



Department  
for Education

# **Schools block national funding formula: technical note**

**July 2020**

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# Chapter 1: Introduction and overview

## Introduction

- 1.1. This document explains how we have calculated the local authority (LA) level schools block (SB) actual primary and secondary units of funding for the financial year to 31 March 2022 (the year 2021-22). It also covers the calculation of the provisional LA-level and notional school-level 2021-22 total funding allocations under the national funding formula (NFF).
  - a. Chapter 2 sets out how we have defined the baseline pupil count and funding, which are used to apply the funding floor and to understand the impact of the NFF. LAs can see these calculations in NFF Report D2 which will be made available for them on the COLLECT system.
  - b. Chapter 3 sets out each component of the schools NFF that is calculated at a school level, 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 the calculation of the LA-level primary and secondary units of funding, bringing together school-level output from the previous chapters and LA-level calculations of the premises and growth factors. LAs can see these calculations in NFF COLLECT reports H and I.
  - d. Chapter 5 sets out the differences between the data used to calculate the LA-level 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); schools can see their own calculation, while LAs can see the calculations for all the schools in their area.
- 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.
- 1.3. The City of London and Isles of Scilly are also excluded as they will receive a separate education grant covering funding for their schools. Our NFF calculations also exclude the two city technology colleges which are funded outside of the dedicated schools grant (DSG).
- 1.4. We have published two outputs:
  - a. LA-level SB 2021-22 primary and secondary units of funding (which will be used to derive the final SB funding for LAs in December 2020) and provisional NFF SB allocations to LAs for 2021-22.

- b. Notional NFF allocations to schools for 2021-22.

## Differences between the 2020-21 NFF and the 2021-22 NFF

- 1.5. The main formula in 2021-22 is similar to the formula in 2020-21. However, we have introduced some changes:<sup>1</sup>
  - a. Unit values have been increased as set out in Chapter 3.
  - b. The NFF calculations for 2021-22 are based on school and pupil characteristics data from the 2020-21 authority proforma tool (APT) data, rather than 2019-20 APT data which drove the 2020-21 calculations (we have also used the 2020/21 General Annual Grant data in place of 2019/20 GAG data).
  - c. We have used 2019 data from the Income Deprivation Affecting Children Index (IDACI) in place of 2015 data. We have changed the basis on which we assign pupils to the seven IDACI bands: they are now assigned based on rank rather than score. For example, Band A now consists of pupils in the most deprived 2.5% of lower super output areas (LSOAs), instead of consisting of pupils in LSOAs with an IDACI score greater than 0.5. More details are given in Chapter 3.
  - d. From 2021-22, funding previously received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG) to mainstream schools for pupils from reception to year 11 will be allocated through the schools block NFF by adding to the baseline (Chapter 2), by increasing the basic per pupil funding (Chapter 3) and by increasing the minimum per pupil funding (Chapter 3).
  - e. The LA-level protection has not been continued after being introduced in 2020-21.

## Data and modelling approach

- 1.6. To calculate the LA-level SB 2021-22 units of funding and provisional impacts at LA level of the NFF, we have used pupil and school characteristics data from the 2020-21 APT, which is based on October 2019 school census data, as adjusted by LAs.
- 1.7. To illustrate the impact of the formula on individual schools for 2021-22, we have used data from the 2020-21 APT for LA maintained schools, and for academies and free schools we have used data from their general annual grant (GAG) statement for the academic year 2020/21. These two data sources do not reflect any changes after March 2020. More details are given in Chapter 5.

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<sup>1</sup> (set out in the policy document [2021-22 NFF](#))

- 1.8. We have taken this approach for the notional calculations for individual schools because we want schools and LAs to be able to compare the impact of the formula directly to the funding they receive now.
- 1.9. Schools' actual allocations for 2021-22 will be based on more up-to-date pupil data as well as being the result of LAs' local funding formula arrangements, so these notional allocations should not be taken as firm and actual allocations.
- 1.10. As we have used data from the 2020-21 APT for maintained schools and from the 2020/21 GAG for academies and free schools to illustrate the school-level impact of the NFF, the total of the notional impact across all schools (from the 'Impact of the schools NFF' table) will not match the total of the provisional LA allocations (from the NFF summary table).
- 1.11. The NFF calculation is split into three components, which for the purposes of this note we will refer to as:
  - a. Core NFF funding: this makes up the vast majority of the SB. The LA-level primary and secondary NFF units of funding represent core NFF funding, which covers funding through the:
    - i. Pupil-led factors: basic per-pupil, deprivation, low prior attainment, English as an additional language, mobility, minimum per pupil funding and funding floor.
    - 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 and enables the core NFF funding amounts to take account of geographical variation in labour market costs (this is explained further in Chapter 3).
  - b. Premises funding: this covers funding through the PFI, split sites, rates and exceptional circumstances factors.
  - c. Growth factor funding: this is allocated at LA level to support LAs to manage an increase in pupil numbers in 2021-22 before the lagged funding system has caught up. It is calculated 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. The calculation of LA-level allocations uses pupil and funding data from the 2020-21 APT for both schools and academies so that the funding is all on a consistent basis. This means the notional 2021-22 allocations for academies which contribute towards the 2021-22 LA-level allocations are based on their APT allocations, not their actual GAG allocation.
- 2.2. This chapter sets out the baseline funding used to calculate 2021-22 SB allocations to LAs under the NFF. Chapter 5 sets out how we have separately calculated notional allocations at school level to illustrate the impact of the formula. These notional allocations use pupil and funding data from 2020/21 GAG statements for academies and free schools, rather than data from the APT.

### **Core NFF funding baseline**

- 2.3. Each school's NFF funding floor is calculated based on its notional 2020-21 NFF funding.
- 2.4. For schools which do not have a 2020-21 NFF baseline (for instance, schools which have opened recently), we have created a theoretical baseline based on the provisional 2020-21 NFF allocations in the relevant LA. This is to ensure that new schools are not disadvantaged compared to other schools in their LA area. We have done this separately for each LA for three categories of school: (a) new schools with no predecessor, (b) schools that have amalgamated and (c) schools that have split. Details of the calculation of theoretical baselines can be found in Annex B.

### **Baseline pupil count**

- 2.5. For each school we use the total number on roll (NOR) from the 2020-21 NFF.

### **Baseline core funding**

- 2.6. For each school, the baseline core funding is the total notional 2020-21 NFF allocation, excluding premises and growth.

### **TPG and TPECG baseline**

- 2.7. An addition is made to the baseline to represent the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) paid in 2020-21.

- 2.8. We make the addition on a per-pupil basis. First, we calculate annualised primary and secondary per-pupil funding rates from the grants. These are derived from the rates for the April – August 2020 TPG and TPECG allocations,<sup>2</sup> which were in turn defined as 5/7 of the September 2019 – March 2020 rates.<sup>3</sup> Therefore, the annualised rates are 12/7 of the September 2019 – March 2020 rates. The rates reflect geographical variation in teacher pay scales between Inner London (IL), Outer London (OL), Fringe Areas (F) and the Rest of England (ROE) and are shown in Figure 1.
- 2.9. These annualised rates are applied to primary and secondary pupils, from reception to year 11, taken from the October 2019 school census (the same source as for the April - August 2020 grants).

**Figure 1: TPG and TPECG funding rates per pupil**

Region	Primary TPG	Primary TPECG	Total
Inner London	£55.94	£158.06	£214.00
Outer London	£51.75	£146.21	£197.96
London Fringe	£48.45	£136.89	£185.34
Rest of England	£47.02	£132.86	£179.88

**This table shows the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) per pupil funding rates for primary pupils.**

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<sup>2</sup> <https://www.gov.uk/government/publications/teachers-pay-grant-allocations-for-2020-to-2021-financial-year>

<sup>3</sup> Teachers' pay grant: <https://www.gov.uk/government/publications/teachers-pay-grant-methodology/teachers-pay-grant-methodology>; Teachers' pensions employer contribution grant: <https://www.gov.uk/government/publications/teachers-pension-grant-2019-to-2020-allocations>

Region	Secondary TPG	Secondary TPECG	Total
Inner London	£82.34	£232.65	£314.99
Outer London	£76.17	£215.23	£291.40
London Fringe	£71.30	£201.48	£272.78
Rest of England	£69.21	£195.57	£264.78

This table shows the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) per pupil funding rates for secondary pupils.

