



Education & Skills  
Funding Agency

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

**A guide for mainstream academies  
opening between 1 April 2019 and 31  
August 2019**

**March 2019**

## Contents

<b>Introduction</b>	<b>3</b>
How to use the guide	3
Who is the guide for?	3
Further information	4
<b>The GAG statement explained</b>	<b>5</b>
Summary statement	5
Academic year 2018 to 2019 summary table	5
Sixth form funding	6
<b>Table A - school budget share</b>	<b>7</b>
Table A - structure description	7
Sample Table A – school budget share	10
Minimum funding level of per pupil funding	20
The sparsity factor	21
Funding floor protection	23
<b>Table B – minimum funding guarantee (MFG)</b>	<b>24</b>
Exclusions and adjustments	24
Capping and scaling – affordability adjustments	25
Sample Table B – academic year 2018 to 2019 minimum funding guarantee	27
<b>Table C – post-opening grant (start-up grant)</b>	<b>28</b>
Start-up grant (SUG)	28
Post-opening grant (POG)	28
Sample Table C – academic year 2018 to 2019 post-opening grant (start-up grant)	29
<b>Table D – pre-16 high needs place funding</b>	<b>30</b>
Sample Table D – academic year 2018 to 2019 pre-16 high needs place funding	31
<b>Table E – post-16 high needs place funding</b>	<b>32</b>
Sample Table E – academic year 2018 to 2019 post-16 high needs place funding	33
<b>Table F – pupil number matrix</b>	<b>34</b>
<b>Sample Table F - academic year 2018 to 2019 pupil matrix</b>	<b>35</b>
<b>Funding outside the GAG</b>	<b>36</b>
Risk protection arrangement (RPA)	36

## Introduction

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

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

We base your school budget share for the remainder of the 2018 to 2019 academic year on the 2019 to 2020 financial year local funding formula.

For 2019 to 2020, we continue to use the national funding formula (NFF) for schools and for high needs, to allocate budgets to local authorities.

It is important to note that the NFF school-level allocations that we published in July 2018 were notional allocations only. In 2019 to 2020, local authorities have continued to set a local formula, which has determined individual school and academy budgets in their authority. As in previous years, local authorities have submitted this local formula to us so that we can produce and issue academies allocation statements. Your GAG statement reflects the local formula.

## How to use the guide

We have produced the guide in a format that allows you to access the specific parts that interest you, or areas where you require information that is more detailed. The chapters take you through an example funding statement table by table, explaining each line in turn.

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

## Who is the guide for?

This guide is for mainstream academies opening between 1 April 2019 and 31 August 2019, including those with designated special units and resourced provision. Separate guidance is available for [special and alternative provision academies](#) opening between 1 September 2018 and 31 August 2019.

## Further information

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

Further policy information on [pre-16 schools funding arrangements for 2019 to 2020](#) is also available. This includes the operational guidance on schools revenue funding which sets out the factors that local authorities can use in their funding formula. We have also published [high needs funding arrangements for 2019 to 2020](#).


## The GAG statement explained

The following sections of this guide walk you through the GAG statement for the 2018 to 2019 academic year. Please note that the figures in the sample Tables A to F **are intended as an illustration only**. They are drawn from a number of different cases to show you as many of the calculation workings as possible, and together they do not represent a single real-life academy.

### Summary statement

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

### Academic year 2018 to 2019 summary table

 Education & Skills Funding Agency	<b>Academic year 2018 to 2019 General Annual          Grant statement</b>	
Name	Provider name	
LA name	LA name	
LAESTAB	LAEstabnumber	
UPIN	UPIN	
UKPRN	UKPRN	
URN	URN	
Opening date	Date	
Days open	000 days (Opening Date – 31 August 2019)	
<b>1. Breakdown of academic year 2018 to 2019 school allocation</b>		
School budget share (excl. rates)	£0.00	See <a href="#">table A</a>
of which, notional SEN funding	£0.00	See <a href="#">table A</a>
funding previously de-delegated	£0.00	See <a href="#">table A</a>
De-delegation funding retained by the local authority	£0.00	See <a href="#">table A</a>
Minimum funding guarantee	£0.00	See <a href="#">table B</a>
Post-opening grant (start-up grant)	£0.00	See <a href="#">table C</a>

