and sparsity factors. The area cost adjustment (ACA) is also applied to uplift funding in line with local wage costs, and the minimum per pupil funding and the funding floor are applied to ensure that all schools attract at least the minimum level of per pupil funding through the formula and that all schools will attract at least a 1% increase compared to their 2017-18 pupil-led baseline.

### Basic per-pupil funding

Figure 1: Basic per pupil funding factors

Factor	Unit value	Eligibility
Primary age basic per pupil funding	£2,746.99	Each pupil on the school roll in year groups from reception to year 6 inclusive.  The primary APT adjusted pupil count is based on data from the 2018-19 APT and excludes reception uplift.

Factor	Unit value	Eligibility
Key stage 3 (KS3) basic per pupil funding	£3,862.65	Each pupil on the school roll in year groups from year 7 to year 9 inclusive.  The KS3 APT adjusted pupil count is based on data from the 2018-19 APT.
Key stage 4 (KS4) basic per pupil funding	£4,385.81	Each pupil on the school roll in year 10 and year 11.  The KS4 APT adjusted pupil count is based on data from the 2018-19 APT.

3.6. The total NFF funding through the basic per pupil factor is equal to:

- a. Primary basic per pupil unit value multiplied by the primary APT adjusted pupil count, plus
- b. KS3 basic per pupil unit value multiplied by the KS3 APT adjusted pupil count, plus
- c. KS4 basic per pupil unit value multiplied by the KS4 APT adjusted pupil count.

## Additional needs funding

3.7. The additional needs factors allocate funding to schools on the basis of the number of pupils who have particular characteristics. For each factor, schools receive a unit of funding per eligible pupil. The number of eligible pupils is worked out by calculating the proportion of pupils in the school who are eligible for each factor, and then applying this proportion to the APT adjusted pupil count. This step is necessary to ensure the changes to the pupil numbers due to excluding the reception uplift feed through into the various additional needs factors.

3.8. The proportion of pupils eligible for each factor only takes account of pupils for whom we have data. We assume that pupils with missing characteristics data are eligible for the factor at the same rate as the other pupils for whom we do have data. This is the same methodology as LAs currently use to allocate funding to schools. For example:

- a. School A has 400 pupils but only 380 have valid data returns for free school meal (FSM) eligibility.

- b. Of the 380 pupils with valid FSM data, 95 are claiming FSM, and 285 do not claim FSM. Therefore the proportion of pupils at School A that are eligible for funding through the FSM factor is 25% (95 divided by 380).
- c. The total number of eligible pupils is calculated by multiplying the total pupil count, 400, by the school's proportion of FSM eligible pupils, 25%. Therefore School A receives funding through the FSM factor for  $400 \times 25\% = 100$  eligible pupils.
- 3.9. The additional needs factors are additive, pupils attract funding for all the factors for which they are eligible. So, for example, a pupil currently eligible for FSM will attract the FSM unit value amount and the FSM6 unit value.

## Socio-economic deprivation – FSM

**Figure 2: FSM funding factors**

Factor	Unit value	Eligibility
Primary FSM	£440	<p>Schools receive funding for all FSM eligible primary pupils through this factor.</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM eligible primary pupils from the 2018-19 APT and multiplying by the primary APT adjusted pupil count.</p>
Secondary FSM	£440	<p>Schools receive funding for all FSM eligible secondary pupils through this factor.</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM eligible secondary pupils from the 2018-19 APT and multiplying by the secondary APT adjusted pupil count (KS3 APT adjusted pupil count plus KS4 APT adjusted pupil count).</p>

Factor	Unit value	Eligibility
Primary FSM6	£540	<p>Schools receive funding for all primary pupils who have been recorded as eligible for FSM at any time in the last six years (FSM6) through this factor. (This includes all primary pupils who are currently eligible for FSM.)</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM6 eligible primary pupils from the 2018-19 APT and multiplying by the primary APT adjusted pupil count.</p>
Secondary FSM6	£785	<p>Schools receive funding for all secondary pupils who have been recorded as eligible for FSM at any time in the last six years through this factor.</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM6 eligible secondary pupils from the 2018-19 APT and multiplying by the secondary APT adjusted pupil count.</p>

**Figure 2: This table shows the FSM funding factors, their unit value and the eligibility criteria for each factor.**

## **Socio-economic deprivation – Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)<sup>2</sup>**

3.10. The IDACI element of the deprivation factor is based on the IDACI dataset, which is published by the Ministry for Housing, Communities and Local Government and housing. IDACI is a relative measure of socio-economic deprivation: an IDACI ‘score’ is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing socio-economic deprivation.

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<sup>2</sup> Ministry of Housing, Communities and Local Government, [‘English indices of deprivation 2015’](#), September 2015

- 3.11. The Department for Education applies a 'banding' methodology to enable the IDACI data to be used for school funding purposes. IDACI scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation. We match IDACI data to pupils' home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school. The amount of IDACI funding received by a school depends on the IDACI score of each pupil.
- 3.12. We have matched the 2015 IDACI data (the most recent update to the IDACI dataset) to pupil data from the October 2017 school census, on the basis of the LSOA of each pupil's home address. The NFF IDACI bands (also to be used by LAs that choose to allocate funding through the IDACI factor in their 2019-20 local formula) are set out in Figure 3.

**Figure 3: NFF IDACI bands – using pupil-level data from the October 2017 school census**

<b>NFF IDACI bands</b>		
<b>IDACI score</b>	<b>Band</b>	<b>% pupils in the band nationally</b>
Between 0.5 and 1	A	3%
Between 0.4 and 0.5	B	8%
Between 0.35 and 0.4	C	7%
Between 0.3 and 0.35	D	8%
Between 0.25 and 0.3	E	9%
Between 0.2 and 0.25	F	10%
Less than 0.2	G	55%

**Figure 4: IDACI funding factors**

<b>Factor</b>	<b>Unit value</b>	<b>Eligibility</b>
Primary IDACI band A	£575	We calculate the total number of eligible pupils for funding through each IDACI band by working out the proportion of IDACI band “x” eligible primary pupils for the relevant band, using October 2017 school census data, and multiplying by the primary APT adjusted pupil count.
Primary IDACI band B	£420	
Primary IDACI band C	£390	
Primary IDACI band D	£360	
Primary IDACI band E	£240	
Primary IDACI band F	£200	
Secondary IDACI band A	£810	We calculate the total number of eligible pupils for funding through each IDACI band by working out the proportion of IDACI band “x” eligible secondary pupils for the relevant band, using October 2017 school census data, and multiplying by the secondary APT adjusted pupil count.
Secondary IDACI band B	£600	
Secondary IDACI band C	£560	
Secondary IDACI band D	£515	
Secondary IDACI band E	£390	
Secondary IDACI band F	£290	

**Figure 4: This table shows the IDACI funding factors, their unit value and the eligibility criteria for each factor. We do not allocate funding through IDACI band G.**

## Low prior attainment factor

3.13. We use early years foundation stage profile (EYFSP) and key stage 2 (KS2) attainment data to work out how many pupils are eligible for funding through the LPA factor. Similarly to the other factors, we use data for LPA as recorded by LAs in the 2018-19 APT.

**Figure 5: LPA funding factors**

Factor	Unit value	Eligibility
Primary LPA	£1,022	<p>Schools receive funding for all primary pupils who did not reach the expected level of development at foundation stage through this factor.</p> <p>The number of pupils attracting primary LPA funding has to be calculated in a special way because younger pupils have been tested in a different manner to older pupils and because we do not have LPA data for pupils in Reception.</p> <p>We calculate the total number of eligible pupils by</p> <ol style="list-style-type: none"> <li>1. taking the proportion of LPA eligible primary pupils in years 1 to 5 (pupils who did not achieve the expected level of development in the new EYFSP) from the 2018-19 APT and multiplying by the Y1–Y5 APT adjusted pupil count;</li> </ol> <p>then</p> <ol style="list-style-type: none"> <li>2. taking the proportion of LPA eligible primary pupils in year 6 (pupils who achieved fewer than 78 points in the old EYFSP) from the 2018-19 APT and multiplying by the Y6 APT adjusted pupil count;</li> </ol> <p>then</p> <ol style="list-style-type: none"> <li>3. summing 1 and 2 and dividing by the Y1-6 APT adjusted pupil count, to give the proportion of LPA eligible primary pupils</li> </ol>

Factor	Unit value	Eligibility
		and finally  4. multiplying this proportion by the primary APT adjusted pupil count, which includes pupils in Reception.
Secondary LPA	£1,550	Schools receive funding for all secondary pupils who did not achieve the expected level at KS2 one or more of reading or writing or mathematics through this factor.  We calculate the total number of eligible pupils by taking the proportion of LPA eligible secondary pupils from the 2018-19 APT <sup>3</sup> and multiplying by the secondary APT adjusted pupil count.

**Figure 5: This table shows the LPA funding factors, their unit value and the eligibility criteria for each factor.**

## English as an additional language factor

3.14. The pupils eligible to attract funding through the NFF EAL factor are those recorded on the census as having entered state education in England during the last three years, and having been exposed to a mother tongue other than English. This measure is called “EAL3” in the current LA local funding arrangements. References to “EAL-eligible” pupils in this section refer to pupils eligible to attract funding through the NFF EAL factor as described above,

**Figure 6: EAL funding factors**

Factor	Unit value	Eligibility
Primary EAL	£515	Schools receive funding for all EAL-eligible primary pupils through this factor.  We calculate the total number of eligible pupils by taking the proportion of EAL eligible primary pupils from the 2018-19 APT and multiplying by the primary APT adjusted pupil count.

<sup>3</sup> [For LPA we apply the default weightings from the 2018-19 APT as described in the APT instructions](#)

Secondary EAL	£1,385	Schools receive funding for all EAL-eligible secondary pupils through this factor.  We calculate the total number of eligible pupils by taking the proportion of EAL eligible secondary pupils from the 2018-19 APT and multiplying by the secondary APT adjusted pupil count.
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**Figure 6: This table shows the EAL funding factors, their unit value and the eligibility criteria for each factor.**

## Lump sum

3.15. Each school receives a lump sum, irrespective of its size or phase. Lump sums are multiplied by the proportion of the year the school was open in 2018-19.

**Figure 7: Lump sum funding factor**

Factor	Unit value	Eligibility
Lump sum	£110,000	All schools receive this lump sum amount – we do not differentiate funding by phase. Schools that are funded for part of the year will have their lump sum adjusted proportionally.