- 2.10. Every school is funded for a minimum of 100 pupils, in line with the methodology of the TPG and TPECG. If a school has fewer than 100 primary and secondary pupils, its pupil count is uplifted in proportion to its primary and secondary pupil counts.
- 2.11. In 2020-21, additional funding for teacher pension employer contribution costs is provided through the supplementary fund.<sup>4</sup> This funding will be based upon annualising the September 2019 – March 2020 supplementary grant payments. As such, for schools receiving supplementary grant funding for September 2019 – March 2020, we have annualised these allocations and added it to the grant allocation based upon pupil-numbers.
- 2.12. Hence, the total uplift to a school's baseline funding is

$$T = (g_p \times n_p) + (g_s \times n_s) + S$$

where  $g_p$  and  $g_s$  are, respectively, the primary and secondary per-pupil grants funding rates shown in Figure 1;  $n_p$  and  $n_s$  are, respectively, the primary and secondary pupil counts from the October 2019 school census (adjusted, where necessary, to fund a minimum of 100 pupils); and  $S$  is the supplementary funding for teacher pension employer contributions.

## Baseline pupil-led funding per pupil

- 2.13. For each school we calculate a per-pupil baseline for its pupil-led funding. This is used as the baseline to calculate the 2021-22 funding floor. To derive this, we subtract the 2021-22 NFF school-led funding (with area cost adjustment) from the baseline core funding, multiply the result by the proportion of 2020-21 for which the school will be open, divide by the proportion of the year for which the school was

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<sup>4</sup> <https://www.gov.uk/government/publications/teachers-pension-grant-supplementary-fund>

funded in the 2020-21 NFF<sup>5</sup>, add the grants baseline and then divide by the baseline pupil count.

## Premises factors baselines

2.14. The premises baselines for the LA-level provisional allocations are the total funding allocated to each LA in the 2020-21 NFF. The individual funding factors that make up the total premises factor are:

- Private finance initiative (PFI)
- Split sites
- Rates
- Exceptional circumstances.

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<sup>5</sup> That is, the proportion of 2019-20 for which the school was open

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

- 3.1. In this chapter, we set out each component of the 2021-22 schools NFF that is calculated at a school level.
- 3.2. For calculating LA allocations, we use data from the 2020-21 APT for both maintained schools and academies.
- 3.3. For calculating the notional impact on individual schools, we use 2020-21 APT data for maintained schools and 2020/21 GAG data for academies and free schools to reflect more closely the actual funding that schools receive. The calculation of the notional impact on individual schools will be described in Chapter 5.
- 3.4. Core NFF funding covers funding through the NFF that is calculated at a school level. Through the core NFF funding calculation we derive the NFF primary and secondary per-pupil units of funding for 2021-22, for each LA.
- 3.5. The NFF uses pupil numbers as adjusted by LAs in the APT. Where the LA has applied reception uplift, the NFF removes it, since this is not a component of the formula.
- 3.6. APT data is based on October 2019 school census data. Any adjustment that an LA makes to census data in the APT overrides the relevant school census data item and is used for the LA-level NFF.
- 3.7. Core NFF funding covers funding through the basic per-pupil, deprivation, low prior attainment (LPA), English as an additional language (EAL), mobility, lump sum, and sparsity factors. The area cost adjustment (ACA) is also applied to uplift funding in line with local labour market costs. 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 attract at least a 2% increase compared to their 2020-21 baseline pupil-led funding per pupil. Notional funding for schools which will be open for part of the financial year to 31 March 2021 is scaled down pro rata.

## Basic per-pupil funding

**Figure 3: Basic per-pupil funding factors**

Factor	Unit value	Eligibility
Primary basic per-pupil funding	£3,123	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 2020-21 APT and excludes reception uplift.
Key stage 3 (KS3) basic per-pupil funding	£4,404	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 2020-21 APT.
Key stage 4 (KS4) basic per-pupil funding	£4,963	Each pupil on the school roll in year 10 and year 11. The KS4 APT-adjusted pupil count is based on data from the 2020-21 APT.

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

- 3.8. Basic per-pupil funding factors have been increased by 3% since the 2020-21 NFF. A further £180 has been added to the primary amount and £265 to each of the KS3 and KS4 amounts per pupil, representing the Rest of England teachers' pay and pension grants, as shown in Figure 1. The separate grant rates for London and the Fringe have not been used, because the area cost adjustment, which is applied to all core funding, reflects the geographical variation in labour market costs. The total basic per-pupil funding factors are rounded to the nearest pound.
- 3.9. The total NFF funding through the basic per-pupil factor is equal to:
- Primary basic per-pupil unit value multiplied by the primary APT-adjusted pupil count, plus
  - KS3 basic per-pupil unit value multiplied by the KS3 APT-adjusted pupil count, plus
  - KS4 basic per-pupil unit value multiplied by the KS4 APT-adjusted pupil count.

## Additional needs funding

- 3.10. The additional needs factors allocate funding to schools based on 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 any adjustments made by LAs in the APT feed through into the number of eligible pupils for the various additional needs factors.

- 3.11. The proportion of pupils eligible for each factor only takes account of pupils for whom data is available. 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.
- 3.12. 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 attracts the FSM unit value amount and the FSM Ever 6 ("FSM6") unit value.

## Socio-economic deprivation – eligibility for free school meals (FSM)

**Figure 2: FSM funding factors**

Factor	Unit value	Eligibility
Primary FSM	£460	Schools receive funding for all FSM-eligible primary pupils through this factor. We calculate the total number of eligible pupils by taking the proportion of FSM-eligible primary pupils (reception to year 6 inclusive) from the 2020-21 APT and multiplying by the primary APT-adjusted pupil count.
Secondary FSM	£460	Schools receive funding for all FSM-eligible secondary pupils through this factor. We calculate the total number of eligible pupils by taking the proportion of FSM-eligible secondary pupils (years 7 to 11 inclusive) from the 2020-21 APT and multiplying by the secondary APT-adjusted pupil count (KS3 APT-adjusted pupil count plus KS4 APT-adjusted pupil count).

Factor	Unit value	Eligibility
Primary FSM6	£575	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). We calculate the total number of eligible pupils by taking the proportion of FSM6-eligible primary pupils from the 2020-21 APT and multiplying by the primary APT-adjusted pupil count.
Secondary FSM6	£840	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 (this includes all primary pupils who are currently eligible for FSM). We calculate the total number of eligible pupils by taking the proportion of FSM6-eligible secondary pupils from the 2020-21 APT and multiplying by the secondary APT-adjusted pupil count.

**Figure 3: 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>6</sup>**

- 3.13. The IDACI element of the deprivation factor is based on the IDACI dataset for 2019, which is published by the Ministry for Housing, Communities and Local Government (MHCLG). 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 relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA.
- 3.14. For school funding purposes, the NFF uses IDACI ranks to group LSOAs into seven bands of decreasing deprivation; The six bands that attract funding are shown in Figure 4. In the past we have defined IDACI bands on the basis of scores. The 2021-

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<sup>6</sup> Ministry of Housing, Communities and Local Government, [English indices of deprivation 2019](#), September 2019

22 NFF uses ranks instead of scores to define bands. For example, Band A comprises the most deprived 2.5% of LSOAs.

- 3.15. We match IDACI data to pupils' home postcode data recorded in the October 2019 school census in order to find their LSOA, and hence the IDACI band for each pupil in a school. It is not possible to do this for schools that opened after the date of the October 2019 school census, so we fund these schools on the basis of the 2015 IDACI data in the 2020-21 APT. The amount of IDACI funding received by a school depends on the IDACI band of each pupil. The funding for each band is set out in Figure 5.

**Figure 3: NFF IDACI bands**

Factor	Ranks	Band
Pupils in the most deprived 2.5% of LSOAs	1 to 821	A
Pupils in the next 5% most deprived LSOAs	822 to 2463	B
Pupils in the next 5% most deprived LSOAs	2464 to 4105	C
Pupils in the next 5% most deprived LSOAs	4106 to 5747	D
Pupils in the next 10% most deprived LSOAs	5748 to 9032	E
Pupils in the next 10% most deprived LSOAs	9033 to 12316	F

**Figure 4: This table shows the 2021-22 NFF IDACI bands using pupil-level data from the October 2019 school census. Band G does not attract funding.**

**Figure 4: IDACI funding factors**

Factor	Unit value	Eligibility
Primary IDACI band A	£620	We calculate the total number of eligible pupils for funding through each IDACI band by taking the proportion of pupils in the relevant IDACI band and multiplying it by the primary APT-adjusted pupil count.
Primary IDACI band B	£475	
Primary IDACI band C	£445	
Primary IDACI band D	£410	
Primary IDACI band E	£260	
Primary IDACI band F	£215	
Secondary IDACI band A	£865	We calculate the total number of eligible pupils for funding through each IDACI band by taking the proportion of pupils in the relevant IDACI band and multiplying it by the secondary APT-adjusted pupil count.
Secondary IDACI band B	£680	
Secondary IDACI band C	£630	
Secondary IDACI band D	£580	

Factor	Unit value	Eligibility
Secondary IDACI band E	£415	
Secondary IDACI band F	£310	

**Figure 5: 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 (LPA)

3.16. 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. As with the other factors, we use data for LPA as recorded in the 2020-21 APT.