<b>Total school allocation</b>	<b>£0.00</b>	
<b>2. Breakdown of academic year 2018 to 2019 high needs allocation</b>		
Pre-16 high needs place funding	£0.00	See <a href="#">table D</a>
Post-16 high needs place funding	£0.00	See <a href="#">table E</a>
<b>Total high needs allocation</b>	<b>£0.00</b>	(Excludes any top-up funding from LA)
<b>3. Breakdown of 16-19 allocation</b>		
Programme funding - formula	£0.00	See 16 to 19 allocation statement
Formula protection funding	(£0.00)	
Student financial support funding	£0.00	
Industry placements: capacity and delivery funding (CDF)	£0.00	
<b>Total 16-19 allocation including student financial support funding</b>	<b>£0.00</b>	
Information on funding lines that are in addition to GAG will be provided separately (pupil premium, teachers' pay grant for example)		

## Sixth form funding

The summary table shows your 16 to 19 allocation in section 3 above.

Your 16 to 19 allocation is your 2018 to 2019 allocation proportioned from the time you open as an academy until the end of the academic year, 31 August 2019.

Further information about [16 to 19 funding allocations](#) is also available.

## Table A - school budget share

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

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

We will not make a deduction to your SBS pupil numbers for pupils in high needs places. Instead, we will determine the SBS based on the total number of pupils on roll, including those in the special unit or resourced provision. [Table D](#) shows place funding for pre-16 high needs pupils and [Table E](#) shows funding for 16 to 19 high needs pupils.

## Table A - structure description

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

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

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

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

**Full year funding amount:** this is the amount the local authority has calculated for the 2019 to 2020 financial year.

**Part year funding amount:** this is a proportioned amount based on the full 2019 to 2020 financial year amount calculated by the local authority. It is based on the

number of days between the date the academy opens and the end of the academic year on 31 August 2019.

**Total pupil-led factors:** this is the total of all the pupil-led factors for which your academy is eligible.

**Total other factors:** this is the total for your non-pupil-led factors, for example lump sum, split site funding, PFI and exceptional circumstances, if applicable.

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

**Percentage included in notional SEN:** local authorities will have identified a notional special educational needs (SEN) budget in each school budget share. This is called notional because it is not a ring-fenced budget and academies can make their own decisions about how much to spend on SEN support given the needs of their pupils.

When planning their budgets, academies should take into account that they must meet the costs of additional support for pupils with SEN up to £6,000 from their school budget share (including the notional SEN funding).

The total notional SEN budget is made up of a proportion of various factors included in your school budget share, depending on the local formula. The factors included and the proportion attributed to your notional SEN budget allocation is decided locally.

**Funding previously de-delegated:** Funding for services is delegated by local authorities to schools through the funding formula. Maintained schools collectively may then pass back, or de-delegate, funding to the local authority for certain services to be provided centrally, with the approval of the schools forum. A list of those services for which funding can be de-delegated can be found in the [schools funding 2019 to 2020 operational guide](#).

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

Academies that open on 1 April 2019 receive all of the previously de-delegated funds from April to August 2019. They will continue to do so in their 2019 to 2020 academic year and subsequent allocations.

Academies that open after 1 April and before 1 September 2019 will not receive any previously de-delegated funding in the 2018 to 2019 academic year. They will,



though, receive all of the previously de-delegated funds in their 2019 to 2020 academic year allocation. For these academies, local authorities should continue to provide services for which funding is de-delegated until September 2019, if they are asked to do so. If the local authority is unable to provide the requested service then they could, alternatively, pay the funding directly to the academy.

## Sample Table A – school budget share

The example includes explanations to help you understand your own Table A. It is based on an academy opening on 1 April 2019

[Back to summary table](#)