**Figure 7: This table shows the lump sum funding factor, the unit value and the eligibility criteria for the factor.**

## Sparsity

3.16. The sparsity factor targets extra funding to schools that are both small and remote.

**Figure 8: Sparsity funding factor**

Factor	Unit value
Primary sparsity	£0 - £25,000
Secondary sparsity	£0 - £65,000

**Figure 8: This table shows the sparsity funding factors and the unit values.**

- 3.17. To decide if a school is eligible for sparsity funding we use the same criteria as currently recommended by the department for use in LA SB funding formulae, and sparsity distance and year group data from the 2018-19 APT<sup>4</sup>. A school is eligible for sparsity funding if:
- For all the pupils for whom it is the nearest compatible school, the average straight-line distance from the pupils' homes to the second nearest compatible school (the sparsity distance) is more than three miles (for secondary schools) or two miles (for all other schools), and
  - The average year group size (APT adjusted pupil count divided by number of year groups) is below the year group threshold. This threshold is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools.
- 3.18. We have set a maximum sparsity sum that schools can receive through the sparsity factor. We taper this sparsity sum using the school's sparsity weighting (see below), so that as the average year group size approaches the threshold, sparsity funding decreases. Sparse schools with a greater number of pupils receive less funding than smaller sparse schools.

## Sparsity weighting

- 3.19. We calculate a sparsity weighting for each school that is eligible for sparsity funding. This sparsity weighting sets the proportion of the sparsity sum for which each sparse school is eligible.
- 3.20. The sparsity weighting for schools with an average year group size of less than half the year group threshold is 100%. These sparse schools receive the full sparsity sum.
- 3.21. The sparsity weighting for sparse schools with an average year group size of above half the year group threshold is calculated as follows:

$$S = \left(1 - \frac{A - T/2}{T/2}\right), \text{ where } T/2 \leq A < T$$

Where

S is the sparsity weighting

A is the average year group size of the school

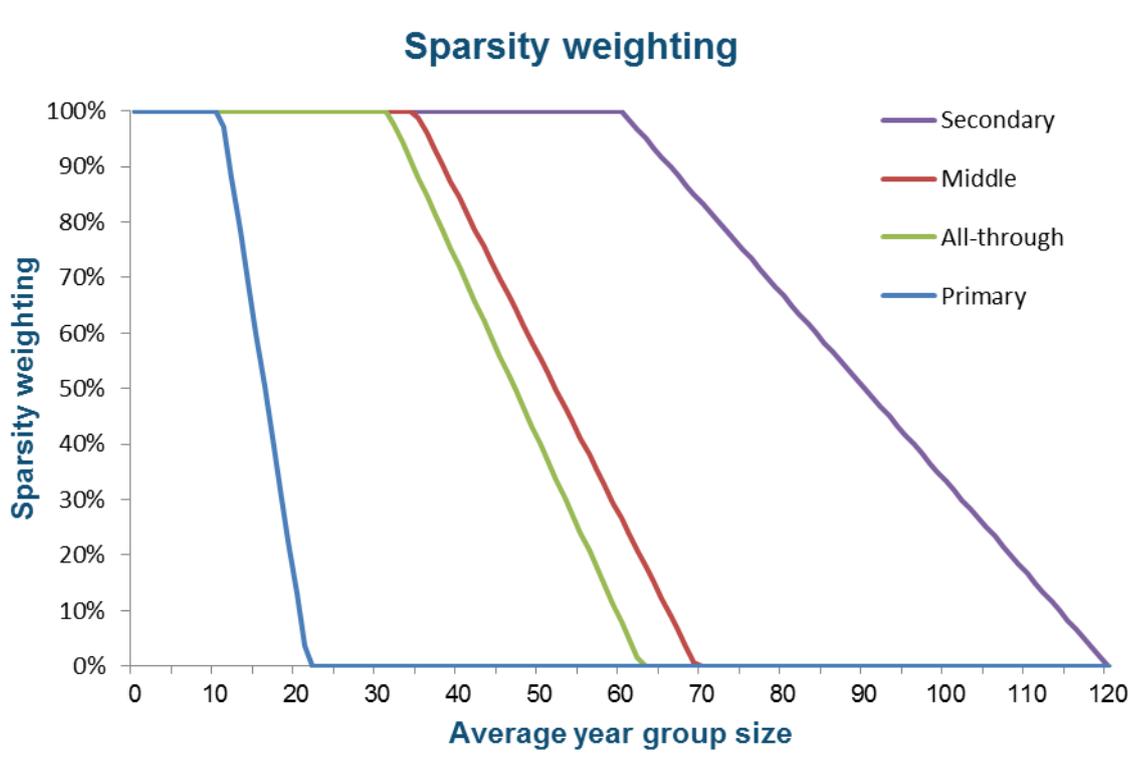
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<sup>4</sup> In the rare case that there is no year group data for a school on the 2018-19 APT, we assume the school is not eligible for sparsity funding.

T is the year group threshold

3.22. The sparsity weighting for primary, middle, secondary and all-through schools is set out in figure 9 below.

**Figure 9 – Sparsity weighting**



## Area cost adjustment

3.23. The NFF includes an ACA to reflect geographical variation in labour market costs. We use the 'hybrid' methodology for the ACA, which takes into account variation in both the general labour market (GLM) and the teacher labour market.

3.24. The SB NFF ACA calculation is largely the same as that used to calculate the 2015-16 minimum funding levels hybrid ACA with the following methodological changes:

- a. Pay data for unqualified and part-time teachers is now reliable enough to be included.

- b. The weightings of the teacher and non-teacher elements of the ACA are now based on expenditure in mainstream schools only, excluding nursery and special schools<sup>5</sup>.
- c. Expenditure data for academies is included in the calculation of the teacher and non-teacher weightings.

3.25. The SB NFF ACA is a combination of:

- a. The teacher pay cost adjustment, an element to reflect the differences in the basic pay ranges between the four regional pay bands for teachers<sup>6</sup> and
- b. The GLM cost adjustment, an element to reflect geographical variation in wage costs for non-teaching staff.

3.26. The SB NFF ACA is calculated for each district by:

- a. Weighting the relevant teachers specific cost adjustment in line with the national proportion of spend on teaching staff (52.4%).
- b. Weighting the relevant GLM labour cost adjustment in line with the national proportion of spend on non-teaching staff (27.1%).

3.27. The result gives the SB NFF ACA for each school located in the district. Further information on the ACA can be found in Annex A.

## **NFF pupil-led unit of funding before applying the minimum per pupil funding and the funding floor**

3.28. We calculate the NFF pupil-led unit of funding (pre-minimum per pupil and funding floor) for each school by:

- a. Adding together the total funding through each pupil-led factor (basic per pupil, deprivation, LPA, EAL).
- b. Multiplying that total by the school's ACA.
- c. Dividing the result by the school's total APT adjusted pupil count.

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<sup>5</sup> The ACA used in the High Needs NFF weights the teacher and non-teacher elements based on expenditure in special schools.

<sup>6</sup> For more information on the calculation of the teacher pay cost adjustment please see Annex A.

## NFF school-led unit of funding

- 3.29. We calculate the NFF school-led unit of funding for each school by:
- a. Adding together the total funding through each school-led factor (lump sum and sparsity).
  - b. Multiplying that total by the school's ACA.

## “If full” NFF school-led unit of funding for new and growing schools

- 3.30. We also need to calculate an “if full” NFF school-led unit of funding for new and growing schools: this is the figure if such a school were at full pupil capacity. This is because we use “if full” data to calculate the funding floor baseline for new and growing schools, and the NFF school-led unit of funding forms part of this calculation (full details are set out in the funding floor section further on in this chapter).
- 3.31. The “if full” NFF school-led unit of funding is calculated in the same way as the NFF school-led unit of funding, except that the sparsity element is derived based on the “if full” pupil count (rather than the APT adjusted pupil count) and the “if full” number of year groups (rather than 2018-19 number of year groups).
- 3.32. Once the “if full” sparsity funding has been calculated, using the methodology set out above, we add in the lump sum factor and uplift in line with the school's ACA. This gives the “if full” NFF school-led unit of funding.

## Applying the minimum per pupil funding

- 3.33. The NFF includes a minimum per pupil funding factor, which sets a minimum per pupil funding any school will attract through the NFF. This minimum refers to the level of per pupil funding schools attract through the NFF. It differs from the funding floor which provides a minimum increase over individual school baselines. The funding floor is set out in paragraph 3.35. The 2019-20 minimum per pupil funding levels for different types of schools are set out in Figure 10 below. Compared to the 2018-19 NFF, for 2019-20 we have introduced new minimum levels specifically for all-through schools, and schools with exclusively KS3 or KS4 cohorts. No school will receive a lower minimum level than under the 2018-19 arrangements.

**Figure 10 – minimum per pupil funding levels**

School phase	2019-20 minimum per pupil funding level
<b>Primary school</b>	£3,500
<b>All-through school</b>	<p>£4,042</p> <p>A weighted average of the primary and secondary minimum per pupil funding levels that applies to every all-through school. The calculation is  <math>(£3,500 \times 7) + (£4,800 \times 5)</math>                      Divided by 12</p>
<b>Secondary school (with KS3 and KS4 pupils)</b>	£4,800
<b>KS3 only schools</b>	£4,600
<b>KS4 only schools</b>	£5,100
<b>Middle schools (including secondary schools with primary year groups and exclusively KS3 or KS4 secondary year groups)</b>	<p>Minimum per pupil funding level depends on the year groups in each school.</p> <p>If the school <b>does not have a KS4 Number on Roll</b> then the calculation is  <math>(£3,500 \times \text{number of primary year groups}) + (£4,600 \times \text{number of KS3 year groups})</math>                      Divided by total number of primary and KS3 year groups</p> <p>If the school <b>has KS3 and KS4 Number on Roll</b> then the calculation is  <math>(£3,500 \times \text{number of primary year groups}) + (£4,800 \times \text{number of secondary year groups})</math>                      Divided by total number of year groups</p> <p>If the school <b>does not have a KS3 Number on Roll</b> then the calculation is  <math>(£3,500 \times \text{number of primary year groups}) + (£5100 \times \text{number of KS4 year groups})</math>                      Divided by total number of primary and KS4 year groups</p> <p>Note: For some new and growing schools or splits / amalgamations we did not have year group counts and have applied values of 7/3/2 to Primary/KS3/KS4 respectively where the school has pupils.</p>

3.34. To calculate whether a school attracts additional funding as a result of the minimum per pupil factor, we compare the minimum per pupil funding levels to the school's NFF per pupil funding (before the minimum per pupil funding levels and funding floor are applied). The calculations of the per pupil NFF funding (before the minimum per pupil and funding floor) and the funding through the minimum per pupil funding levels are set out in Figure 11 below.