3.17. In the APT, the LPA pupil numbers for year groups 7 to 10 inclusive are weighted so that those who have sat the more challenging key stage 2 tests (introduced in academic year 2015 to 2016) do not have a disproportionate effect on the LPA factor. The weightings are

- For pupils in year 7 in October 2019: 0.64527
- For pupils in year 8 in October 2019: 0.63586
- For pupils in year 9 in October 2019: 0.58045
- For pupils in year 10 in October 2019: 0.48019
- For pupils in year 11 in October 2019: 1

**Figure 5: LPA funding factors**

<b>Factor</b>	<b>Unit value</b>	<b>Eligibility</b>
Primary LPA	£1,095	<p>Schools receive funding through this factor for all primary pupils who did not reach the expected level of development at early years foundation stage (EYFS). We do not have EYFS data for pupils in Reception because they are assessed at the end of the Reception year.</p> <p>We calculate the total number of eligible pupils by working out the proportion of LPA-eligible pupils in years 1 to 6 and multiplying this proportion by the primary APT-adjusted pupil count, which includes pupils in Reception.</p>
Secondary LPA	£1,660	<p>Schools receive funding for all secondary pupils who did not achieve the expected level at KS2 in one or more of reading, writing and mathematics through this factor.</p> <p>We calculate the total number of eligible pupils by:</p> <p>Taking the proportion of LPA-eligible pupils in each secondary year group from the 2020-21 APT,</p> <p>Applying to each year group the relevant weighting set out in Paragraph 3.16.</p> <p>Multiplying by the APT-adjusted pupil count for the relevant year group</p> <p>And summing the results for each year group.</p>

**Figure 6: This table shows the LPA funding factors, their unit value and the eligibility criteria for each factor.**

### **English as an additional language factor (EAL)**

3.18. 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, whose first language is not 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**

<b>Factor</b>	<b>Unit value</b>	<b>Eligibility</b>
Primary EAL	£550	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 2020-21 APT and multiplying by the primary APT-adjusted pupil count.
Secondary EAL	£1,485	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 2020-21 APT and multiplying by the secondary APT-adjusted pupil count.

**Figure 7: This table shows the EAL funding factors, their unit value and the eligibility criteria for each factor.**

## **Mobility Factor**

- 3.19. The pupils eligible for funding through the NFF mobility factor are pupils whose school census record at their current school (or one of its predecessors) in the last three years indicates an entry date which is not typical<sup>7</sup>. For year groups 1 to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. So, 'not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census is October or January.
- 3.20. In Figure 8, 5 pupils attending an all-through school are illustrated. Pupil 1's first appearance is in an October census, so that pupil is not classified as mobile for the purposes of the NFF mobility factor. Pupil 2, who was in year 11 in 2019/20, had their first appearance in the school in a January census, so they are classified as mobile. Pupil 3's first census is also January but as the pupil was in year R at the time, they are not mobile. Pupil 4's first census is May and so is mobile. Pupil 5 has been at the school for at least 3 years so is not eligible for mobility funding.

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<sup>7</sup> The school census record of an individual pupil is established by tracing the pupil's unique reference number back through earlier termly censuses.

3.21.

**Figure 7: Mobility example**

School census	Pupil 1	Pupil 2	Pupil 3	Pupil 4	Pupil 5
October 2016					Y5
January 2017					Y5
May 2017				Y1	Y5
October 2017				Y2	Y6
January 2018			YR	Y2	Y6
May 2018			YR	Y2	Y6
October 2018			Y1	Y3	Y7
January 2019		Y10	Y1	Y3	Y7
May 2019		Y10	Y1	Y3	Y7
October 2019	Y7	Y11	Y2	Y4	Y8

**Figure 8: This table shows the census appearances for 5 pupils at one school (or its predecessors) to support the explanation of how the mobility factor is calculated in paragraph 3.20.**

**Figure 8: Mobility funding factors**

<b>Factor</b>	<b>Unit value</b>	<b>Eligibility</b>
Primary Mobility	£900	Schools receive funding for all mobility-eligible primary pupils through this factor, above a threshold set at 6% of the primary NOR. We calculate the total number of eligible pupils by taking the proportion of mobility-eligible primary pupils (after applying the threshold) and multiplying by the primary APT-adjusted pupil count.
Secondary Mobility	£1,290	Schools receive funding for all mobility-eligible secondary pupils through this factor, above a threshold set at 6% of the secondary NOR. We calculate the total number of eligible pupils by taking the proportion of mobility-eligible secondary pupils (after applying the threshold) and multiplying by the secondary APT-adjusted pupil count.

**Figure 9: This table shows the mobility funding factors, their unit value and the eligibility criteria for each factor.**

## Lump sum

3.22. Each school receives a lump sum, irrespective of its size or phase.

**Figure 9: Lump sum funding factor**

<b>Factor</b>	<b>Unit value</b>	<b>Eligibility</b>
Lump sum	£117,800	All schools receive this lump sum amount – we do not differentiate funding by phase.

**Figure 10: This table shows the lump sum funding factor, the unit value and the eligibility criteria for the factor.**

## Sparsity

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

**Figure 10: Sparsity funding factor**

Factor	Unit value
Sparsity for primary schools	£0 - £45,000
Sparsity for secondary, middle and all-through schools	£0 - £70,000

**Figure 11: This table shows the sparsity funding factors and the unit values.**

3.24. To decide if a school is eligible for sparsity funding we use the same criteria as currently recommended by the department for use in LAs' local funding formulae, and sparsity distance and year group data from the 2020-21 APT.<sup>8</sup> A school is eligible for sparsity funding if:

- a. For all the pupils for whom it is the nearest compatible school,<sup>9</sup> the average straight-line distance from the pupils' homes to the second nearest compatible school is more than three miles (for secondary schools) or two miles (for all other schools), and
- b. The average year group size (calculated as the APT-adjusted pupil count divided by number of year groups present at the school) is below the appropriate 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.

3.25. The unit values in Figure 11 above give the maximum sparsity sum that a school can receive. We taper this sparsity sum using the school's sparsity weighting (see below), so that if a school's average year group size is more than half of the threshold, it receives a weighted proportion of the maximum value.

## Sparsity weighting

3.26. 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.

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<sup>8</sup> In the rare case that there is no year group data for a school on the 2020-21 APT, we assume the school is not eligible for sparsity funding.

<sup>9</sup> For the purposes of this factor, a compatible school means one of the relevant phase which a pupil could attend. Selective grammar schools are not considered when identifying the second nearest compatible school, but faith schools are included.

- 3.27. 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.
- 3.28. 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

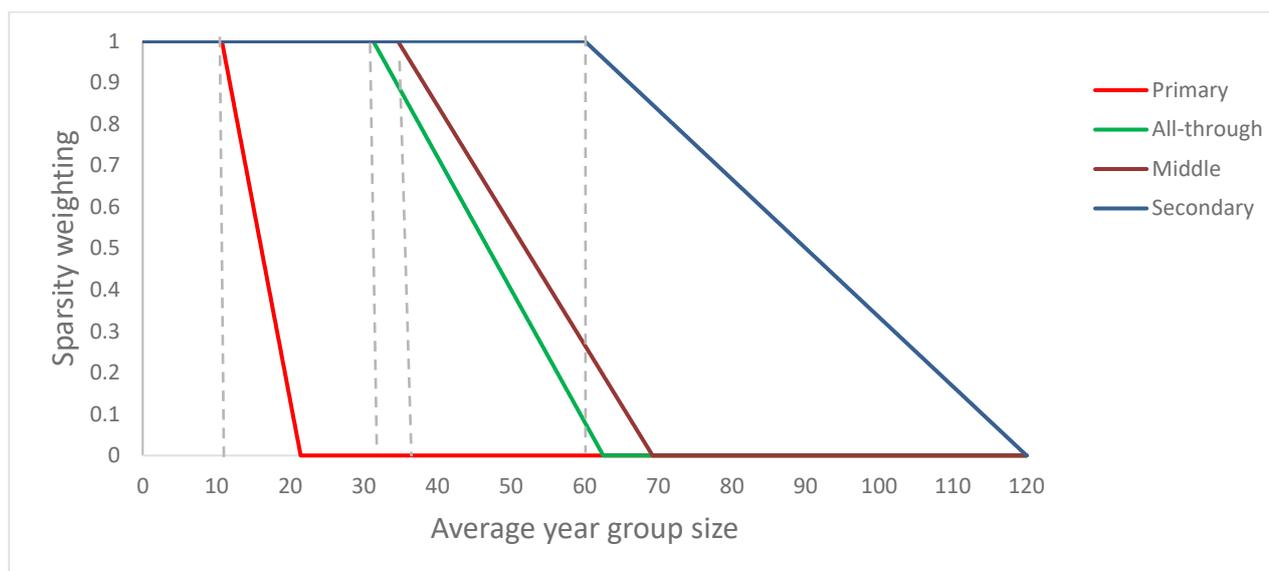
$S$  is the sparsity weighting

$A$  is the average year group size of the school

$T$  is the year group threshold

- 3.29. This means that a sparse school with an average year group size that is three quarters of the threshold attracts sparsity funding of half the maximum. The sparsity weighting for primary, middle, secondary, and all-through schools is set out in Figure 12 below.