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>1. Basic entitlement age weighted pupil unit (AWPU)</b>	Primary (including reception)	£0.00	£0.00	This factor is mandatory. For 2019 to 2020 the minimum unit values for primary and secondary pupils are £2,000 and £3,000 respectively. The local authority can set different unit values for key stage 3 (KS3) and key stage 4 (KS4) but both of these must be at least £3,000 per pupil.
	Key stage 3	£422,889.60	£177,266.05	
	Key stage 4	£364,560.00	£152,815.56	Local authorities also have the option to apply a reception uplift, i.e. to add new reception pupils starting between the autumn and January census during 2017 to 2018.
<b>2. Deprivation</b>	Primary IDACI band F	£0.00	£0.00	The <a href="#">Income Deprivation Affecting Children Index</a> (IDACI) measures the proportion of children under the age of 16 that live in low income households in the local area. Your local authority formula can use any combination of IDACI categories and/or
	Primary IDACI band E	£0.00	£0.00	
	Primary IDACI band D	£0.00	£0.00	
	Primary IDACI band C	£0.00	£0.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Primary IDACI band B	£0.00	£0.00	free school meals and Ever6 data to allocate its deprivation funding.  A separate rate can be paid for each of the six categories in the IDACI index, and for the primary and secondary phases.
	Primary IDACI band A	£0.00	£0.00	
	Secondary IDACI band F	£1,221.64	£512.08	
	Secondary IDACI band E	£1,066.50	£447.05	
	Secondary IDACI band D	£542.94	£227.59	
	Secondary IDACI band C	£349.44	£146.48	
	Secondary IDACI band B	£853.20	£357.64	
	Secondary IDACI band A	£0.00	£0.00	
	Primary free school meals (FSM)	£0.00	£0.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Primary FSM6	£0.00	£0.00	These are primary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2018 to 2019 dataset onto the spring 2018 census.
	Secondary FSM	£339.55	£142.33	This is the number of children in secondary year groups in your academy that are eligible for a free school meal. Pupils eligible for FSM are recorded in the autumn 2018 school census.
	Secondary FSM6	£0.00	£0.00	These are secondary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2018 to 2019 dataset on to the spring 2018 census.
<b>3. Looked- after children (LAC)</b>	LAC	£361.09	£151.36	The term 'looked after' refers to children under 18 who have been provided with care and accommodation by children's services. The measure uses data collected from the <a href="#">SSDA903</a> return mapped to the spring school census. This factor covers all children who have been looked after for a day or more to 31 March 2018.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>4. Prior attainment</b>	Primary attainment: primary low attainment			<p>This factor may be applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP).</p> <p>The EYFSP changed in 2013, so from 2019 to 2020 there will be no need for a primary weighting as all primary year groups will represent results under the new framework.</p>
	Secondary attainment: secondary pupils not achieving the expected standards in KS2 tests	£0.00	£0.00	<p>For secondary pupils, prior attainment funding can be targeted at pupils not achieving the expected standard in KS2 in either reading, writing or maths.</p> <p>A national weighting will be applied to year 7, 8 and 9 pupils. Secondary prior attainment for pupils in years 10 to 11 will continue to be calculated without a weighting to reflect that these pupils took the old style KS2 tests</p>
		£4,886.15	£2,048.17	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>5. English as an additional language (EAL)</b>	Primary EAL band 1	£0.00	£0.00	Local authorities can choose to fund EAL for one, two or three years from the point where the pupil joins statutory education in England. This does not include reception.  EAL band 1 refers to all pupils in their first year of statutory education, EAL band 2 includes those in their first or second year and EAL band 3 includes all pupils in their first, second or third year. The data is taken from the national pupil database. The rate can differ for primary and secondary pupils.
	Primary EAL band 2	£0.00	£0.00	
	Primary EAL band 3	£0.00	£0.00	
	Secondary EAL band 1	£0.00	£0.00	
	Secondary EAL band 2	£0.00	£0.00	
	Secondary EAL band 3	£809.23	£339.21	
<b>6. Mobility (over 10% applicable only)</b>	Primary pupils starting school outside of normal entry dates (proportion above 10%)	£0.00	£0.00	Pupil mobility refers to pupils who started the school at an unusual time during the last three academic years i.e. not in September (or not in January for pupils joining in reception). This factor allows funding to be targeted at schools experiencing levels of pupil mobility in excess of 10% of the whole school cohort.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Secondary pupils starting school outside of normal entry dates (proportion above 10%)	£0.00	£0.00	Data is taken from entry dates on the autumn census. Funding is applied to numbers in excess of a 10% threshold. A separate funding rate can be applied to primary and secondary phases.
<b>Total pupil-led factors</b>		<b>£797,879.34</b>	<b>£334,453.53</b>	
<b>7. Sparsity</b>	Sparsity funding (see further details in Table A.2)	£0.00	£0.00	<p>A fixed or variable amount may be applied to small schools and academies where the average distance to a pupil's second nearest school is more than 2 miles (primary) or 3 miles (secondary) and the average year group size is below the specified threshold for its phase.</p> <p>The maximum value for the sparsity factor is £100,000 per school (including fringe uplift). Local authorities can make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools.</p> <p>More detail can be found in the <a href="#">sparsity factor</a> section.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>8. Lump sum</b>	Lump sum	£101,354.00	£42,485.38	<p>The upper limit of the lump sum is £175,000. Local authorities may set a different lump sum for primary and secondary schools. All-through academies get the secondary rate, and middle schools get an average based on the number of year groups present in each phase.</p> <p>Any schools that merged in the 2018 to 2019 financial year will receive an allocation equivalent to 85% of the combined lump sums they would have received as separate establishments. The additional amount will be shown under the exceptional circumstance 1 line at the bottom of table A.</p>
<b>9. Split sites</b>	Split sites	£0.00	£0.00	<p>This is an amount agreed by the local authority to cover additional costs associated with running a school across different sites. If the local authority chooses to apply this factor it must be based on clear criteria and a clear methodology for calculating the funding and be shown in the LA's pro forma.</p>