**Figure 11 – calculation of the minimum per pupil funding factor for use in local authority allocations**

Calculation step	Description	Example
1) NFF pupil-led funding (before the minimum per pupil factor and funding floor)	We start with the NFF pupil-led funding before applying the minimum per pupil funding or funding floor.	Secondary school B's NFF pupil-led funding (before the minimum per pupil factor and funding floor) is £4,500 per pupil.
2) NFF school-led funding	We need to add together the total funding through the NFF pupil-led and school-led factors to calculate total NFF funding (before the minimum per pupil factor and funding floor).	The NFF school-led funding for school B is £110,000.
3) APT adjusted pupil count	We use this to calculate the per pupil funding for the minimum per pupil funding factor calculation.	School B has total APT adjusted pupil count of 1,200.
4) NFF per pupil funding used for the minimum per pupil funding calculation	The per pupil NFF funding (before the minimum per pupil factor and funding floor) is equal to:  NFF pupil-led funding (before the minimum per pupil factor and funding floor) (step 1)  Multiplied by APT adjusted pupil count (step 3)  Plus NFF school-led funding (step 2)  Divided by APT adjusted pupil count (step 3)	School B's per pupil NFF funding (before the minimum per pupil factor and funding floor) is equal to  £4,500 multiplied by 1,200 (£5,400,000),  plus £110,000 (£5,510,000)  divided by 1,200, which equals £4,592.

Calculation step	Description	Example
5) School's individual minimum per pupil funding level	The calculation of the minimum per pupil funding level for each school is set out in Figure 10.	School B is a secondary school the so minimum per pupil funding level is £4,800.
6) Does the school receive funding through the minimum per pupil funding factor?	If a school's per pupil NFF funding (before minimum per pupil and funding floor) is less than the school's individual minimum per pupil funding level, then the school receives extra funding through the minimum per pupil funding factor.	<p>School B's per pupil NFF funding (before minimum per pupil factor and funding floor) is £4,592.</p> <p>This is less than school B's individual minimum per pupil funding level, £4,800. Therefore the school receives a funding uplift through the minimum per pupil funding factor.</p> <p>This is equal to £208 per pupil (£4,800 minus £4,592).</p>
7) NFF per pupil funding (after the minimum per pupil funding, but before the funding floor)	The NFF per pupil funding after minimum per pupil, but before the funding floor, is calculated by adding any per pupil funding through the minimum per pupil funding factor (step 6) to the NFF per pupil funding (step 4) and multiplying by the proportion of the financial year for which the school is open.	School B is open for the full financial year. The NFF per pupil funding (after the minimum per pupil but before the funding floor) is £4,592 plus £208 multiplied by 100%, i.e. the minimum £4,800.
8) NFF pupil-led funding (after the minimum per pupil funding but before the funding floor)	<p>We also need to calculate the NFF pupil-led funding, a per pupil unit of funding that excludes the school-led factors, to use in the funding floor calculation.</p> <p>We take the NFF pupil-led funding (before the minimum per pupil</p>	School B's NFF pupil-led funding (after the minimum per pupil funding but before the funding floor) is £4,500 plus £208 multiplied by 100%, i.e. £4,708.

Calculation step	Description	Example
	funding and funding floor) from step 1, add the per pupil funding through the minimum per pupil funding factor from step 6, and multiply the result by the proportion of the financial year for which the school is open.	This excludes NFF school-led funding.

## Applying the funding floor

- 3.35. Schools' baselines for the funding floor continue to be taken from the 2017-18 APT. For schools with no 2017-18 baseline, see Annex B. The NFF includes a funding floor which ensures all schools' NFF allocations see a minimum gain of 1% above their 2017-18 baseline pupil-led funding in 2019-20.
- 3.36. To calculate whether a school attracts additional funding as a result of the floor (to ensure that their funding is at least 1% greater than the baseline funding as a result of the NFF), we look at the changes between each school's funding floor baseline (per pupil) and NFF pupil-led funding after the minimum per pupil funding levels have been applied. We take account of changes to a school's pupil and school-led funding only in the funding floor calculation; premises, mobility and growth funding are allocated and protected at LA level.
- 3.37. Each school's funding floor baseline (per pupil) is calculated by taking the total of the APT adjusted baselines described in 2.3, and subtracting the NFF school-led funding. This parallels the established minimum funding guarantee (MFG) methodology and ensures i) that the NFF school-led funding does not go up and down with future pupil number changes and ii) that change in the school-led funding between the baseline year and the NFF is protected by the funding floor calculation.
- 3.38. Again, we use 2017-18 APT data for all schools in our calculation of the funding floor for use in LA allocations. Figure 12 sets out the funding floor calculation and some worked examples. The funding floor for new and growing schools is based on "if full" data (the number of pupils they would have if they were at full capacity) rather than their 2017-18 pupil numbers – this ensures that the funding floor is calculated referring to the "steady state" position of each school, so all schools are treated in the same way. (see Appendix C)

**Figure 12 – calculation of the NFF funding floor for use in LA allocations**

Calculation step	Description	Example – all other schools	Example – new and growing
1) Is the school new and growing?	We need to use different input data for new and growing schools (defined in chapter 2).	No, school A is an all-through school that is not new and growing.	Yes, school C is a new and growing primary school.
2) Total baseline funding	We start with the total baseline, “if full” for new and growing schools and APT adjusted for all other schools.	School A’s APT adjusted baseline is £4,920,000.	School C’s “if full” adjusted baseline is £1,610,000.
3) NFF school-led unit of funding	The baseline for the funding floor calculation excludes NFF school-led funding. We use “if full” output for new and growing schools. We also take account of the proportion of the FY the school is open.	School A is open for 100% of the FY, so its NFF school-led funding is £110,000 x 100% = £110,000. (£110,000 is the value of the lump sum; it has no other school-led funding)	School C is open for 100% of the FY, so its “if full” NFF school-led funding is £110,000 x 100% = £110,000.
4) Pupil count	The funding floor calculation is on a per pupil basis. We use “if full” pupil count for new and growing schools and the APT adjusted pupil count for all other schools.	School A’s APT adjusted pupil count is 1,140.	School C’s “if full” pupil count is 420.
5) Funding floor baseline	The baseline for the funding floor is calculated by:  Taking the total baseline funding (step 2)  Subtracting NFF school-led unit of funding (step 3)  And dividing the result by the pupil count (step 4).	School A’s funding floor baseline is £4,219.  This is £4,920,000 minus £110,000 (£4,810,000) divided by 1,140.	School C’s funding floor baseline is £3,571.  This is £1,610,000 minus £110,000 (£1,500,000) divided by 420.

Calculation step	Description	Example – all other schools	Example – new and growing
6) Minimum gain by 2019-20	<p>The minimum gain for any school by 2019-20 is a 1% increase on their funding floor baseline.</p> <p>To check that each school will see at least a 1% gain by 2019-20 we uplift the baseline for the funding floor by 1%.</p>	School A's NFF pupil-led funding needs to be at least 1% greater than the funding floor baseline – this is £4,261.	School C's NFF pupil-led funding needs to be at least 1% greater than the funding floor baseline – this is £3,607.
7) NFF pupil-led funding ( <u>after minimum per pupil funding</u> but before the funding floor), set out in Figure 11	For all schools we use the NFF pupil-led unit of funding based on 2018-19 APT data. This is the funding through the formula including the minimum per pupil funding level and excluding NFF school-led funding.	School A's NFF pupil-led funding (after minimum per pupil funding but before the funding floor) is £4,147.	School C's NFF pupil-led funding (after minimum per pupil funding but before the funding floor) is £3,550.
8) How much funding will the school receive through the NFF funding floor factor?	<p>We check that each school's NFF pupil-led funding (after minimum per pupil funding but before the funding floor) (step 7) delivers the minimum gain by 2019-20 (step 6).</p> <p>If the NFF pupil-led unit of funding is not at least 1% greater than the funding floor baseline then the school receives funding through the funding floor factor.</p>	School A's NFF pupil-led funding (after minimum per pupil funding but before the funding floor) of £4,147 is less than a 1% uplift to the funding floor baseline (£4,261), so school A gets £114 per pupil through the funding floor factor.	School C's NFF pupil-led funding (after minimum per pupil funding but before the funding floor) of £3,550 is less than a 1% uplift to the funding floor baseline (£3,607) so school C gets £57 per pupil through the funding floor factor.
9) NFF pupil-led funding (after minimum per pupil funding and	This is equal to: NFF pupil-led funding (after minimum per pupil	School A's NFF pupil-led funding (after minimum per pupil funding and the funding floor) is	School C's NFF pupil-led funding (after minimum per pupil funding and the funding floor) is

Calculation step	Description	Example – all other schools	Example – new and growing
the funding floor)	funding but before the funding floor) (step 7)  Plus NFF funding floor per pupil (step 8).	£4,261, this is £4,147 plus £114.	£3,607, this is £3,550 plus £57.

## Core schools NFF funding – splitting between primary and secondary

3.39. To calculate the LA level primary and secondary per pupil units of funding for the 2019-20 schools block NFF LA allocations we need to split core schools funding between primary funding and secondary funding. We calculate this split as follows:

- a. First, we split all funding through the basic per pupil, deprivation, low prior attainment and EAL factors (including ACA uplift) based on the pupil count for individual factors – all funding through primary factors is classed as primary funding, all funding for secondary factors is classed as secondary funding.
- b. Then, we split all funding through the school-led factors based in proportion to the number of primary and secondary pupils at the school. So if an all-through school has 1,210 pupils, 210 of whom are primary and 1,000 of whom are secondary, we split the school-led funding in to 17% primary funding and 83% secondary funding. But for a primary school, for example, all the school-led funding would be classed as primary funding.
- c. Finally, we split any extra funding the school received through the minimum per pupil funding and funding floor factors in proportion to the number of primary and secondary pupils. So, for example, if a middle school receives £100 per pupil through the funding floor and there are 180 primary pupils and 120 secondary pupils in the school, the primary funding through the funding floor will be calculated as £100 multiplied by 180 (£18,000) and the secondary funding will equal £100 multiplied by 120 (£12,000).