**Figure 11: Sparsity weighting**



**Figure 12: This figure shows the sparsity weighting for different phases of school as a function of average year group size**

## Area cost adjustment (ACA)

- 3.30. The NFF includes an ACA to reflect geographical variation in labour market costs. We use the 'hybrid' methodology for the ACA, which considers variation in both the general labour market (GLM) and in teacher pay scales.
- 3.31. The SB NFF ACA is a combination of:
- The teacher pay cost adjustment, an element to reflect the differences in the basic pay ranges between the four regional pay bands for teachers and
  - The GLM cost adjustment, an element to reflect geographical variation in wage costs for non-teaching staff.
- 3.32. The SB NFF ACA is calculated for each district<sup>10</sup> by:
- Weighting the relevant teacher-specific cost adjustment in line with the national proportion of spend on teaching staff in mainstream schools (52.8%).
  - Weighting the relevant GLM labour cost adjustment in line with the national proportion of spend on non-teaching staff in mainstream schools (27.6%).

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<sup>10</sup> Schools which are geographically situated outside the area of the local authority with which they are associated for funding purposes are assigned the ACA of the authority with which they are associated, not the ACA of their geographical location.

- 3.33. The result gives the SB NFF ACA for each school located in the district. Further information on the derivation of the ACA can be found in Annex A.
- 3.34. The ACA is unchanged since the 2020-21 NFF, because new teacher pay data is not available in time for this publication<sup>11</sup>.

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

- 3.35. We calculate the NFF pupil-led unit of funding (before applying the minimum per pupil and funding floor) for each school by:
- Adding together the total funding through each pupil-led factor (basic per pupil, deprivation, LPA, EAL, mobility).
  - Multiplying that total by the school's ACA.
  - Dividing the result by the school's total APT-adjusted pupil count.

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

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

### **Applying the minimum per pupil funding factor**

- 3.35. The NFF includes a minimum per pupil funding factor, which sets a minimum per pupil funding that each school attracts through the NFF. This minimum refers to the level in £ of per-pupil funding schools attract through the NFF. It differs from the funding floor, which provides a minimum increase for each school compared to their 2020-21 school baselines. The funding floor is set out in Paragraph 3.38.
- 3.36. The 2021-22 minimum per pupil funding levels for different year groups are set out in Figure 13 below. For each school, the minimum per pupil is a weighted average of the minimum per pupil for primary, KS3 and KS4, with the weighting determined by the number of year groups in the relevant phase that are present at the school. Only the year groups that contain pupils in 2020-21 are counted in this calculation.

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<sup>11</sup> On 1 April 2020, Buckinghamshire became a unity authority. As before, different ACAs apply to the Fringe and non-Fringe parts of the LA, with boundaries defined in terms of the former districts.

**Figure 12: Minimum per pupil funding levels**

Year groups	2021-22 minimum per pupil funding level
Primary	£4,180
KS3	£5,215
KS4	£5,715

**Figure 13: This table shows the minimum per pupil funding levels for each phase.**

These values have been calculated by first increasing the minimum per pupil funding levels to £4,000 for primary, £4,950 for KS3 and £5,450 for KS4. A further £180 has then been added to the primary amount and £265 has been added to each of the KS3 and KS4 amounts, representing the Rest of England teachers' pay and pension grants, as shown in Figure 1. The totals have then been rounded.

3.36. The minimum per pupil for each school is the sum of

- £4,180 multiplied by the number of primary year groups
- + £5,215 multiplied by the number of KS3 year groups
- + £5,715 multiplied by the number of KS4 year groups

divided by the total number of year groups in the school.

This means that for a primary school the minimum per pupil is £4,180 and for a secondary school with year groups 7 to 11, the minimum per pupil is £5,415.

3.37. To calculate whether a school attracts additional funding as a result of the minimum per pupil factor, we compare the school's NFF per-pupil funding (before the minimum per pupil funding levels and funding floor are applied) to the minimum per pupil funding level for the school. The calculation of the minimum per pupil funding factor is set out in Figure 14 below.

**Figure 13: Calculation of the minimum per pupil**

Calculation step	Description	Example
1) NFF pupil-led funding (before the minimum per pupil factor and funding floor)	We start with a school's NFF pupil-led funding (see Paragraph 3.32) before applying the minimum per pupil funding or funding floor (and as if the school were open for the full year).	Secondary school B is open for the whole of 2020-21. School B's NFF pupil-led funding (before the minimum per pupil factor and funding floor) is £4,800 per pupil.

Calculation step	Description	Example
2) NFF school-led funding	We also need to derive the school's school-led funding – see Paragraph 3.33 (as if the school were open for the full year).	The NFF school-led funding for school B is £117,800. It attracts a lump sum like every school but is not eligible for sparsity funding or funding through premises.
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 a 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) for a school is equal to: NFF pupil-led funding (before the minimum per pupil factor and funding floor) (step 1), multiplied by the APT-adjusted pupil count (step 3), plus NFF school-led funding (step 2), divided by the 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: £4,800 multiplied by 1,200 (£5,760,000), plus £117,800 (£5,877,800) divided by 1,200, which equals £4,898.
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 Paragraph 3.36.	School B is a secondary school so the minimum per pupil funding level is $(£5,215 \times 3 + £5,715 \times 2) / (3 + 2) = £5,415$ .
6) Does the school receive funding through the minimum per pupil funding factor?	If a school's NFF per-pupil 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. If the NFF per-pupil funding is equal to or greater than the school's individual minimum per pupil funding level, then the school receives no extra funding through this factor.	School B's per-pupil NFF funding (before minimum per pupil factor and funding floor) is £4,898. This is less than school B's individual minimum per pupil funding level, £5,415. Therefore, the school receives a funding uplift through the minimum per pupil funding factor. This is equal to £517 per pupil (£5,415 minus £4,898).
7) NFF per-pupil funding (after the minimum per pupil funding, but	The NFF per-pupil funding after minimum per pupil, but before the funding floor, is calculated by adding any per-pupil funding through the	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 £4,898 plus

Calculation step	Description	Example
before the funding floor)	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.	£517 multiplied by 100%, i.e. the minimum £5,415.

**Figure 14: This table shows how the minimum per pupil funding factor is calculated, and how we determine whether any additional funding is required**

## Applying the funding floor

- 3.38. Schools' baselines for the funding floor are from the notional 2020-21 core NFF allocations, with the addition of the teachers' pay and pension grant baseline (Chapter 2). For schools that do not have a 2020-21 baseline, Annex B describes how a baseline is derived. The NFF's funding floor ensures all schools' NFF allocations in 2021-22 see a minimum gain per pupil of 2% above their 2020-21 baseline pupil-led funding.
- 3.39. To calculate whether a school attracts additional funding as a result of the floor, we look at the difference between the school's funding floor baseline (per pupil) and its 2021-22 NFF pupil-led funding after the minimum per pupil funding levels have been applied.
- 3.40. Each school's funding floor baseline (per pupil) is calculated by taking the total of the NFF baselines (including the teachers' pay and pension grant baseline), as described in Chapter 2, and subtracting the 2021-22 NFF school-led funding. This parallels the established minimum funding guarantee (MFG) methodology used in LAs' local funding formulae. Again, we use 2020-21 APT data for all schools in our calculation of the funding floor for use in LA allocations. Figure 15 sets out the funding floor calculation and a worked example.

**Figure 14: Calculation of the NFF funding floor**

Calculation step	Description	Example
1) Total baseline funding	We start with the total baseline from 2020-21 NFF. This is adjusted for the proportion of 2020-21 that the school is open.	School A's baseline core funding (including teachers' pay and pension baseline) is £750,000.
2) NFF school-led unit of funding	The baseline for the funding floor calculation excludes 2021-22 NFF school-led funding. We take account of the proportion	School A is open for 100% of the financial year and has no sparsity funding, so its 2021-22 NFF school-led funding is £117,800 x 100% = £117,800.