Factor	Description	Full year funding amount	Part year funding amount	Explanation
<b>10. Private finance initiative (PFI)</b>	PFI	£0.00	£0.00	This factor funds the additional costs of being in a PFI contract. This is not necessarily the full cost. This factor can relate to additional premises costs and/or the affordability gap of the contract where this has been delegated. There is no limit to how much a local authority can allocate to this but they must set out a clear methodology for calculating the funding.
<b>11. London fringe</b>	London fringe	£0.00	£0.00	This factor supports schools that have to pay higher teacher salaries because they are in one of 5 local authorities in the London fringe area, where only part of the authority is in this area. These are: Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex. It is applied as a multiplier to the total schools block factors excluding premises factors (PFI, split-site, and approved exceptional funding factors).
<b>Total other factors</b>		<b>£101,354.00</b>	<b>£42,485.38</b>	
Exceptional circumstance 1	Additional lump sum for schools amalgamated during the financial year 2018 to 2019	£0.00	£0.00	This is the additional amount payable as a result of the amalgamation. It is 85% of the combined lump sums from the year after amalgamation. Additional lump sums may be agreed in a second year after amalgamation, these will be shown as one of exceptional circumstance 3 to 6.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
Exceptional circumstance 2	Additional sparsity lump sum for small schools	£0.00	£0.00	Local authorities can apply to include an additional lump sum of up to £50,000 for very small secondary schools in sparsely populated areas.
Exceptional circumstance 3	Exceptional circumstances 3	£0.00	£0.00	Local authorities may request the inclusion of additional factors in their formula for exceptional circumstances relating to the nature of their premises. Such factors have to be approved by ESFA. To qualify as 'exceptional' these factors must normally affect fewer than 5% of schools (including academies) in the authority and the cost for the institution must normally exceed 1% of their budget. Note that these lines will only appear in Table A if your local authority has an approved exceptional factor and it applies to your academy.
Exceptional circumstance 4	Exceptional circumstance 4	£0.00	£0.00	
Exceptional circumstance 5	Exceptional circumstance 5	£0.00	£0.00	
Exceptional circumstance 6	Exceptional circumstance 6	£0.00	£0.00	
Exceptional circumstance 7	Exceptional circumstance 7	£0.00	£0.00	
Prior year adjustment (optional)	Prior year funding adjustment	£0.00	£0.00	Local authorities can apply an adjustment to total funding where they wish to make an amendment relating to funding paid in the prior year that will be added to or deducted from the current year's allocation.  Note that this line will only appear in table A if it applies to your academy.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
MFL rate (optional)		Minimum funding level (MFL) per pupil rate (as set by the local authority)	£0.00	Local authorities can apply an adjustment to total funding where they wish to make an amendment relating to funding paid in the prior year that will be added to or deducted from the current year's allocation.
MFL Adjustment (if applicable)		Total adjustment required to ensure the academy meets the MFL rate by the local authority	£0.00	Any adjustment to the SBS as a result of applying a minimum funding per pupil rate will be shown here. This is calculated as the minimum per pupil level rate, less the per pupil allocation, multiplied by number on roll.
2017 to 2018 funding floor protection (optional)		Funding floor protection	£0.00	Adjustment required to ensure at least 1% per pupil increase between academic year 2017 to 2018 and academic year 2019 to 2020 as outlined as part of the NFF roll-out. See the <a href="#">funding floor protection</a> section for more detail.
<b>Total school budget share (excluding rates)</b>		<b>£899,233.34</b>	<b>£376,938.91</b>	
<b>of which notional SEN budget</b>		<b>£143,935.08</b>	<b>£60,344.43</b>	
<b>funding previously delegated</b>		<b>£6,017.42</b>	<b>£2,522.37</b>	
<b>De-delegation funding retained by the LA (to 31 August 2019)</b>				