## Chapter 4: Core schools funding transitional protection

- 4.1. Chapter 3 described the school-level calculations that are used to illustrate the NFF funding for LAs if the NFF was implemented in full and without transition. To calculate provisional allocations for 2019-20, we apply transitional protections at a school level. These cover the core schools funding only since funding for premises is based on 2018-19 APT figures and thus needs no transitional protection. A separate transition arrangement for growth is outlined at Appendix D. LA allocations in each year will be based on the aggregate school-level allocations after the transitional protections.
- 4.2. The gains cap is similar to the current transitional protection used by LAs in their local SB funding formulae. Under the NFF, year-on-year gains for underfunded schools will be capped at 3% in 2019-20, making a total maximum gain of 6.09% compared to 2017-18.
- 4.3. We split schools into three groups when applying the gains cap:
  - a. Group 1 – new and growing schools. We do not apply a gains cap to new and growing schools. The NFF pupil-led funding for some new and growing schools is below their transitional protection baseline (due to an inflated baseline lump sum per pupil whilst the school is still filling up: more details are provided in Annex C). We apply a protection to prevent large losses as a result of this, operating in a way that is similar to the MFG to these schools. We set this protection at -1.5% per year and as we are retaining the 2017-18 baseline, we set the protection at -2.98%. This is equivalent to having applied -1.5% in 2018-19 and a further -1.5% in 2019-20.
  - b. Group 2 - schools on the 1% funding floor. The 2019-20 allocations for these schools are at least 1% higher than their 2017-18 baseline.
  - c. Group 3 – schools gaining more than 1% under the NFF<sup>7</sup>. In 2019-20, these schools see a maximum gain of either 6.09% of their baseline funding or 36% of their gains compared to 2017-18.
- 4.4. As with the calculation of the funding floor and the existing MFG approach in local formulae, the gains cap calculation is based on the pupil-led funding including the change in the school-led funding. In other words, the NFF school-led funding is excluded to ensure that this does not change in line with pupil numbers in future years.
- 4.5. Figure 13 sets out the transitional protection calculation steps.

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<sup>7</sup> Including any schools with a negative transitional protection baseline.

**Figure 13 – overview of the transitional protection calculation**

Calculation step	Details
1) Establish the transitional protection baseline per pupil	This baseline is calculated in a similar way to the existing LA MFG transitional protection baseline. The per pupil baseline covers baseline pupil-led funding and the change in school-led funding. NFF school-led funding is excluded to ensure this does not changing in line with pupil numbers.
2) Establish the change between the transitional protection baseline and NFF pupil-led funding if implemented in full without transition	<p>The transitional protections calculation refers to two stages of the NFF:</p> <ul style="list-style-type: none"> <li>a) Before the funding floor is applied – we refer to the percentage change pre funding floor to calculate the 2019-20 gain for school's in group 2.</li> <li>b) After the funding floor is applied –the percentage change if the NFF was implemented in full without transition.</li> </ul>
3) Split schools between groups	<p>As set out in 4.3, the speed at which school's transition on to the NFF depends on which group a school is in:</p> <ul style="list-style-type: none"> <li>a) Group 1 – NFF new and growing schools</li> <li>b) Group 2 – schools on the 1% funding floor</li> <li>c) Group 3 – schools gaining more than 1% under the NFF</li> </ul>
4) Group 1 – new and growing schools where NFF pupil-led funding is above the transitional protection baseline	New and growing schools (as defined in Appendix C) that gain funding under the NFF (compared to their transitional protection baseline) move directly on to formula – the gains cap does not apply to new and growing schools.
5) Group 1 - new and growing schools where NFF pupil-led funding is below the transitional protection baseline	New and growing schools (as defined in Appendix C) that lose funding under the NFF (compared to their transitional protection baseline) are protected against large losses as a result of filling up year groups. These schools cannot lose more than 1.5% per pupil each year.
6) Group 2 – schools on the 1% funding floor	Schools receiving funding through the funding floor see an increase of 1% in 2019-20.

Calculation step	Details
7) Group 3 – schools gaining more than 1% under the NFF	<p>If the change between the transitional protection baseline and the NFF pupil-led funding is an increase of 6.09% or below then schools move directly on to formula.</p> <p>If schools are still due to gain over 6.09% then they receive the maximum of either:</p> <ul style="list-style-type: none"> <li>a) 6.09% gain on their transitional protection baseline or</li> <li>b) 36% of their remaining gains</li> </ul> <p>So, if a school was still due to receive a 10% increase in funding then they would receive a 6.09% gain on their transitional protection baseline, as this is greater than 36% of 10% = 3.6%.</p> <p>If a school was still due to receive a 25% increase in funding then they would receive 36% of 25% = 9%, as this is greater than 6.09%.</p> <p>We also check that each school's funding per pupil is above the relevant minimum per pupil funding level and allocate additional funding if required.</p>

## Core schools transitional protection funding – splitting between primary and secondary

4.6. To calculate the LA-level primary and secondary per pupil units of funding for the 2019-20 schools block NFF LA allocations we need to split the school level transitional protection adjustments between primary funding and secondary funding (just as, at the end of Chapter 3, we split the core schools NFF funding itself between primary and secondary). We split the core schools transitional protection funding between primary funding and secondary funding in proportion to the number of primary and secondary pupils at the school.

4.7. If a school is subject to the gains cap then the transitional protection adjustment is negative: 2019-20 funding is less than funding if the NFF was implemented in full and without transition. For example, for a middle school with a 2019-20 transitional protection adjustment of -£50 per pupil and 180 primary pupils and 120 secondary pupils in the school, the primary transitional protection adjustment funding will equal -£50 multiplied by 180 (-£9,000) and the secondary transitional protection adjustment funding will equal -£50 multiplied by 120 (-£6,000).

## Chapter 5: NFF allocations to LAs

- 5.1. As part of the 2019-20 announcement we have published the “NFF summary table” which sets out the impact of the NFF on LAs. These LA-level figures cover:
- a. the 2017-18 baseline,
  - b. the provisional impact of the NFF in 2019-20 (the second year of the NFF) and the actual 2019-20 units of funding for each LA that will be used to calculate schools block allocations in December 2018,
  - c. the illustrative impact of the 2019-20 NFF if implemented in full and without transition.

### Baseline funding

- 5.2. The baseline funding for each LA is explained in chapters 1 and 2 and broken into four components. These are drawn from the 2017-18 APT, except where otherwise noted:
- a. Core schools funding 2017-18 baseline: we take the 2017-18 APT adjusted baseline for each school from the 2018-19 NFF, and aggregate up to LA level. (See Annex E for details of how we calculated this APT adjusted baseline)
  - b. Premises factors 2017-18 baseline from the 2018-19 NFF: baseline set out above in chapter 2.
  - c. Mobility factor 2017-18 baseline from the 2018-19 NFF: baseline as set out above in chapter 2.
  - d. Growth factor 2017-18 baseline from the 2018-19 NFF: baseline as set out above in chapter 2.

### Provisional funding in 2019-20, based on 2018-19 pupil count

This section describes how we have calculated the provisional funding allocations to LAs for 2019-20, including how we have calculated their actual primary and secondary units of funding. Specifically, this section describes:

- The calculation of primary and secondary core schools funding
- The calculation of the primary and secondary units of funding for 2019-20
- The calculation of premises funding
- The calculation of growth funding
- How the units of funding, premises and growth funding are combined to derive LAs’ provisional 2019-20 allocations.

## Core schools funding – Provisional funding in 2019-20

5.3. Figure 14 sets out the calculation of the total 2019-20 provisional NFF primary and secondary core schools funding.

5.4. Note that we are no longer excluding implicit growth from the calculation of core schools funding. This is because implicit growth is not being rebaselined in 2019-20. Instead, LA provisional allocations will account for implicit growth by dividing total core schools funding by the pupil numbers used to make the allocations. The resulting primary and secondary units of funding will be multiplied by the 2018-19 DSG schools block numbers to produce a provisional allocation excluding implicit growth.

**Figure 14 – Total provisional core schools funding, 2019-20**

Calculation step	Description	Example
1) Total primary core schools funding if implemented in full and without transition	<p>We take the total NFF primary core schools funding before any transitional protections for all schools in the LA (described in chapter 3).</p> <p>This covers all primary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).</p>	LA 1's total NFF primary core schools funding before transitional protections is £100.0m
2) Total primary 2019-20 transitional protection adjustment	We sum the 2019-20 primary transitional protection adjustments for all schools in the LA (described in chapter 4).	LA 1's total primary 2019-20 transitional protection adjustment is -£3.0m. <sup>8</sup>

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<sup>8</sup> This is negative because we are capping gains at 6.09% in 2019-20 (compared with the 2017-18 baseline). The 2019-20 transitional protection adjustment is equal to the difference between the funding schools attract in 2019-20 and the funding schools would attract if the NFF was implemented in full and without transition.

Calculation step	Description	Example
3) Total primary 2019-20 core schools funding	To calculate the total primary 2019-20 core schools funding (based on 2018-19 pupil count) we: <ul style="list-style-type: none"> <li>a. Start with the total primary core schools funding (step 1)</li> <li>b. Add the total primary 2019-20 transitional protection adjustment (step 2)</li> </ul>	LA 1's total primary 2019-20 core schools funding is £97.0m  This is equal to the £100.0m (step 1)  Plus -£3.0m (step 2)
4) Total secondary core schools funding if implemented in full and without transition	We take the total NFF secondary core schools funding before any transitional protections for all schools in the LA (described in chapter 3).  This covers all secondary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF secondary core schools funding before transitional protections is £140.0m
5) Total secondary 2019-20 transitional protection adjustment	We sum the 2019-20 secondary transitional protection adjustments for all schools in the LA (described in chapter 4).	LA 1's total secondary 2019-20 transitional protection adjustment is -£7.0m
6) Total secondary 2019-20 core schools funding	To calculate the total secondary 2019-20 core schools funding (based on 2017-18 pupil count) we: <ul style="list-style-type: none"> <li>a. Start with the total secondary core schools funding (step 4)</li> <li>b. Add the total secondary 2019-20 transitional protection adjustment (step 5)</li> </ul>	LA 1's total secondary 2019-20 core schools funding is £133.0m  This is equal to the £140.0m (step 4)  Plus -£7.0m (step 5)

## 2019-20 primary and secondary units of funding

5.5. For each LA we calculate a primary unit of funding (PUF) and secondary unit of funding (SUF). These are final, actual units of funding for 2019-20, and will not be updated at any later point. These actual 2019-20 NFF primary and secondary units of funding will be used to allocate schools block funding to LAs in December 2018. This

section describes how the PUFs and SUFs have been calculated; the next section then describes how they will be used to calculate LAs' actual schools block allocations for 2019-20.