Calculation step	Description	Example
	of the financial year the school is open in 2020-21.	
3) Baseline pupil count	The funding floor calculation is on a per-pupil basis, based on the school's pupil count in the 2020-21 NFF.	School A's baseline pupil count is 150.
4) Funding floor baseline	The baseline for the funding floor is calculated by: Taking the total baseline core funding (step 1), subtracting the 2021-22 NFF school-led unit of funding (step 2), and dividing the result by the baseline pupil count (step 3).	School A's funding floor baseline is £4,215. This is £750,000 minus £117,800 (£632,200) divided by 150.
5) Minimum gain in 2021-22	The minimum gain per pupil for any school by 2021-22 is a 2% increase on their funding floor baseline. To check that each school will see at least a 2% gain in 2021-22 we uplift the baseline for the funding floor by 2%.	School A's NFF pupil-led funding needs to be at least 2% greater than the funding floor baseline – this is $£4,215 + 2\% = £4,299$ .
6) NFF 2021-22 pupil-led funding (after the minimum per pupil funding but before the funding floor)	We also need to calculate the 2021-22 NFF pupil-led funding, a per-pupil unit of funding that excludes the school-led factors, to use in the funding floor calculation. We take the NFF funding per pupil (before the minimum per pupil funding and funding floor); add the per-pupil funding through the minimum per pupil funding factor; and multiply the result by the pupil count for the 2021-22 NFF. We then subtract the 2021-22 school-led funding and divide the result by the pupil count for the 2021-22 NFF. We multiply the result by the proportion of the financial year for which the school is open.	School A's 2021-22 funding per pupil before minimum per pupil and funding floor is £4,200. The school is not eligible for minimum per pupil funding. The pupil count for the 2021-22 NFF is 160. The school-led funding is £117,800. School A's 2021-22 NFF pupil-led funding per pupil before funding floor is $(£4,200 + £0) \times 160 - £117,800$ divided by 160, i.e. £3,464.
7) How much funding does	We check that each school's NFF pupil-led funding (after	School A's NFF pupil-led funding (after minimum per pupil funding

Calculation step	Description	Example
the school receive through the NFF funding floor factor?	<p>minimum per pupil funding but before the funding floor) (step 6) delivers the minimum gain in 2021-22 (step 5).</p> <p>If the NFF pupil-led unit of funding is not at least 2% greater than the funding floor baseline, then the school receives funding through the funding floor factor.</p>	<p>but before the funding floor) of £3,464 is less than a 2% uplift to the funding floor baseline (£4,299– step 5), so school A gets £4,299 - £3,464 = £835 per pupil through the funding floor factor.</p>
8) NFF pupil-led funding per pupil (after minimum per pupil funding and the funding floor)	<p>This is equal to:</p> <p>NFF pupil-led funding (after minimum per pupil funding but before the funding floor) (step 6),</p> <p>plus NFF funding floor per pupil (step 7).</p>	<p>School A's NFF pupil-led funding (after minimum per pupil funding and the funding floor) is £4,299 per pupil, which is £3,464 plus £835.</p>

**Figure 15: Calculation of the NFF funding floor baseline for use in LA allocations**

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

- 3.41. To calculate each LA's primary and secondary per-pupil units of funding for the 2021-22 schools block, we need to split core NFF funding into two categories: primary funding and secondary funding. For most schools, which only have pupils in one phase (i.e. primary schools and secondary schools), this is trivial: all the school's core NFF funding is designated as primary funding or as secondary funding as appropriate. But for middle schools and all-through schools with pupils in both phases, we calculate this split as follows.
- 3.42. First, we split all funding through the basic per-pupil, deprivation, low prior attainment, EAL and mobility factors (including ACA uplift) between primary and secondary based on the funding through individual factors – all funding through primary factors (for pupils in Years Reception to 6) is classed as primary funding, and all funding for secondary factors (for pupils in Years 7 to 11) is classed as secondary funding.
- 3.43. Then, we split all funding through the school-led factors between primary and secondary 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, 17% of its school-led funding is primary funding and the remaining 83% is secondary funding.

3.44. Finally, we split any extra funding the school received through the minimum per pupil funding and funding floor factors between primary and secondary 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 is calculated as £100 multiplied by 180 (£18,000) and the secondary funding equals £100 multiplied by 120 (£12,000).

## Chapter 4: NFF allocations to LAs

4.1. This chapter describes how we have calculated the provisional funding allocations to LAs for 2021-22, including how we have calculated their actual primary and secondary units of funding. Specifically, this chapter describes:

- The calculation of primary and secondary core NFF funding;
- The calculation of the primary and secondary units of funding for 2021-22;
- The calculation of premises funding;
- The calculation of funding through the growth factor; and
- How the primary and secondary units of funding and the premises funding are combined to derive LAs' provisional 2021-22 allocations.

### Core NFF funding – provisional funding in 2021-22

4.2. Figure 16 sets out the calculation of the total 2021-22 provisional NFF primary and secondary core NFF funding, before adjusting for duplicates.

**Figure 15: Total provision core NFF funding**

Calculation step	Description	Example
1) Total primary core NFF funding	We take the total NFF primary core schools for all schools in the LA (described in Chapter 3). This covers all primary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF primary core NFF funding is £105.3m.
2) Total secondary core NFF funding	We take the total NFF secondary core NFF funding 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 NFF funding is £132.5m.

**Figure 16: Total provisional core 2021-22 NFF funding (before adjusting for duplicates)**

### 2021-22 primary and secondary units of funding

4.3. For each LA we calculate a primary unit of funding (PUF) and secondary unit of funding (SUF) for 2021-22. These are final, actual units of funding for 2021-22, and will not be updated at any later point. These actual 2021-22 NFF primary and

secondary units of funding will be used to allocate schools block funding to LAs in December 2020. 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 2021-22.

- 4.4. Figure 17 sets out the calculation of the 2021-22 NFF primary and secondary units of funding.

**Figure 16: 2021-22 LA level NFF primary and secondary units of funding**

Calculation step	Description	Example
1) Total provisional primary 2021-22 core NFF funding	The total primary core NFF funding in the 2021-22 NFF, based on 2020-21 data. Figure 16, step 1.	LA 1's total primary 2021-22 core NFF funding is £105.3m.
2) Primary pupil count	The primary pupil count is based on the 2020-21 adjusted APT pupil count for all schools open in financial year 2020-21. Each school's contribution to this pupil count takes account of the proportion of the financial year for which the school is open. For each school in the LA we take: The 2020-21 primary adjusted APT pupil count (based on October 2019 census) and multiply it by the proportion of the financial year 2020-21 the school is open Then we aggregate these amounts to LA level and subtract the total number of census duplicate pupils for the LA that were not apportioned in the 2020-21 DSG allocation.	LA 1's total primary pupil count is 25,000. LA 1 has 2 duplicate primary pupils. After adjusting for duplicate pupils, the total primary pupil count is 24,998.
3) 2021-22 NFF PUF	To calculate the 2021-22 LA level NFF PUF we divide the total primary 2021-22 core NFF funding (step 1) by the LA's primary pupil count after adjusting for duplicates (step 2).	LA 1's 2021-22 NFF PUF is equal to £105.3m divided by 24,998 primary pupils, £4,212.
4) Total provisional secondary 2021-22 core NFF funding	The total secondary core NFF funding in the 2021-22 NFF, based on 2020-21 data. Figure 16, step 2.	LA 1's total secondary 2021-22 core NFF funding is £132.5m.

Calculation step	Description	Example
5) Secondary pupil count	<p>The secondary pupil count is based on the 2020-21 adjusted APT pupil count for all schools open in financial year 2020-21. Each school's contribution to this pupil count takes account of the proportion of the financial year for which the school is open.</p> <p>For each school in the LA we take:  The 2020-21 secondary adjusted APT pupil count (based on October 2019 census); and  Multiply it by the proportion of the financial year 2020-21 the school is open  Then we aggregate these amounts up to LA level and subtract the total number of census duplicate pupils for the LA that were not apportioned in the 2020-21 DSG allocation.</p>	<p>LA 1's total secondary pupil count is 23,000. LA 1 has 1 duplicate secondary pupil. After adjusting for the duplicate pupil, the total secondary pupil count is 22,999.</p>
6) 2021-22 NFF SUF	<p>To calculate the 2021-22 LA level NFF SUF we divide the total secondary 2021-22 core NFF funding (step 4) by the secondary pupil count (step 5).</p>	<p>LA 1's 2021-22 NFF SUF is equal to £132.5m divided by 22,999 secondary pupils, £5,761.</p>

Figure 17: 2021-22 LA level NFF primary and secondary units of funding

## 2021-22 actual premises funding

- 4.5. Our approach for allocating premises funding at LA level under the NFF for 2021-22 is to use the levels of funding given on LAs' 2020-21 APTs. For the PFI factor, we have uprated all positive amounts on the 2020-21 APTs in line with inflation, using RPIX data (retail prices index for all items excluding mortgage interest) for the year to April 2020 that has been published by the Office for National Statistics. For each LA we:
- a. Take the 2020-21 PFI premises factor baseline as given on the 2020-21 APT and uplift it in line with RPIX growth from April 2019 to April 2020 (1.56%)<sup>12</sup>. The exception to this is if the PFI figure on the 2020-21 APT for a school is negative. In this case it is rolled over and not uplifted by RPIX.
  - b. Take the premises factor 2020-21 APT spend for all other factors for split sites and rates

<sup>12</sup> Source: [Office for National Statistics RPIX](#)

- c. Take the 2020-21 exceptional circumstances spend excluding certain non-premises items<sup>13</sup>
- d. Add the totals from these three steps together to give the 2021-22 NFF actual funding through the premises factors.