## Minimum funding level of per pupil funding

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

The local authority can set a separate value for the different phases of education. The minimum funding level (MFL) applied to an individual academy calculation is therefore dependent on the phase of education of that establishment and the level set by the local authority. The NFF rates are set as below but local authorities, where they choose to use this factor can use any figure up to these levels.

Phase	Minimum funding level rate applied (where local authority is using the factor)
Primary	£3,500
Secondary (with KS3 and KS4 pupils)	£4,800
KS3 only	£4,600
KS4 only	£5,100
Middle	$((\text{primary level} * \text{primary year groups}) + (\text{KS3 level} * \text{KS3 year groups}) + \text{KS4 level} * \text{KS4 year groups}) / \text{total year groups}$
All-through	£4,042 $(\text{primary level} * 7/12) + (\text{secondary level} * 5/12)$

The total academy SBS allocation (excluding any prior year adjustment) is divided by the funded number on roll (NOR) (reception to year 11) to arrive at the per pupil allocation for comparing with the minimum funding level. As local authorities include funding for rates in maintained school SBS allocations<sup>1</sup>, ESFA will include the rates figure from the local factors dataset as a proxy measure of rates for inclusion in the calculation.

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

<sup>1</sup> ESFA exclude rates from the SBS allocation and instead pay rates funding separately using an online claim form.

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

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

Further details are included in the MFG section.

## The sparsity factor

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

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

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

Phase	Average year group size fewer than:	Distance
Primary	21.4 pupils	2 miles +
Middle	69.2 pupils	2 miles +
Secondary	120 pupils	3 miles +
All-through	62.5 pupils	2 miles +

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

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

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

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

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

## Funding floor protection

Local authorities can choose to use a funding floor protection factor in order to closely mirror the funding floor protection against 2017 to 2018 used in the NFF.

The funding floor factor will ensure that the amount a school is allocated through the local formula in 2019 to 2020 is at least 1% greater than the school's 2017 to 2018 funding floor baseline<sup>2</sup>. These baselines include: the pupil led funding the school received in 2017 to 2018 (except funding through the mobility factor); the difference between the lump sum and sparsity funding they received in 2017 to 2018; and the lump sum and sparsity funding they attracted under the NFF in 2018 to 2019. These baselines do not include: funding the school received through the premises factors; the mobility factor; or any one-off funding in 2017 to 2018.

Where local authorities use this in their methodology, the starting point for the calculation is the total school budget share allocation including any minimum funding level funding. This starting point is then adjusted in order to be able to be compared to the 2017 to 2018 baseline. To do this we deduct mobility, lump sum, sparsity, and any exception 1 funding. The result is then multiplied by the appropriate London fringe factor for the academy.

From this we deduct split sites, PFI and the remaining exceptional circumstances elements, and then add any exceptional circumstances not related to premises costs. From this, we deduct any 2019 to 2020 approved MFG exemptions and technical adjustments that are relevant for use in this funding floor calculation. This produces an allocation value for the floor comparison. Once this is divided by the funded pupil numbers, we get an equivalent 2019 to 2020 per pupil figure to that for 2017 to 2018. The change in this per pupil funding can then be determined and any protection funding calculated.

If any funding floor protection funding is due, it is added to the initial total allocation (post MFL) to give this uplifted guaranteed funding. The subsequent MFG calculation will ensure than any capping and scaling does not reduce this to below this per pupil level.

---

<sup>2</sup> Further information about how we have calculated these baselines can be found in [the NFF schools block technical note](#).

## Table B – minimum funding guarantee (MFG)

Table B sets out how your minimum funding guarantee (MFG) is calculated.

The MFG is a protection against changes in per pupil schools budget share (SBS) funding between 2018 to 2019 and 2019 to 2020.