5.6. Figure 15 sets out the calculation of the 2019-20 NFF primary and secondary units of funding.

**Figure 15 – 2019-20 LA level NFF primary unit of funding**

Calculation step	Description	Example
1) Total provisional primary 2019-20 core schools funding	The total primary core schools funding in year 2 of the NFF, based on 2018-19 data.  Figure 14, step 3.	LA 1's total primary 2019-20 core schools funding is £96.3m
2) Primary pupil count	The primary pupil count is based on the 2018-19 adjusted APT pupil count for all schools open in FY 2018-19. This pupil count takes account of the proportion of the FY each school is open.  For each school in the LA we take:  The 2018-19 primary adjusted APT pupil count (based on Oct 2017 census)  And multiply it by the proportion of FY 2018-19 the school is open  Then we aggregate up these amounts to LA level and subtract the total number of census duplicate pupil numbers for the LA that were not apportioned in the 2018-19 DSG allocation.	LA 1's total primary pupil count is 25,000
3) 2019-20 NFF PUF	To calculate the 2019-20 LA level NFF PUF we divide the total primary 2019-20 core schools funding (step 1) by the primary pupil count (step 2).	LA 1's 2019-20 NFF PUF is equal to £96.3m divided by 25,000 primary pupils, £3,852

Calculation step	Description	Example
4) Total provisional secondary 2019-20 core schools funding	The total secondary core schools funding in year 2 of the NFF, based on 2018-19 data.  Figure 14, step 6.	LA 1's total secondary 2019-20 core schools funding is £132.5m
5) Secondary pupil count	The secondary pupil count is based on the 2018-19 adjusted APT pupil count for all schools open in FY 2018-19. This pupil count takes account of the proportion of the FY each school is open.  For each school in the LA we take:  The 2018-19 secondary adjusted APT pupil count (based on Oct 2017 census)  And multiply it by the proportion of FY 2018-19 the school is open  Then we aggregate these amounts up to LA level and subtract the total number of census duplicate pupil numbers for the LA that were not apportioned in the 2018-19 DSG allocation.	LA 1's total secondary pupil count is 23,000
6) 2019-20 NFF SUF	To calculate the 2019-20 LA level NFF SUF we divide the total secondary 2019-20 core schools funding (step 4) by the secondary pupil count (step 5).	LA 1's 2019-20 NFF SUF is equal to £132.5m divided by 23,000 secondary pupils, £5,761

## 2019-20 actual premises and mobility funding

5.7. Our approach for allocating premises funding at LA level under the NFF for 2019-20 is to base funding on historic spend from the 2018-19 APT, with the exception of the PFI factor where we will uprate funding in line with inflation, using RPIX data (retail prices index for all items excluding mortgage interest) published by the Office for National Statistics. For each LA we:

- a. Take the 2018-19 PFI premises factor baseline and uplift it in line with RPIX growth from April 2017 to April 2018 (3.36%).
- b. Take the premises factor 2018-19 APT spend for all other factors (split sites, rates, exceptional circumstances 1-7).
- c. Take the mobility factor 2018-19 APT spend
- d. Add the totals from steps a b and c together to give the 2019-20 NFF actual funding through the premises factors.

This calculation is final, and will not be updated at any later point.

## **2019-20 provisional growth funding**

- 5.8. In 2019-20 we will allocate growth funding at LA Level, based on the observed differences between the primary and secondary number on roll in the LA on the October 2017 and October 2018 school censuses. Growth will be subject to transitional protection based on the 2018-19 DSG growth allocation. See Annex D for further details.
- 5.9. For the provisional 2019-20 schools block allocations, we have used the 2018-19 DSG growth allocation amount. This will be updated in December 2018.

## **Total provisional funding in 2019-20**

- 5.10. We have published the total provisional funding each LA would receive in the second year of the NFF (2019-20) based on 2018-19 data. Figure 16 sets out the calculation of the total provisional funding in 2019-20.
- 5.11. In 2019-20 the DSG pupil counts for the schools block will treat unresolved duplicate pupil numbers in the school census by sharing them proportionally (so a pupil found in two schools as a main enrolment would be treated as 50% in each school). In order to illustrate this, the total provisional funding has been calculated using the 2018-19 DSG Schools block counts with the unresolved duplicates apportioned<sup>9</sup>. The PUFs and SUFs have been adjusted to account for this change (see figure 15 step 2 and step 5)

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<sup>9</sup> This returns the DSG count to the method used prior to 2018-19 and is consistent with the approach taken in the high needs block. The same will apply to the central school services block.

**Figure 16 – Total provisional funding in 2019-20**

Calculation step	Description	Example
1) Total primary 2019-20 core schools funding	The provisional total funding through primary core schools factors. PUF (figure 15 step 3) * DSG schools block primary pupil count	LA 1's total primary 2019-20 core schools funding is £3,852 * 24,950 £96.1m
2) Total secondary 2019-20 core schools funding	The provisional total funding through secondary core schools factors. SUF (figure 15 step 6) * DSG schools block secondary pupil count	LA 1's total secondary 2019-20 core schools funding is £5,761*22,940 £132.2m
3) 2019-20 provisional funding through the core schools formula	This is: The provisional 2019-20 primary core schools funding (step 1) Plus the provisional 2019-20 secondary core schools funding (step 2)	LA 1's total provisional 2019-20 core schools funding is £228.3m
4) 2019-20 funding through premises and mobility	This is the total funding through the premises and mobility factors in 2019-20. This will be used to calculate final LA funding allocations for 2019-20 in December 2018.	LA 1's total funding through the premises and mobility factors is £10m
5) 2019-20 funding through growth	This is the total provisional funding through the growth formula in 2019-20	LA1's total funding through the growth factor is £5m
6) Total provisional funding in 2019-20	The total provisional funding in 2019-20 is equal to: The 2019-20 provisional funding through the core schools formula (step 3) Plus the 2019-20 funding through premises, mobility and growth (steps 4 and 5)	The total provisional funding in 2019-20 for LA 1 is £243.3m

## **Illustrative funding if the NFF was implemented without the gains cap, based on 2018-19 data**

### **Core schools funding – illustrative funding if the NFF was implemented without the gains cap.**

5.12. Figure 14 sets out the calculation of the NFF primary and secondary core schools funding with the gains cap for 2019-20. In order to calculate core schools funding if the NFF was implemented without the gains cap, we follow the same steps, omitting steps 2 and 5 of figure 14 (the calculation of core schools funding) which bring in the transitional adjustments (the gains cap or MFG)

### **Illustrative premises, mobility and growth funding if NFF implemented without the gains cap**

5.13. To illustrate premises funding, we use the actual 2019-20 premises funding as set out at 5.7.

5.14. To illustrate mobility funding, we use the actual 2019-20 mobility funding as set out at 5.7.

5.15. To illustrate growth funding we use the provisional 2019-20 growth funding as set out at 5.8.

### **Total illustrative funding if NFF implemented without transition**

5.16. We will be publishing an illustration of the total funding each LA would have received in 2019-20 had the NFF been implemented in full and without transition. We calculate this using the values indicated in paragraph 5.12 to 5.15 and following the steps in figure 16.

## Chapter 6: Calculating school-level illustrative allocations

- 6.1. Chapters 2-4 set out the school-level calculations that feed in to the calculation of LA level allocations, described in chapter 5.
- 6.2. We have published school-level figures which illustrate the impact of the NFF for each school. These school level figures will not show the actual amount of funding that schools will receive in 2019-20 because each LA will still be responsible for setting individual funding formulae for their area, and funding schools will actually receive in 2019-20 will be based on pupil data from the October 2018 school census.
- 6.3. To calculate the school-level illustrative figures we use 2018-19 APT data for LA maintained schools and 2018/19 GAG data for academies and free schools. For the majority of academies and free schools there is no difference between these two data sources, so the published school-level figures will be equivalent to the school-level figures used in the LA-level calculations. However, for some academies and free schools there are differences. There are two reasons for differences between APT and GAG data:
  - a. Some academies and free schools are funded on estimated pupil numbers rather than census pupil numbers. LAs do not have to use these estimated pupil numbers in the APT.
  - b. Some academies and free schools have received a higher level of funding in the past and so are protected against a higher baseline than used in the APT.

### How does this affect the calculation?

- 6.4. For the purpose of illustrating the impact of the 2019-20 NFF on individual schools, anywhere the calculations refer to a total number of pupils, a funding baseline or the proportion of the baseline year the school is open, GAG data is used for academies and free schools, rather than APT data. The precise areas that are affected are listed in this section. In all but one case the details of the calculation are exactly the same as the calculation for LA-level allocations that are described in chapters 2 to 4, and only the input data changes.

### APT or GAG adjusted pupil count

- 6.5. As set out in chapter 2, the adjusted pupil count excludes reception uplift. The adjusted pupil count calculation for school-level illustrations is the same as for the LA allocation calculations, however we use GAG data for the pupil count and reception uplift for academies and free schools.

## **APT or GAG premises and mobility**

- 6.6. GAG premises funding does not include rates. Academies and free schools never receive their rates funding as the Education and Skills Funding Agency (ESFA) pay rates directly. So for LA maintained schools the premises baseline includes rates and for academies the premises baseline excludes rates.
- 6.7. Premesis funding has been shown at 2018-19 APT or 2018/19 GAG amounts. One-off funding, including additional lump sum payments for amalgamating schools has been included in the illustration for consistency with the LA level allocations but schools should not expect to see this funding repeated in their actual 2019-20 or 2019/20 allocations.

## **NFF pupil-led unit of funding (pre minimum per pupil funding and funding floor)**

- 6.8. The calculation is as set out in chapter 3. The differences in input data for academies and free schools are:
- a. The primary, KS3 and KS4 adjusted pupil counts are based on GAG data. These pupil counts are used to calculate the basic per pupil funding.
  - b. The funding through additional needs factors is based on the proportion of pupils eligible for each factor (these proportions are the same in both the APT and GAG data) and the primary and secondary adjusted pupil count from GAG data. The total number of pupils eligible for each factor is equal to the proportion multiplied by the GAG primary or secondary pupil count.
  - c. The proportion of the year open is based on GAG data (refers to academic year rather than financial year).

## **NFF school-led unit of funding**

- 6.9. The calculation is as set out in chapter 3. The differences in input data for academies and free schools are:
- a. The sparsity calculation of the average year group size refers to the GAG adjusted pupil count and year group data.
  - b. The proportion of the year open is based on GAG data (refers to academic year).

## **“If full” school-led unit of funding**

6.10. The calculation is as set out in chapter 3. The only difference in input data for academies and free schools is that the proportion of the year open is based on GAG data (refers to academic year).