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

## **2021-22 funding through the growth factor**

- 4.6. In the 2021-22 DSG settlement, planned for December 2020, we will allocate funding through the growth factor at LA Level, based on the observed differences between the primary and secondary number on roll in each LA between the October 2019 and October 2020 school censuses. LAs which received transitional protection last year will continue to receive protection, based on the 2020-21 DSG growth allocation. We have not published provisional growth allocations because, as they are determined by October 2020 pupil numbers, it would not provide meaningful information at this stage. See Annex C for further details about the methodology to be used for actual allocations in December.

## **Total provisional funding in 2021-22**

- 4.7. We have published the total provisional funding (excluding the growth factor) that each LA would receive under the NFF (2021-22) based on 2020-21 data. Figure 18 sets out the calculation of the total provisional funding in 2021-22.
- 4.8. For this calculation, we have treated unresolved duplicate pupil numbers in the school census dataset by sharing them proportionally across the schools in which they are recorded (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 2020-21 DSG schools block counts with the unresolved duplicates apportioned.<sup>14</sup> The PUFs and SUFs have been adjusted to account for this change (see Figure 17, steps 2 and 5).

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<sup>13</sup> relating to matters such as English as an additional language, low prior attainment and minimum per pupil funding

<sup>14</sup> This is for illustration. The actual 2021-22 allocation will use the 2021-22 DSG schools block primary pupil count

**Figure 17: Total provisional funding (excluding the growth factor) in 2021-22**

Calculation step	Description	Example
1) Total primary 2021-22 core NFF funding	The provisional total funding through primary core schools factors. PUF (Figure 17 step 3) multiplied by 2020-21 DSG schools block primary pupil count.	LA 1's total primary 2021-22 core NFF funding is £4,212 multiplied by the DSG schools block primary pupil count (24,800) £104.5m.
2) Total secondary 2021-22 core NFF funding	The provisional total funding through secondary core schools factors. SUF (Figure 17 step 6) multiplied by 2020-21 DSG schools block secondary pupil count.	LA 1's total secondary 2021-22 core NFF funding is £5,761 multiplied by the DSG schools block secondary pupil count (22,750) £131.1m.
3) 2021-22 provisional funding through the core schools formula	This is: The provisional 2021-22 primary core NFF funding (step 1) Plus the provisional 2021-22 secondary core NFF funding (step 2)	LA 1's total provisional 2021-22 core NFF funding is £235.5m.
4) 2021-22 funding through premises	This is the total funding by LAs through the premises factor in 2020-21. This will be used to calculate final funding allocations to LAs for 2021-22 in December 2020 (as described in Paragraph 4.5).	LA 1's total funding through the premises factor is £10m.
5) Total provisional funding (excluding growth) in 2021-22	The total provisional funding (excluding growth) in 2021-22 is equal to: The 2021-22 provisional funding through the core schools formula (step 3) Plus the 2021-22 funding through premises (step 4).	The total provisional funding (excluding growth) in 2021-22 for LA 1 is £245.5m

**Figure 18: Total provisional funding (excluding the growth factor) in 2021-22**

## What we have published at LA level

4.9. As part of the 2021-22 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 2020-21 baseline

- b. The actual 2021-22 units of funding for each LA that will be used to calculate schools block allocations in December 2020
- c. The provisional impact of the 2021-22 NFF.

## Chapter 5: Calculating school-level notional allocations

- 5.1. Chapters 2 and 3 set out the school-level calculations that feed into the calculation of LA level allocations, described in Chapter 4.
- 5.2. We have also published school-level figures which illustrate the impact of the NFF for each school. These figures do not show the actual amount of funding that schools will receive in 2021-22. This is because each LA will still be responsible for setting the individual funding formulae for 2021-22 for their area, and because LAs' allocations to schools for 2021-22 will be based on data from the October 2020 school census, while the notional NFF allocations for 2021-22 are based on data from the October 2019 census.
- 5.3. To calculate the school-level notional figures we use 2020-21 APT data for LA maintained schools and 2020/21 GAG data for academies and free schools. For most academies and free schools there is no difference between these two data sources, so the published school-level figures are the same as the school-level figures which we have used in the LA-level calculations. However, for some academies and free schools there are differences between APT and GAG data. 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.

### Using APT or GAG data in the calculations

- 5.4. For the purpose of illustrating the impact of the 2021-22 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, but APT data is used for maintained schools. The precise areas that are affected are listed in this section. In all but one case the details of the calculation are the same as the calculation for LA-level allocations that are described in Chapters 2 and 3, and only the input data changes.

### APT or GAG adjusted pupil count

- 5.5. As set out in Chapter 3, 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 where applicable for the pupil count and reception uplift for academies and free schools.

## APT or GAG premises

- 5.6. GAG premises funding does not include funding for rates. Academies and free schools never receive their rates funding through their GAG allocation; instead, they are separately reimbursed for their actual rates costs by the Education and Skills Funding Agency. So, for LA maintained schools, the premises baseline includes rates, but for academies, the premises baseline excludes rates.
- 5.7. Premises funding has been shown at 2020-21 APT or 2020/21 GAG amounts. This has been included in the illustration for consistency with the LA level allocations, but schools should not necessarily expect to see this funding repeated in their actual 2021-22 or 2021/22 allocations.

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

- 5.8. The calculation is described 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 where applicable. These pupil counts are used to calculate the basic per-pupil funding.
  - b. The funding amounts through additional needs factors are based on the proportion of primary or secondary 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 where applicable. The total number of pupils eligible for each factor is equal to the eligible proportion multiplied by the GAG primary or secondary pupil count.
  - c. The proportion of the year for which a school is open is based on GAG data where applicable (refers to academic year rather than financial year). Academies are assumed to be open for the full academic year.<sup>15</sup>

## NFF school-led unit of funding

- 5.9. The calculation is also carried out as described 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 where applicable.

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<sup>15</sup> The rationale is that academies which open after the start of the academic year are excluded from the dataset, and it is not known whether any academies will close before the end of the academic year.

- a. The proportion of the year for which a school is open is based on GAG data where applicable (refers to academic year). Academies are assumed to be open for the full academic year<sup>16</sup>.

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

- 5.10. The calculation is described in Chapter 3. The differences in input data for academies and free schools are that:
  - a. The adjusted pupil count is based on GAG data where applicable.
  - b. The proportion of the year open is based on GAG data where applicable (refers to academic year).

### **NFF funding floor**

- 5.11. The calculation of the funding floor is 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 where applicable.
  - b. The adjusted pupil count is based on GAG data where applicable.

### **NFF premises funding**

- 5.12. We have included premises funding in the notional school-level figures. The calculation of NFF premises funding here is very similar to the calculation at LA level. Notional 2021-22 premises funding amounts at school level are calculated as:
  - a. The 2020-21 PFI baseline uplifted in line with the RPIX growth from April 2019 to April 2020;<sup>17</sup> plus
  - b. The 2020-21 baseline amounts for the other premises factors.

## **What have we published at a school level?**

- 5.13 Our school-level impact table sets out figures for each school. Figure 19 sets out the definition of each output.

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<sup>16</sup> The rationale is that academies which open after the start of the academic year are excluded from the dataset, and it is not known whether any academies will close before the end of the academic year.

<sup>17</sup> The exception to this is if the PFI figure on the 2020-21 APT for a school is negative. In this case it is rolled over and not uplifted by RPIX.