In 2019 to 2020, local authorities have the flexibility to set local MFG between +0.5% and -1.5% per pupil in order to offer higher levels of protection locally.

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

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

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

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

### Exclusions and adjustments

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

#### Exclusions

The funding lines automatically excluded from the MFG calculation are:

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



Any additional lump sum funding received in the 2018 to 2019 academic year by academies that amalgamated during the 2017 to 2018 academic year is deducted from the baseline only. Any additional lump sum funding in the 2019 to 2020 academic year for academies amalgamating in 2018 to 2019 is excluded from the 2019 to 2020 MFG budget, but not the baseline.

If local authorities wish to exclude any additional funding lines from the MFG calculation - from either the 2018 to 2019 baseline funding or the 2019 to 2020 academic year funding - they must make an exceptional case to ESFA. An example of an approved MFG exclusion is where a school would be receiving split site funding for the first time in the 2019 to 2020 academic year. This exclusion allows the school to receive the full benefit of the additional funding. Similarly, where a school will no longer be operating on a split site in 2019 to 2020 the local authority may wish to exclude the split site funding from the baseline for 2018 to 2019 when calculating the MFG, so that the protection does not include funding for which the school is no longer eligible.

## **Technical adjustments**

Local authorities can make technical adjustments to the 2018 to 2019 baseline to make this comparable with 2019 to 2020 funding in certain exceptional circumstances. These relate to changes in delegation – for example where a budget was previously funded centrally and is now delegated into the funding formula, or where funding has been moved to the high needs block to commission alternative provision (AP) places for schools as well as for the local authority.

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

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

For example:

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

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

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

## **Capping and scaling and MFL**

Where an academy receives a minimum funding level (MFL) allocation, they will be exempt from capping and scaling in the minimum funding guarantee (MFG) module.

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

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

[Back to summary table](#)

Line	Value	Calculation	Explanation
1. Academic year 2018 to 2019 school budget share	£376,938.91	From Table A	This is the school budget share shown in your Table A. It is the 2019 to 2020 financial year allocation calculated by the local authority adjusted pro rata for the remainder of the 2018 to 2019 academic year.
2. MFG adjustment - full year	£0.00		This is the calculation made by the local authority for the whole 2019 to 2020 financial year. If a local authority has applied capping or scaling then this would appear as a deduction.
3. Pupil numbers used in original MFG calculation	108		
4. Number of pupils actually funded	108		This shows the total number of pupils being funded.
5. MFG adjustment – 153 days pro rata	£0.00	$= (2 / 366 \text{ days} \times 153 \text{ days}) \times (4 / 3)$	This is the total MFG adjustment, proportioned for the number of days your academy is open between 1 September 2018 and the end of the academic year, 31 August 2019. This example is a 1 April opener.
<b>6. Adjusted academic year 2018 to 2019 school budget share</b>	<b>£376,938.91</b>	<b>= 1 + 5</b>	

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

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

### Start-up grant (SUG)

SUG is paid to full sponsored academies.

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

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

### Post-opening grant (POG)

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

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

[Back to summary table](#)

Line	Value	Calculation	Explanation
1.	Start-up grant part A £0.00		Paid in the first year of opening.
2.	Start-up grant part B – formulaic allocation £0.00		The total part B value will be paid in the first 3 years after opening for secondary and the first 2 years after opening for primary academies.
3.	Start-up grant part B – assessment £0.00		
4.	Post-opening grant – per pupil resources £0.00		For free schools, UTCs and studio schools, this is the total of the resource element of the POG.
5.	Post-opening grant – leadership diseconomies £0.00		For free schools, UTCs and studio schools, this is the total of the diseconomies element of the POG.
<b>6.</b>	<b>Total post-opening grant (start-up grant) allocation</b> £0.00	<b>= 1 + 2 + 3 + 4 + 5</b>	The sum of SUG or POG elements as applicable.

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

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

Pre-16 places at special units occupied by pupils recorded on the school census as sole or dual (main) are funded at £6,000. Pupils in these places will also attract funding through the mainstream school formula.

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

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

In the 2018 to 2019 academic year we will use published [high needs place numbers for the 2018 to 2019 academic year](#) to calculate your allocation. The exception to this is where your local authority has requested, prior to conversion, a change in pre-16 place numbers which was agreed with you.