## **NFF minimum per pupil unit of funding**

6.11. The calculation is as described chapter 3. The differences in input data for academies and free schools are that:

- a. The adjusted pupil count is based on GAG data.
- b. The proportion of the year open is based on GAG data (refers to academic year).

## **NFF funding floor**

6.12. The calculation is as set out in chapter 3. The differences in input data for academies and free schools are that:

- a. The funding floor baseline is based on GAG data.
- b. The adjusted pupil count is based on GAG data.

## **Transition on to formula**

6.13. We have illustrated the impact of the 2019-20 NFF as well as setting out the impact if all schools moved directly on to formula. The transitional protection calculations are set out in chapter 4. The differences in input data for academies and free schools are:

- a. The transitional protection baseline is based on GAG data.
- b. The adjusted pupil count is based on GAG data.

## **NFF premises funding**

6.14. We include premises funding in the illustrative school-level figures. The calculation of NFF premises funding here is very similar to the calculation at LA level:

- a. Notional 2019-20 premises funding at school level is the 2018-19 PFI baseline uplifted in line with the RPIX growth from April 2017 to April 2018 plus the other premises factors' 2018-19 baselines and

- b. Notional 2019-20 mobility funding at school level is equivalent to the total mobility funding allocated to the school in the 2018-19 APT.
- c. Illustrative premises funding if NFF fully implemented is equal to the provisional 2019-20 premises and mobility funding, as set out above.

## What have we published at a school level?

6.15. Our school-level impact table sets out three figures for each school. Figure 17 sets out the definition of each output. These are split between new and growing schools and all other schools.

**Figure 17 – Published output, school level illustrations**

Published output	Schools that are not new & growing (19,801 schools)	New & growing schools (397 schools)
1) Funding baseline	<p>This is the 2017-18 baseline as calculated for the 2018-19 NFF publication. <b>This includes premises, mobility and MFG and makes no adjustment for implicit growth.</b></p> <p><b>LA maintained schools</b></p> <p>This is based on 2017-18 APT data.</p> <p><b>Academies and free schools</b></p> <p>This is based on 2017/18 GAG data.</p>	<p>This is the “if full” funding baseline for new and growing schools. This includes premises and MFG.</p> <p><b>LA maintained schools</b></p> <p>We have calculated baseline funding as though these schools were full in 2017-18, based on APT data.</p> <p><b>Academies and free schools</b></p> <p>We have calculated baseline funding as though these schools were full in 2017/18, based on GAG data.</p> <p>See appendix B and C</p>
2) Notional total funding in 2019-20 for maintained	<p>This is the total funding under the NFF after transitional protections. <b>This includes premises funding and makes no adjustment for implicit growth.</b></p>	<p>No output – the pupil count and funding for schools that are new and growing are likely to change</p>

Published output	Schools that are not new & growing (19,801 schools)	New & growing schools (397 schools)
schools or 2019/20 for academies	<p><b>LA maintained schools</b></p> <p>This is based on the NFF formula, transitional protections and 2018-19 APT data.</p> <p>The total notional 2019-20 funding is equal to:</p> <p>The 2019-20 NFF pupil-led unit of funding multiplied by the 2018-19 APT adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the notional 2019-20 premises funding (excluding additional lump sums for amalgamating schools).</p> <p><b>Academies and free schools</b></p> <p>This is based on the NFF formula, transitional protections and 2019/20 GAG data.</p> <p>The total notional 2019/20 funding is equal to:</p> <p>The 2019-20 NFF pupil-led unit of funding multiplied by the 2019/20 GAG adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the notional 2018/19 premises funding (excluding additional lump sums for amalgamating schools).</p>	substantially each year until the school is full.
3) Illustrative funding if the NFF was implemented in full and without any transition	<p>This is the total funding if the NFF was implemented in full and without any transition.</p> <p><b>This includes premises and mobility funding and makes no adjustment for implicit growth.</b></p> <p><b>LA maintained schools</b></p>	We have calculated illustrative funding if the NFF was implemented in full and without any transition and the school was full (pupil count equal to if full pupil count). This includes premises and mobility funding.

Published output	Schools that are not new & growing (19,801 schools)	New & growing schools (397 schools)
	<p>This is based on the NFF formula and 2018-19 APT data.</p> <p>The total illustrative NFF funding is equal to:</p> <p>The NFF pupil-led unit of funding (after minimum per pupil funding and the funding floor) multiplied by the 2018-19 APT adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative NFF premises and mobility funding (excluding additional lump sums for amalgamating schools).</p> <p><b>Academies and free schools</b></p> <p>This is based on the NFF formula and 2018/19 GAG data.</p> <p>The total illustrative NFF funding is equal to:</p> <p>The NFF pupil-led unit of funding (post minimum per pupil and funding floor) multiplied by the 2018/19 GAG adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative NFF premises funding (excluding additional lump sums for amalgamating schools).</p>	<p>The total “if full” illustrative NFF funding is equal to:</p> <p>The NFF pupil-led unit of funding (after minimum per pupil funding and the funding floor) multiplied by the “if full” pupil count</p> <p>Plus the “if full” school-led unit of funding</p> <p>Plus the “if full” illustrative NFF premises and mobility funding (excluding additional lump sums for amalgamating schools).</p>

## **Annex A: Additional area cost adjustment (ACA) information, calculation of the teacher pay cost adjustment and list of ACAs for each LA**

- A.1. The methodology for the teacher pay element of the national funding formula ACA is designed to bring out the differences in pay ranges between the four regional pay bands (Inner London, Outer London, Fringe and Rest of England), but not to reflect any regional differences in distribution along the pay ranges. We do not want the teacher pay cost adjustment to reflect regional differences in staffing choices, we only want it to reflect the differences in pay ranges between the four regional pay bands. E.g. If in Inner London there are fewer teachers in the leadership grade compared to the national average we do not want this to skew the teacher pay cost adjustment.
- A.2. We calculate a notional average salary for each regional pay band to measure the differences between pay bands. The first step in this calculation is to create four data sets, one for each regional pay band. We include actual or notional pay for all teachers in England in each dataset. To do this we need four versions of pay data for each teacher, their actual basic pay (used to populate the dataset of the regional pay band they work in) and three notional pay figures (used to populate the datasets for the other three regional pay bands). The notional pay is the pay a teacher would receive if they worked in a different regional pay band at the same level. The notional average salary for each regional pay band is the mean of each dataset. As we include all teachers in each dataset the only difference between the notional average salaries are the differences between the regional pay bands.
- A.3. The basic pay is the gross salary minus allowances (allowances are classified into teaching and learning responsibilities, special educational needs, recruitment and retention and other).
- A.4. The calculation used to transform the basic pay of each teacher in England from the teacher's actual pay band to the notional pay for the other three regional pay bands is set out in an example below. This transformation is repeated for all teachers and all regional pay bands. E.g. The transformation to Inner London notional basic pay for a teacher who is in the Rest of England, is calculated as follows:
- a. First, calculate the difference between the actual basic pay for the teacher and the bottom of the teacher's actual pay range (the Rest of England range in this case) for this teacher's grade (leadership, leading practitioner, upper pay range, main pay range or unqualified teacher). The pay ranges are as defined in the School Teachers' Pay and Conditions Document (STPCD) for the relevant year (e.g. STPCD 2015 if November 2015 salaries are used).
  - b. Then calculate the difference between the top and bottom of the Inner London pay range for this teacher's grade and divide by the difference between the top and bottom of the teacher's actual pay range (the Rest of England in this case). This

gives an uplift which is used to convert the teacher's actual basic pay to their Inner London notional basic pay.

- c. Apply the uplift calculated in step b to the distance from the bottom of the pay range to the teacher's actual basic pay, calculated in step a.
- d. Add the figure calculated in step c to the bottom of the pay range for Inner London for this teacher's grade. This gives the Inner London notional pay for this teacher.

A.5. The following groups of staff are included in our calculation of the ACA teachers' pay cost adjustment:

- a. Qualified and unqualified teachers
- b. Full-time and part-time teachers
- c. Classroom teachers and leaders
- d. Teachers in primary and secondary schools.

A.6. The following groups of staff are not included in our calculation of the ACA teachers' pay cost adjustment:

- a. Centrally employed teachers
- b. Supply teachers
- c. Teachers with incomplete or unreliable pay data

A.7. The following caveats apply:

- a. Data is collected in the School Workforce Census in early November each year, at a time when not all schools have held pay determination meetings for their teachers. This means that salaries of some teachers reflect the previous academic year.
- b. Approximately 1-2% of schools do not provide School Workforce Census data each year.

A.8. The teachers' specific cost adjustment (SCA) for each regional pay band is calculated by dividing the mean notional basic pay for that pay band by the mean notional basic pay for the Rest of England pay band.

A.9. The non-teacher pay element of the national funding formula ACA is based on the general labour market specific labour cost adjustment calculated by the Department for Communities and Local Government for 2013-14.

A.10. The teacher and non-teaching staff elements of the national funding formula ACA are weighted in proportion to actual expenditure on teaching and non-teaching staff in primary and secondary schools.

A.11. The national teacher proportion is the total expenditure on teachers divided by total expenditure on teachers, non-teaching staff and non-pay combined, 52.4%. The non-teaching staff proportion is total expenditure on non-teaching staff divided by total expenditure on teachers, non-teaching staff and non-pay combined, 27.1%.

A.12. Figure 18 sets out the SB ACA for each LA.