**Figure 18: Published output, school level illustrations**

Published output	Description
1) Funding baseline	This is the 2020-21 NFF funding allocation, based on APT data for maintained schools and GAG data for academies and free schools, and including the teacher pay and pension grant baseline.
2) Notional total funding in 2021-22 for maintained schools or 2021/22 for academies	<p>This is the total funding under the 2021-22 NFF.</p> <p><b>For LA maintained schools:</b>  This is based on 2020-21 APT data and the 2021-22 NFF.  The total notional 2021-22 funding is equal to:  The 2021-22 NFF pupil-led unit of funding multiplied by the 2020-21 APT-adjusted pupil count  plus the NFF school-led unit of funding  plus the notional 2021-22 premises funding.</p> <p><b>For academies and free schools:</b>  The notional total funding is based on 2020/21 GAG data and on the 2021-22 NFF.  The total notional 2021/22 funding is equal to:  The 2021-22 NFF pupil-led unit of funding multiplied by the 2020/21 GAG adjusted pupil count  plus the NFF school-led unit of funding  plus the notional 2021-22 premises funding.</p>

**Figure 19: Published output, school level illustrations**

## Annex A: Area Cost Adjustment (ACA)

- A.1. The teacher pay element of the ACA is derived from the autumn 2018 School Workforce Census, which is the latest available at the time of publication of this NFF.
- A.2. 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.3. 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 is the variations between the regional pay bands.
- A.4. 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.5. 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 2018 if November 2018 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.6. 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, secondary, and special schools and in alternative provision.
- A.7. The following groups of staff are not included in our calculation of the ACA teachers' pay cost adjustment:
- a. Centrally employed teachers
  - b. Some supply teachers (those who are not included in the School Workforce Census)
  - c. Teachers with incomplete or unreliable pay data
- A.8. 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.9. 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.10. The non-teacher pay element of the national funding formula ACA is based on the general labour market specific labour cost adjustment calculated for 2013-14 by what is now the Ministry of Housing, Communities and Local Government<sup>18</sup>.
- A.11. 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 and academies<sup>19 20</sup>.
- A.12. The national teacher proportion is the total expenditure on teachers divided by total expenditure on teachers, non-teaching staff and non-pay combined, 52.8%. 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, 27.6%.
- A.13. Figure 20 sets out the SB ACA for each LA for the 2021-22 NFF. The ACA is unchanged since the 2020-21 NFF (Buckinghamshire became a unitary authority on 1 April 2020, but the boundary between its Fringe and non-Fringe areas is unchanged).

**Figure 19: Schools block ACA for each LA**

Local authority name	Districts	Area cost adjustment
Barking and Dagenham	Barking and Dagenham	1.12985
Barnet	Barnet	1.09902
Barnsley	Barnsley	1.00000
Bath and North East Somerset	Bath and North East Somerset	1.01459
Bedford	Bedford	1.01565
Bexley	Bexley	1.08274
Birmingham	Birmingham	1.00337
Blackburn with Darwen	Blackburn with Darwen	1.00000
Blackpool	Blackpool	1.00000
Bolton	Bolton	1.00545

<sup>18</sup> The Ministry of Housing, Communities and Local Government has not updated the general labour market data since 2013-14

<sup>19</sup> The data source for expenditure in maintained schools is [Consistent Financial Reporting 2017-18](#) and for expenditure in academies is [Academies' Accounting Returns 2017/18](#)

<sup>20</sup> For high needs block of the NFF, the ACA weighting is based on staff expenditure in special schools and alternative provision establishments instead of mainstream schools. In other respects, the ACAs for the schools block and high needs are similar.

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
Bournemouth, Christchurch and Poole	Bournemouth, Christchurch and Poole	1.00000
Bracknell Forest	Bracknell Forest	1.05694
Bradford	Bradford	1.00016
Brent	Brent	1.14614
Brighton and Hove	Brighton and Hove	1.00169
Bristol	Bristol	1.01459
Bromley	Bromley	1.08274
Buckinghamshire Fringe	Areas covered by the former Chiltern and South Bucks districts	1.04670
Buckinghamshire non-Fringe	Areas covered by the former Aylesbury Vale and Wycombe districts	1.02863
Bury	Bury	1.00545
Calderdale	Calderdale	1.00016
Cambridgeshire	All	1.01282
Camden	Camden	1.18381
Central Bedfordshire	Central Bedfordshire	1.01565
Cheshire East	Cheshire East	1.00362
Cheshire West and Chester	Cheshire West and Chester	1.00362
Cornwall	Cornwall	1.00000
Durham	Durham	1.00000
Coventry	Coventry	1.00337
Croydon	Croydon	1.08274
Cumbria	All	1.00000
Darlington	Darlington	1.00000
Derby	Derby	1.00000
Derbyshire	All	1.00000
Devon	All	1.00000

Local authority name	Districts	Area cost adjustment
Doncaster	Doncaster	1.00000
Dorset	Dorset	1.00000
Dudley	Dudley	1.00337
Ealing	Ealing	1.14614
East Riding of Yorkshire	East Riding of Yorkshire	1.00000
East Sussex	All	1.00169
Enfield	Enfield	1.08274
Essex Fringe	Basildon, Brentwood, Epping Forest, Harlow	1.03757
Essex non-Fringe	Braintree, Castle Point, Chelmsford, Colchester, Maldon, Rochford, Tendring, Uttlesford	1.00353
Gateshead	Gateshead	1.00000
Gloucestershire	All	1.00629
Greenwich	Greenwich	1.18381
Hackney	Hackney	1.18381
Halton	Halton	1.00362
Hammersmith and Fulham	Hammersmith and Fulham	1.18381
Hampshire	All	1.01416
Haringey	Haringey	1.12985
Harrow	Harrow	1.09902
Hartlepool	Hartlepool	1.00000
Havering	Havering	1.08274
Herefordshire	Herefordshire	1.00000
Hertfordshire Fringe	Broxbourne, Dacorum, East Hertfordshire, Hertsmere, St Albans, Three Rivers, Watford, Welwyn Hatfield	1.04670
Hertfordshire non-Fringe	North Hertfordshire, Stevenage	1.01565
Hillingdon	Hillingdon	1.09902

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
Hounslow	Hounslow	1.09902
Isle of Wight	Isle of Wight	1.01416
Islington	Islington	1.18381
Kensington and Chelsea	Kensington and Chelsea	1.18381
Kent Fringe	Dartford, Sevenoaks	1.03757
Kent non-Fringe	Ashford, Canterbury, Dover, Gravesham, Maidstone, Shepway, Swale, Thanet, Tonbridge and Malling, Tunbridge Wells	1.00070
Kingston upon Hull, City of	Kingston upon Hull, City of	1.00000
Kingston upon Thames	Kingston upon Thames	1.09902
Kirklees	Kirklees	1.00016
Knowsley	Knowsley	1.00112
Lambeth	Lambeth	1.18381
Lancashire	All	1.00000
Leeds	Leeds	1.00016
Leicester	Leicester	1.00000
Leicestershire	All	1.00000
Lewisham	Lewisham	1.18381
Lincolnshire	All	1.00000
Liverpool	Liverpool	1.00112
Luton	Luton	1.01565
Manchester	Manchester	1.00545
Medway	Medway	1.00070
Merton	Merton	1.14614
Middlesbrough	Middlesbrough	1.00000
Milton Keynes	Milton Keynes	1.02863

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
Newcastle upon Tyne	Newcastle upon Tyne	1.00000
Newham	Newham	1.12985
Norfolk	All	1.00000
North East Lincolnshire	North East Lincolnshire	1.00000
North Lincolnshire	North Lincolnshire	1.00000
North Somerset	North Somerset	1.01459
North Tyneside	North Tyneside	1.00000
North Yorkshire	All	1.00000
Northamptonshire	All	1.00328
Northumberland	Northumberland	1.00000
Nottingham	Nottingham	1.00276
Nottinghamshire	All	1.00276
Oldham	Oldham	1.00545
Oxfordshire	All	1.02216
Peterborough	Peterborough	1.01282
Plymouth	Plymouth	1.00000
Portsmouth	Portsmouth	1.01416
Reading	Reading	1.03468
Redbridge	Redbridge	1.08274
Redcar and Cleveland	Redcar and Cleveland	1.00000
Richmond upon Thames	Richmond upon Thames	1.09902
Rochdale	Rochdale	1.00545
Rotherham	Rotherham	1.00000
Rutland	Rutland	1.00000
Salford	Salford	1.00545
Sandwell	Sandwell	1.00337

<b>Local authority name</b>	<b>Districts</b>	<b>Area cost adjustment</b>
Sefton	Sefton	1.00112
Sheffield	Sheffield	1.00000
Shropshire	Shropshire	1.00000
Slough	Slough	1.05694
Solihull	Solihull	1.00337
Somerset	All	1.00000
South Gloucestershire	South Gloucestershire	1.01459
South Tyneside	South Tyneside	1.00000
Southampton	Southampton	1.01416
Southend-on-Sea	Southend-on-Sea	1.00353
Southwark	Southwark	1.18381
St Helens	St Helens	1.00112
Staffordshire	All	1.00000
Stockport	Stockport	1.00545
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	1.05694
Sutton	Sutton	1.09902
Swindon	Swindon	1.00716
Tameside	Tameside	1.00545
Telford and Wrekin	Telford and Wrekin	1.00000
Thurrock	Thurrock	1.03757
Torbay	Torbay	1.00000
Tower Hamlets	Tower Hamlets	1.18381