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

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

[Back to summary table](#)

Type		Place numbers	Annual per place unit value	Total pre-16 allocation	Allocation to August 2019	Calculation	Explanation
1.	Special unoccupied	0	£10,000.00	£0.00	£0.00		<p><b>Place numbers:</b> published place numbers for 2018 to 2019 (or agreed place numbers where a change in place numbers has been requested).</p> <p><b>Unit value:</b> £6,000 per occupied place £10,000 per unoccupied place</p> <p><b>Total allocation</b> = place numbers x unit value</p> <p><b>Allocation to August 2019:</b> Total allocation x days open/365</p>
2.	Special occupied	0	£6,000.00	£0.00	£0.00		
3.	Alternative Provision	0	£10,000.00	£0.00	£0.00		<p><b>Place numbers:</b> published place numbers for 2018 to 2019 (or agreed place numbers where a change in place numbers has been requested).</p> <p><b>Unit value:</b> £10,000</p> <p><b>Total allocation</b> = place numbers x unit value</p> <p><b>Allocation to August 2019:</b> Total allocation x days open/365</p>
4.	<b>Total pre-16 high needs allocation 153 days (1 April 2019 to 31 August 2019)</b>				<b>£0.00</b>	<b>= 1 + 2 + 3</b>	Total pre-16 allocation (special) + total pre-16 allocation (alternative provision), proportioned from the time you open as an academy until the end of the academic year, 31 August 2019.

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

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

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

In the 2018 to 2019 academic year we will use published [high needs place numbers for the 2018 to 2019 academic year](#) to calculate your allocation. The exception to this is where your local authority has requested, prior to conversion, a change in post-16 place numbers which was agreed with you. Where there is disagreement over any change in place numbers, ESFA will use the published [high needs place numbers for the 2018 to 2019 academic year](#) in your allocation.

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



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

[Back to summary table](#)

Place numbers	Annual per place unit	Total post-16 allocation	Allocation to August 2019	Explanation
0	£6,000.00	£0.00	£0.00	<p><b>Place numbers:</b> published place numbers for 2018 to 2019 (or agreed place numbers where a change in place numbers has been requested).</p> <p><b>Unit value:</b> £6,000</p> <p><b>Total post-16 allocation</b> = place numbers x unit value</p> <p><b>Allocation to August 2019:</b> total allocation x months open/365</p>
<b>Total post-16 high needs place funding 5 months (1 April 2019 to 31 August 2019)</b>			<b>£0.00</b>	Total post-16 allocation, proportioned from the time you open as an academy until the end of the academic year, 31 August 2019.

Further information on [high needs funding](#) is available.

## Table F – pupil number matrix

Table F shows the pupil numbers used in each of the calculations. The main sources of pupil numbers are the autumn 2018 census, estimates provided by academies and agreed high needs places. Within your allocation the number of pupils attracting the various funding elements may differ. For example, the calculations for school budget share (SBS) do not include nursery or post-16 pupils.

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

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

For census-funded academies, pupil numbers are taken from the autumn 2018 validated [school census](#) using single registration at the school and current **main**-dual registration. However, where the local authority notifies us of variations in school census numbers (through their authority proforma tool, for planned growth or infrastructure changes) then these will be used to calculate your allocation.

For [academies funded on estimates](#) pupil numbers are drawn from the final validated revenue funding data collection (RFDC) dataset.

## Sample Table F - academic year 2018 to 2019 pupil matrix

	Reception uplift 1	Primary 2	Secondary 3	Post-16 4	Total	Calculation
School budget share (SBS)	0	0	108	N/A	108	= 1 + 2 + 3
Minimum funding guarantee (MFG)	N/A	0	108	N/A	108	= 2 + 3

## Funding outside the GAG

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

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

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

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

## Risk protection arrangement (RPA)

If you are a member of [RPA](#) any adjustment made to your funding will be shown on your monthly pay schedule. It is not shown on your GAG statement as it does not affect your allocation, but does affect the amount you will receive on a monthly basis. If you opt into RPA after the allocation was published you will not receive an adjusted GAG statement, but your monthly pay schedule will be reissued.



Education & Skills  
Funding Agency

© Crown copyright 2019

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3)

email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus)

download [www.gov.uk/government/publications](http://www.gov.uk/government/publications)



Follow us on Twitter:  
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:  
[facebook.com/educationgovuk](https://facebook.com/educationgovuk)