**Figure 18 – schools block ACA for each LA**

Local authority name	Districts	Area cost adjustment
Barking and Dagenham	Barking and Dagenham	1.12872
Barnet	Barnet	1.09803
Barnsley	Barnsley	1.00000
Bath and North East Somerset	Bath and North East Somerset	1.01433
Bedford	Bedford	1.01537
Bexley	Bexley	1.08204
Birmingham	Birmingham	1.00331
Blackburn with Darwen	Blackburn with Darwen	1.00000
Blackpool	Blackpool	1.00000
Bolton	Bolton	1.00535
Bournemouth	Bournemouth	1.00000
Bracknell Forest	Bracknell Forest	1.05613
Bradford	Bradford	1.00016
Brent	Brent	1.14471
Brighton and Hove	Brighton and Hove	1.00166
Bristol	Bristol	1.01433
Bromley	Bromley	1.08204
Buckinghamshire Fringe	Chiltern, South Buckinghamshire	1.04607
Buckinghamshire non-Fringe	Aylesbury Vale, Wycombe	1.02812
Bury	Bury	1.00535
Calderdale	Calderdale	1.00016
Cambridgeshire	All	1.01259
Camden	Camden	1.18172
Central Bedfordshire	Central Bedfordshire	1.01537
Cheshire East	Cheshire East	1.00356
Cheshire West and Chester	Cheshire West and Chester	1.00356
Cornwall	Cornwall	1.00000
Durham	Durham	1.00000
Coventry	Coventry	1.00331
Croydon	Croydon	1.08204
Cumbria	All	1.00000

Local authority name	Districts	Area cost adjustment
Darlington	Darlington	1.00000
Derby	Derby	1.00000
Derbyshire	All	1.00000
Devon	All	1.00000
Doncaster	Doncaster	1.00000
Dorset	All	1.00000
Dudley	Dudley	1.00331
Ealing	Ealing	1.14471
East Riding of Yorkshire	East Riding of Yorkshire	1.00000
East Sussex	All	1.00166
Enfield	Enfield	1.08204
Essex Fringe	Basildon, Brentwood, Epping Forest, Harlow	1.03710
Essex non-Fringe	Braintree, Castle Point, Chelmsford, Colchester, Maldon, Rochford, Tendring, Uttlesford	1.00347
Gateshead	Gateshead	1.00000
Gloucestershire	All	1.00618
Greenwich	Greenwich	1.18172
Hackney	Hackney	1.18172
Halton	Halton	1.00356
Hammersmith and Fulham	Hammersmith and Fulham	1.18172
Hampshire	All	1.01391
Haringey	Haringey	1.12872
Harrow	Harrow	1.09803
Hartlepool	Hartlepool	1.00000
Havering	Havering	1.08204
Herefordshire	Herefordshire	1.00000
Hertfordshire Fringe	Broxbourne, Dacorum, East Hertfordshire, Hertsmere, St Albans, Three Rivers, Watford, Welwyn Hatfield	1.04607
Hertfordshire non-Fringe	North Hertfordshire, Stevenage	1.01537
Hillingdon	Hillingdon	1.09803
Hounslow	Hounslow	1.09803
Isle of Wight	Isle of Wight	1.01391
Islington	Islington	1.18172
Kensington and Chelsea	Kensington and Chelsea	1.18172
Kent Fringe	Dartford, Sevenoaks	1.03710
Kent non-Fringe	Ashford, Canterbury, Dover, Gravesham, Maidstone, Shepway, Swale, Thanet, Tonbridge and Malling, Tunbridge Wells	1.00069
Kingston upon Hull, City of	Kingston upon Hull, City of	1.00000
Kingston upon Thames	Kingston upon Thames	1.09803
Kirklees	Kirklees	1.00016
Knowsley	Knowsley	1.00110
Lambeth	Lambeth	1.18172
Lancashire	All	1.00000
Leeds	Leeds	1.00016

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
Leicester	Leicester	1.00000
Leicestershire	All	1.00000
Lewisham	Lewisham	1.18172
Lincolnshire	All	1.00000
Liverpool	Liverpool	1.00110
Luton	Luton	1.01537
Manchester	Manchester	1.00535
Medway	Medway	1.00069
Merton	Merton	1.14471
Middlesbrough	Middlesbrough	1.00000
Milton Keynes	Milton Keynes	1.02812
Newcastle upon Tyne	Newcastle upon Tyne	1.00000
Newham	Newham	1.12872
Norfolk	All	1.00000
North East Lincolnshire	North East Lincolnshire	1.00000
North Lincolnshire	North Lincolnshire	1.00000
North Somerset	North Somerset	1.01433
North Tyneside	North Tyneside	1.00000
North Yorkshire	All	1.00000
Northamptonshire	All	1.00322
Northumberland	Northumberland	1.00000
Nottingham	Nottingham	1.00271
Nottinghamshire	All	1.00271
Oldham	Oldham	1.00535
Oxfordshire	All	1.02176
Peterborough	Peterborough	1.01259
Plymouth	Plymouth	1.00000
Poole	Poole	1.00000
Portsmouth	Portsmouth	1.01391
Reading	Reading	1.03406
Redbridge	Redbridge	1.08204
Redcar and Cleveland	Redcar and Cleveland	1.00000
Richmond upon Thames	Richmond upon Thames	1.09803
Rochdale	Rochdale	1.00535
Rotherham	Rotherham	1.00000
Rutland	Rutland	1.00000
Salford	Salford	1.00535
Sandwell	Sandwell	1.00331
Sefton	Sefton	1.00110
Sheffield	Sheffield	1.00000
Shropshire	Shropshire	1.00000
Slough	Slough	1.05613
Solihull	Solihull	1.00331
Somerset	All	1.00000

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
South Gloucestershire	South Gloucestershire	1.01433
South Tyneside	South Tyneside	1.00000
Southampton	Southampton	1.01391
Southend-on-Sea	Southend-on-Sea	1.00347
Southwark	Southwark	1.18172
St Helens	St Helens	1.00110
Staffordshire	All	1.00000
Stockport	Stockport	1.00535
Stockton-on-Tees	Stockton-on-Tees	1.00000
Stoke-on-Trent	Stoke-on-Trent	1.00000
Suffolk	All	1.00002
Sunderland	Sunderland	1.00000
Surrey	All	1.05613
Sutton	Sutton	1.09803
Swindon	Swindon	1.00703
Tameside	Tameside	1.00535
Telford and Wrekin	Telford and Wrekin	1.00000
Thurrock	Thurrock	1.03710
Torbay	Torbay	1.00000
Tower Hamlets	Tower Hamlets	1.18172
Trafford	Trafford	1.00535
Wakefield	Wakefield	1.00016
Walsall	Walsall	1.00331
Waltham Forest	Waltham Forest	1.08204
Wandsworth	Wandsworth	1.18172
Warrington	Warrington	1.00356
Warwickshire	All	1.00687
West Berkshire	West Berkshire	1.03406
West Sussex Fringe	Crawley	1.05613
West Sussex non-Fringe	Adur, Arun, Chichester, Horsham, Mid Sussex, Worthing	1.00000
Westminster	Westminster	1.18172
Wigan	Wigan	1.00535
Wiltshire	Wiltshire	1.00703
Windsor and Maidenhead	Windsor and Maidenhead	1.05613
Wirral	Wirral	1.00110
Wokingham	Wokingham	1.03406
Wolverhampton	Wolverhampton	1.00331
Worcestershire	All	1.00000
York	York	1.00000

## Annex B: Schools new in 2018-19

### New schools

B.1. Schools that were treated as new and growing in 2018-19 will continue to be treated as new and growing in the 2019-20 NFF calculations, as we are still using 2017-18 baselines. Brand-new schools (new schools on the 2018-19 APT that have no predecessor in the 2017-18 APT and were therefore not included in the 2017-18 APT calculations) will require both a theoretical 2017-18 baseline and a theoretical “If full” 2017-18 baseline (if they meet the definition for a new and growing school - see Annex C)

B.2. To calculate these theoretical baselines we use an average primary and secondary 2017-18 baseline for each LA and apply that to the new school dependent upon which local authority and phase the school belongs to.

**Step 1** For each school in the APT (excluding schools identified as new and growing), we calculate a pupil-led funding rate per pupil (take the full 2017-18 APT allocation post MFG, excluding one-off funding, subtract lump sum and sparsity, premises, mobility and divide by the NOR in the APT).

**Step 2** For each LA take the average per pupil 2017-18 pupil-led rate for all primary and secondary schools. This gives a primary and secondary per pupil baseline ‘rate’ for each LA.

**Step 3** For each new school that requires a theoretical baseline, we multiply the ‘If full’ primary and secondary NOR by their LA’s primary and secondary baseline rate respectively. This gives an ‘If full’ pupil-led total.

**Step 4** We then take the ‘If full’ pupil-led total and add the LA’s lump sum to give a total ‘If full’ baseline (excluding premises, mobility and sparsity).

**Step 5** To get to an equivalent baseline to be used in the funding floor calculation we take this total ‘If full’ baseline, subtract the NFF lump sum (adjusted for ACA) and then divide by the ‘If full’ pupil count and multiply by the proportion of the year the school is open for.

NOTE: To calculate the regular (i.e. not ‘if full’) theoretical 2017-18 baseline for these schools the school’s NOR is used in place of the ‘If full’ NOR in the above calculation steps.

B.3. The rates we have calculated for each LA will be supplied for use in the 2019-20 APT if the LA wishes to adopt them.

## Amalgamating schools.

B.4. Our approach to amalgamating schools uses the same method as the APT, combining the allocations of the predecessor schools

**Step 1** Take the total 2017-18 NFF baseline (excluding mobility and premises) for each school in the amalgamation ( $n$  = the number of schools) and add them together to form an amalgamated baseline.

**Step 2** Take  $(n-1)$  LA lump sums off this amalgamated baseline total. Where the predecessors attracted different lump sums (ie because they were different phases) then the remaining lump sum should be appropriate to the new phase and the location of the school.

**Step 3** To calculate the per pupil baseline to be used in the funding floor calculation then subtract the NFF lump sum (adjusted for ACA) and divide by the pupil count.

## Split schools.

B.5. Where the successor schools are all of the same phase as the predecessor (for example, a primary school splitting into separate infant and junior schools) then each of the successor schools will be given the predecessor's 2017-18 NFF per-pupil baseline. For all other split schools we will use the approach taken for brand new schools (see paragraph 2.5), in this case, using actual NOR rather than the 'if full' NOR used for brand new schools.

## Annex C: New and growing schools

### Definition of new and growing schools

- C.1. We have defined new and growing schools as all schools recorded on 2017-18 APT returns which satisfied the following conditions:
1. The school had opened in the last seven years (i.e. since 2010-11).
  2. The school did not have pupils in all planned year groups in 2017-18.
  3. The school's "if full" pupil count (based on their 2017-18 published admissions number (PAN)) was at least 15 pupils greater than their 2017-18 pupil count recorded on the APT.
  4. Or, for brand new schools (with no predecessors) on the 2018-19 APT:
    - a. The school did not have pupils in all planned year groups in 2018-19.
    - b. The school's "if full" pupil count (based on their 2018-PAN) is at least 15 pupils greater than their 2018-19 pupil count recorded on the APT.
- C.2. We asked LAs to check the list of schools satisfying the first two conditions and confirm the 2017-18 PAN in 2017. The third condition ensures that schools which to all intents and purposes had its full number of pupils in 2017-18, even if not all planned year groups are present, are not counted as new and growing for these purposes. For 2018-19 openers, capacity has been confirmed within the department.