Local authority name	Districts	Area cost adjustment
Trafford	Trafford	1.00545
Wakefield	Wakefield	1.00016
Walsall	Walsall	1.00337
Waltham Forest	Waltham Forest	1.08274
Wandsworth	Wandsworth	1.18381
Warrington	Warrington	1.00362
Warwickshire	All	1.00700
West Berkshire	West Berkshire	1.03468
West Sussex Fringe	Crawley	1.05694
West Sussex non-Fringe	Adur, Arun, Chichester, Horsham, Mid Sussex, Worthing	1.00000
Westminster	Westminster	1.18381
Wigan	Wigan	1.00545
Wiltshire	Wiltshire	1.00716
Windsor and Maidenhead	Windsor and Maidenhead	1.05694
Wirral	Wirral	1.00112
Wokingham	Wokingham	1.03468
Wolverhampton	Wolverhampton	1.00337
Worcestershire	All	1.00000
York	York	1.00000

**Figure 20: This table shows the schools block area cost adjustment for each local authority.**

## Annex B: Baselines for schools new in 2020-21

- B.1. There are three categories of school that did not exist in the 2020-21 NFF: brand new schools; schools that have been created by amalgamating two or more predecessor schools ; and schools that have been created by splitting a school into two or more smaller schools.
- B.2. For each such school, 2020-21 NFF baselines need to be created. This annex explains how this is done for each category.
- B.3. The explanation in each category reflects how we calculate a baseline equivalent to the 2020-21 NFF allocation. We also need to calculate an increase to this baseline to represent the rolled in teacher pay and pension grants. We add the teacher pay and pension grants as described in Chapter 2, using the rates set out in Figure 1, multiplied by:
  - a. Where the school was included in the October 2019 School Census, the greater of those numbers and 100.
  - b. Where the school was not present for the October 2019 School Census, the greater of the number on roll from the 2020-21 APT or 100.
- B.4. We no longer calculate 'if-full' baselines (i.e. the baseline level of funding a school would have received if it had been full) for new and growing schools, or use an 'if-full' pupil count at any stage in the calculation. We are now calculating NFF allocations for new and growing schools that existed in the NFF in 2020-21 based on the current pupil count, as we do for all other schools.

### Brand new schools

- B.5. Brand-new schools (new schools on the 2020-21 APT that have no predecessor in the 2019-20 APT and were therefore not included in the 2020-21 NFF) require a theoretical 2020-21 baseline.
- B.6. To calculate these theoretical baselines, we use the average primary or secondary 2020-21 NFF funding per pupil for the relevant LA.

**Step 1** We calculate the pupil-led funding amount per pupil for each school in the relevant LA that was included in the 2020-21 NFF. We exclude:

- a. Schools which were identified as new and growing for the 2020-21 NFF (i.e. schools which opened in the previous seven years and did not yet have pupils in all their planned year groups)
- b. schools with theoretical baselines and

- c. all-through and middle schools.

We calculate the pupil-led funding amount per pupil for each school by taking the pupil-led 2020-21 NFF allocation and dividing by the total NOR for the school in question in the 2020-21 NFF. Schools that were shown in the 2020-21 NFF as only being open for part of the year are treated as having been open for the full year, and their funding is adjusted accordingly.

**Step 2** We take the average per pupil 2020-21 pupil-led funding rate per pupil for all primary and secondary schools in the relevant LA. 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 new school's primary and secondary NOR (from the 2020-21 APT) by their LA's primary and secondary per-pupil baseline rate, respectively.

**Step 4** We take the pupil-led total from steps 3 and add the 2020-21 NFF ACA-adjusted lump sum (i.e. £114,400 multiplied by the ACA for the district in which the school sits) to give the total baseline. The baseline for new schools does not include funding for sparsity or premises.

- B.7. The rates we have calculated for each LA will be supplied for use in the 2021-22 APT if the LA wishes to adopt them.

## Amalgamating schools

- B.8. Our approach to deriving the 2020-21 baselines for amalgamating schools uses the same method as the APT: we add together the 2020-21 NFF allocations of the predecessor schools.

**Step 1** Take the total 2020-21 NFF funding (excluding premises and adjusted for the full year) for each predecessor school ( $n$  = the number of schools)

**Step 3** Take  $(n-1)$  ACA-adjusted 2020-21 lump sums off this amalgamated baseline total (where the predecessor schools have different ACAs, we use the ACA for the successor school's location ).

## Split schools

- B.9. 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), each of the successor schools is given the predecessor's 2020-21 NFF per-pupil pupil-led baseline. This is then multiplied by the NOR of the school for which the baseline is being calculated and adjusting for the full year, before adding the grants baseline and the 2020-21 NFF ACA-adjusted lump sum. For all other split schools, we use the

approach taken for brand new schools (see Paragraph B.5).

## **Baseline NOR**

- B.9. For these three types of schools that did not exist in the 2020-21 NFF, a theoretical baseline NOR is also needed for the purpose of the funding floor calculation (which is described in Chapter 3). The baseline NOR is taken to be:
- a. 2020-21 APT NOR for 'New schools' and 'Split schools'
  - b. The sum of predecessors' APT NOR for 'Amalgamating schools'

## **GAG Theoretical baselines**

- B.10. The above steps explain how theoretical baselines are calculated in the framework of the APT only data. Equivalent baselines are also calculated following the same steps – but using the equivalent GAG data, rather than APT data where it exists for academies.

## Annex C: Actual 2021-22 funding through the growth factor

- C.1. Our approach for allocating funding through the growth factor to LAs under the NFF for 2021-22 will be to base funding on growth in schools in the local authority area, as observed between the October 2019 and October 2020 school censuses. We measure growth at the level of middle layer super output areas (MSOAs)<sup>21</sup>, to capture growth in small geographical areas within local authorities. The growth allocation for each LA will be based on an amount per new primary pupil and an amount per new secondary pupil, plus a lump sum amount for each brand-new school. For each LA we:
- a. Use school postcode information to identify which MSOA each school is located in;
  - b. Count the primary and secondary pupils at schools within each MSOA in the October 2019 and October 2020 censuses;<sup>22</sup>
  - c. Still at MSOA level, subtract the October 2019 primary count from the October 2020 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 2020 census (new schools are those schools appearing on the October 2020 census for the first time, where no predecessor is found); and
  - f. Calculate the total LA-level funding through the growth factor following the steps set out in Figure 21 below.

**Figure 20: Total LA-level funding through the growth factor**

Calculation step	Description
1) Total funding for primary growth	Total primary LA growth count x ACA x £1,455
2) Total funding for secondary growth	Total secondary LA growth count x ACA x £2,175
3) Total new schools funding	New schools count x ACA x £68,700
4) Total growth allocation	1) + 2) + 3)

**Figure 21: Total LA-level funding through the growth factor in 2021-22**

<sup>21</sup> These are areas used by the [Office for National Statistics](https://visual.parliament.uk/msoanames), based on population data. A map of MSOAs can be found at <https://visual.parliament.uk/msoanames>

<sup>22</sup> If an MSOA crosses LA boundaries, then we count the primary and secondary pupils within that MSOA in each LA separately, i.e. we treat the MSOA each side of the LA boundary as a unique MSOA.

## Transitional funding for growth

- C.2. LAs which received transitional protection to their 2020-21 growth funding will be eligible for protection in 2021-22. The maximum reduction in growth funding for these LAs will be set at -0.5% of an LA's total DSG schools block allocation in 2020-21.

**Figure 21: Transitional Growth Funding in 2021-22**

Calculation step	Example LA receiving transitional protection	Example LA on the formula
1) Total growth allocation in 2020-21	LA4's growth allocation was £1m, including £200k of transitional protection.	LA5's growth allocation was £100k.
2) Total schools block allocation in 2020-21	LA4's total allocation was £90m including £1m growth.	LA5's total allocation was £21m including £100k growth.
3) Total growth allocation in 2021-22	£400k	£50k
4) Calculate the change in growth funding	LA4's growth funding was £1m in 2020-21 and is £400k in 2021-22, a change of -£600k.	LA5's growth funding was £100k in 2020-21 and is £50k in 2021-22, a change of -£50k.
5) Calculate the change in growth funding as a % of the 2020-21 schools block allocation	The reduction in LA4's growth allocation between 2020-21 and 2021-22 is £600k (step 4) which represents 0.67% of the total schools block allocation (step 2).	The reduction in LA5's growth allocation between 2020-21 and 2021-22 is £50k (step 4) which represents 0.24% of the total schools block (step 2).
6) Apply the growth transitional protection at -0.5% of the total schools block allocation	LA4 received transitional protection in 2020-21 and is below the floor (losing 0.67% over the whole 2020-21 schools block) so is allocated an additional £150k (to create an overall reduction of £450k which is equal to 0.5% of the total 2020-21 schools block).	LA5 is above the floor (losing 0.24% (step 5) over the whole schools block) so does not receive any floor transitional protection.

Calculation step	Example LA receiving transitional protection	Example LA on the formula
8) Total growth funding after transitional protections 2021-22 growth funding allocation (step 3) + floor protection (step 6)	LA4: $£400k + £150k = £550k$	LA5: $£50k + £0 = £50k$

**Figure 22: Transitional Growth Funding in 2021-22**



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