### New and growing schools – transition on to formula

- C.3. The notional funding allocations for new and growing schools provided through the NFF are calculated each year using actual pupil numbers. For 2019-20, October 2017 pupil numbers have been used. New and growing schools will therefore receive a notional allocation using the NFF based on the relevant October count, but with the funding floor amount calculated based on "if full" baselines as described above. Thus the use of "if full" numbers only affect the protection provided through the funding floor. The funding floor will provide at least a 1% per pupil increase for new and growing schools on their "if full" baseline per pupil in 2019-20.
- C.4. For some new and growing schools, the level of the funding floor is actually lower than their current per-pupil funding. This is because growing schools experience higher per-pupil funding in their early years, as their school-led funding is divided by a small number of pupils. As the school's pupil numbers grow, their school-led funding will remain the same, and so the overall per-pupil level of funding will decrease.

- C.5. For new and growing schools, we will also apply a further level of transitional protection by applying a transitional floor of -1.5% per annum. This means that the per-pupil level of funding under the NFF will not reduce more than -1.5%<sup>10</sup> in 2019-20. When calculating actual allocations, LAs will be able to apply to disapply the MFG as they often do now for new and growing schools if they feel that is appropriate.
- C.6. New and growing schools who are gaining under the NFF will not be subject to the gains cap in the NFF.

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<sup>10</sup> As the baseline spans 2 years, this will be shown as -2.98% in the 2019-20 allocation

## Annex D: Actual 2019-20 growth funding

- D.1. Our approach for allocating growth funding to LAs under the NFF for 2019-20 is to base funding on growth in schools in the area as observed between the October 2017 and October 2018 school censuses. The growth allocation for each LA will be based on an amount per primary growth pupil and an amount per secondary growth pupil, plus a lump sum amount for each brand new school. For each LA we:
- a. Use school postcode information to identify which middle layer super output area (MSOA)<sup>11</sup> each school is located in.
  - b. Count the primary and secondary pupils at schools within each MSOA in the October 2017 and October 2018 censuses.
  - c. Still at MSOA level, subtract the October 2017 primary count from the October 2018 primary count, giving a primary growth count for each MSOA within the LA, then do the same for secondary. This will be a negative number for any MSOAs with a reduction in pupil numbers between the two censuses.
  - d. For each phase, sum all positive MSOA growth for each MSOA in the LA to give LA-level primary and secondary growth.
  - e. Identify any new school in the October 2018 census (new schools are those schools appearing on the October 2018 census for the first time, where no predecessor is found)
  - f. Calculate the total LA-level growth funding following the steps set out in Figure 19 below.)

**Figure 19 – Total LA-Level growth funding, 2019-20**

Calculation step	Description
1) Total primary growth funding	Total primary LA growth count * ACA * £1,370
2) Total secondary growth funding	Total secondary LA growth count * ACA * £2,050
3) Total new schools funding	New schools count * ACA * £65,000
4) Total growth allocation	1) + 2) + 3)

### 2019-20 transitional growth funding

- D.2. In 2019-20 we will apply transitional protection to LAs' growth funding. There will be a floor protection on losses baselined against the LA's 2018-19 schools block DSG allocation, and a cap on gains, baselined against the 2018-19 growth allocation (equal to 2017-18 growth spend), as follows:

<sup>11</sup> These are areas used by the [Office for National Statistics](#), based on population data.

- a. The maximum reduction in growth funding for any LA will be set at -0.5% of their total DSG schools block allocation in 2018-19.
- b. LAs due to gain against the amount they spent on growth in 2017-18 under the new growth formula would see any gains above 50% scaled back by 50%.

**Figure 20 – Transitional Growth Funding in 2019-20**

Calculation step	Example LA on the floor	Example LA on the formula	Example LA capped
1) Total growth allocation in 2018-19	LA4's growth allocation was £1m	LA5's growth allocation was £100k	LA6's growth allocation was £300k
2) Total schools block allocation in 2018-19	LA4's total allocation was £90m including £1m growth	LA5's total allocation was £21m including £100k growth	LA6's total schools block allocation was £50m including £300k growth
3) Total growth allocation in 2019-20	£400k	£50k	£1m
4) Calculate the change in growth funding	LA4's growth funding was £1m in 2018-19 and is £400k in 2019-20, a change of -£600k or -60%	LA5's growth funding was £100k in 2018-19 and is £50k in 2019-20, a change of -£50k or -50%	LA6's growth funding was £300k in 2018-19 and is £1m in 2019-20, a change of £700k or 233%

Calculation step	Example LA on the floor	Example LA on the formula	Example LA capped
5) Calculate the change in growth funding as a % of the 2018-19 schools block allocation	LA4 has been allocated £400k (step 3) which represents a change of -0.67% on the total schools block	LA5 has been allocated £50k (step 3) which represents a change of -0.24% on the total schools block (step 2)	LA6 has been allocated £50m (step 3) which represents a change of 1.40% on the total schools block (step 2)
6) Apply the growth funding floor at -0.5% of the total schools block allocation	LA 4 is below the floor (losing 0.67% over the whole schools block) so is allocated a minimum of £550k (a reduction of £450k which is equal to 0.5% of the total 2018-19 schools block)	LA5 is above the floor (losing 0.24% (step 5) over the whole schools block) so does not receive any floor transition	LA6 is above the floor (gaining 1.40% (step 5) over the whole schools block) so does not receive any floor transition

Calculation step	Example LA on the floor	Example LA on the formula	Example LA capped
<p>7) Scale gains above 50% at 50%</p> <p>-(Step 4 Change - Cap) * scale * Step 1 2018-19 growth allocation</p>	<p>LA4 is on the floor (step 6) so is not capped.</p>	<p>LA5 saw a -50% change in growth funding (step 4) and is below the cap.</p>	<p>LA6 saw a 233% change in growth funding (step 4) and is above the cap.</p> <p>The total increase in LA5's growth allocation is £1m minus £300k = £700k (step 4 above).</p> <p>LA5 can gain in full 50% of its 2018-19 growth allocation, i.e. : £300k * 50% = £150k.</p> <p>The remaining increase in LA5's growth allocation is £700k minus £150k = £550k. But this gain is scaled and the LA will not receive 50% of it: £550k * 50% = £275k.</p>

Calculation step	Example LA on the floor	Example LA on the formula	Example LA capped
8) Total growth funding after transitional protections  2019-20 growth funding allocation + floor – scale  Step 3 2019-20 growth + Step 6 - Step 7	LA4:  $£400k + £150k - £0 = £550k$	LA 5 :  $£50k + £0 - £0 = £50k$	LA6:  $£1m + £0 - £275k = £725k$

## **ANNEX E: Core schools funding – school-level adjusted pupil count and funding baseline**

E.1. To calculate the school-level baseline for the core schools funding for LA illustrative allocations we start from the baselines and pupil counts as recorded on the 2017-18 APT. We have not updated these calculations. This annex was published in the technical note for the 2018-19 schools block calculations, and is replicated here without changes: it is included for reference only.

### **APT adjusted pupil count**

- E.2. For each school we use the total FY 2017-18 number on roll (NOR) from the APT.
- E.3. If the school has a special unit or resourced provision we add back the pupils in places that have been deducted from the FY 2017-18 APT NOR. This is because pupils in HN places in mainstream schools will be funded through the schools NFF in future rather than exclusively through the HN block.
- E.4. Then we deduct any reception uplift pupils that were recorded on the FY 2017-18 APT NOR as the NFF does not use the reception uplift. Any school that receives funding for the reception uplift in the baseline year will have this funding protected through the funding floor and transitional protection.

### **APT adjusted baseline funding**

- E.5. For each school, the starting point here is the total FY 2017-18 school block funding from the APT, including any minimum funding guarantee (MFG) funding.
- E.6. If the school has a special unit or resourced provision we uplift the baseline pupil-led funding (funding that is affected by changes to the total number of pupils) in line with the number of pupils in HN places we are adding back in to the baseline pupil count. We do this by rerunning the FY 2017-18 APT without excluding HN places.
- E.7. We then remove the FY 2017-18 premises and mobility funding from the school level baselines, because these factors are calculated at an LA level not a school level.
- E.8. Finally we subtract any core schools one-off funding or funding adjustment for the previous year<sup>12</sup>. Again this data comes from either the FY 2017-18 APT or additional information LAs provided as part of the FY 2017-18 baselines exercise. This now provides the 2017-18 basis on a comparable position to the 2017-18 NFF allocations.

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<sup>12</sup> This one-off funding or funding adjustment for the previous year can be positive or negative.

## **New and growing schools – “if full” APT adjusted pupil count and baseline**

E.9. We want to ensure that new and growing schools are treated in a comparable way to other schools under the NFF. This is relevant for the calculation of the funding floor, where using 2017-18 pupil numbers and baseline funding would either over fund or underfund these schools. To do this we use the “if full” APT adjusted pupil count and baseline for new and growing schools in the calculation of the funding floor (covered in chapter 4). The “if full” pupil count and baseline is the pupil count and funding baseline if the school had been at capacity<sup>13</sup> in 2017-18 (see Annex B for more details).

E.10. There are 397 schools on our NFF new and growing schools list, including 56 schools that were brand new on the 2018-19 APT.

### **“If full” APT adjusted pupil count**

E.11. For each new and growing school we use their at capacity (“if full”) pupil count, based on the 2017/18 published admissions number (PAN). We ran a data check earlier in the year to verify the NFF list of new and growing schools and “if full” pupil count. We sent the data to LAs and asked them to check and send an email response either confirming the data was correct or providing corrections. We also sent the data directly to each new and growing academy or free school.

### **“If full” APT adjusted baseline funding**

E.12. For each new and growing school we have calculated their hypothetical “if full” APT adjusted baseline funding. First, we calculated the total “if full” schools block funding by using the 2017-18 APT and the “if full” APT adjusted pupil count rather than the 2017-18 APT pupil count. We have assumed that the additional needs characteristics of a school when full are the same as recorded on the 2017-18 APT. E.g. if 20% of pupils in a new and growing school were eligible for FSM6 funding in 2017-18 then 20% of the “if full” pupil count will be eligible for FSM6 funding. The “if full” baseline is calculated using the same opening/closing proportion as used in the FY 2017-18 APT, so if a school will only be open for 7 months of the FY 2017-18 then their “if full” APT adjusted baseline funding is calculated on the same basis. Since the funding floor is on a per-pupil basis, using the part-year proportion makes no difference to the final per-pupil baseline.

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<sup>13</sup> We have defined capacity as the AY 2017/18 published admissions number (PAN) multiplied by the number of year groups in a school. This data has been checked with LAs and schools.

E.13. We then removed the FY 2017-18 premises funding (which does not change in line with pupil number changes) and the “if full” mobility funding from the school level baseline to give the “if full” APT adjusted baseline funding.



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