



Education
Funding
Agency

Funding allocation pack: 2014 to 2015 academic year

**A guide for special and alternative
provision academies and free schools
open before 1 April 2014**

March 2014

Contents

Introduction to the funding allocation pack 2014/15	3
Summary statement	4
Sample AY 2014/15 General Annual Grant Statement - Special and Alternative Provision	4
Post 16 allocations	5
Table A – High Needs Block	6
Summary of Table A – High Needs Place Funding	6
Sample Table A – AY 2014/15 High Needs Block	7
Table A – Explanation of funding lines	8
Table B – AY 2014/15 Education Services Grant	9
Sample Table B – Education Services Grant	9
Table B Explanation of funding lines	10
Table C – AY 2014/15 Allocation Protection	11
Sample Table C – AY 2014/15 Allocation Protection	11
Table C – Explanation of funding lines	12
Table D – Start-Up Grant or Sponsored Academies/Free Schools Post-Opening Grant	15
Start-Up Grant (SUG) and Post-Opening Grant (POG)	15
Sample Table D – Start-Up Grant/Post-Opening Grant	16
Table D – Explanation of funding lines	16

Introduction to the funding allocation pack 2014/15

This operational guide is to help you understand how your academic year (AY) 2014/15 funding has been calculated by the Education Funding Agency (EFA). It updates last year's guidance, setting out the changes to academy funding introduced this year.

The guide supports your AY 2014/15 general annual grant (GAG) statement. Your GAG statement sets out the funding you will receive, how it has been calculated and where the data is from.

The guide has been produced in a format which enables you to easily access the specific parts that interest you, or areas where you require more detailed information.

A new funding allocation protection has been included in your AY 2014/15 funding allocation to protect against losses resulting from the reduction in Education Services Grant rates.

A new risk protection arrangement for academies is being introduced from September 2014. As a result of the new arrangements, we will no longer be paying the £20 additional insurance element to academies from AY 2014/15. More information can be found [here](#).

You may also be interested in the DfE's dedicated [High Needs Funding](#) webpage.

Your pupil premium allocation is paid outside of the GAG and is therefore not included in your AY 2014/15 funding allocation.

This guide is intended for open special academies and alternative provision academies and free schools. Supplementary guidance will be made available online at www.gov.uk for mainstream academies and free schools, as well as newly opening academies and free schools prior to receiving their funding allocations.

Summary statement

The first page of your funding allocation pack 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. This year, if you are an alternative provision academy or free school with sixth form pupils, we will be sending out your pre 16 allocation when it is ready rather than waiting for both allocations and sending them out together. When your sixth form allocation is ready, you will receive one complete funding statement with all of your available revenue funding streams in one place. If you are a special academy in receipt of funding for student support services (bursary/ free schools meals/ residential bursary), you will not receive a separate post 16 statement, but once the student support services allocation is ready, you will receive one complete funding statement with this allocation included in section 3.

Sample AY 2014/15 General Annual Grant Statement - Special and Alternative Provision

1. Breakdown of AY 14/15 School Block Allocation		
Education Services Grant	£	See Table B
Allocation Protection	£	See Table C
Start Up Grant / Post Opening Grant	£	See Table D
Total School Block	£	

2. Breakdown of AY 14/15 High Needs Block Allocation		
Pre 16 High Needs Block	£	See Table A
Post 16 High Needs Block	£	See Table A
Hospital Provision Funding	£	See Table A
Total High Needs Block	£	(Excludes any top-up funding from LA)

3. Breakdown of 16-19 Allocation		
Total Programme Funding	£	See 16-19 Allocation Statement
Formula Protection Funding	£	
Transitional Protection	£	
16-19 Allocation	£	
Post 16 Student Support Services	£	
Total 16-19 Allocation including Student Support Services	£	

TOTAL ALLOCATION (1+2+3)
Information on funding lines that are in addition to GAG will be provided separately (Pupil Premium, for example)

Post 16 allocations

Section 3 of the summary table refers to the post 16 statement sent to alternative provision academies and free schools. Special academies with post 16 provision are funded for pre and post 16 provision on the same place funded basis and do not receive a separate statement. Funding for student support services for special academies and alternative provision will be included in section 3. Information on [post 16 high needs funding](#) can be found on our website.

An update [letter](#) on post 16 funding was sent to institutions in December 2013.

Table A – High Needs Block

This section includes:

- An overview of pre and post 16 high needs funding
- Sample Table A
- Explanation of funding lines

Summary of Table A – High Needs Place Funding

From 2013 local authorities have had an enhanced role in funding high needs pupils in academies, as the commissioner of education provision for these pupils. This means that academies now receive funding from both the EFA (place funding) and local authorities (top-up funding) for pupils with high needs. Sometimes the top-up funding comes directly from schools, where they commission alternative provision (AP) places directly.

Special academies and academies with special units or resourced provision receive £10,000 per place for each SEN place; academies making AP receive £8,000 for each AP place. From 2014 SEN places are funded at the same rate for pre and post 16 provision.

Top-up funding above these levels, based on the assessed needs of the pupil and the cost of meeting their needs in the setting, should be agreed between the commissioning local authority and the academy. Top-up funding is paid on a per-pupil basis, for the period that the pupil is actually occupying the place in the academy. It is paid directly to the academy on a monthly basis unless a different payment frequency is agreed with the local authority. Top-up funding for pupils in AP can be paid directly by other academies and schools if they commission the places for those pupils.

Hospital education places that exist in some academies are funded at the same rate as in 2013/14. Pupils occupying these places do not attract top-up funding.

The pre and post 16 high needs places should have been discussed between local authorities and institutions, including academies, during the 2014 to 2015 high needs place review. Proposed places were confirmed by local authorities in their high needs returns in December 2013. An EFA review of place changes between AY 2013/14 and AY 2014/15 took place in January and February 2014. The number of places used to calculate the place funding paid by the EFA will not necessarily be the same as the number of pupils on the roll of the academy. The place funding which forms part of the grant funding from the EFA does not change during the year, and so cannot reflect in-year fluctuations in pupil numbers.

More information on high needs funding for AY 2014/15 can be found on the [DfE's High Needs webpage](#) and the [EFA funding website](#).

Academies that have been identified as eligible for high needs funding will have been notified of the latest position on places by the end of March 2014.

Sample Table A – AY 2014/15 High Needs Block

Pre 16 Breakdown

Place Numbers	Annual per place unit value	Total pre 16 allocation
70	£10,000	£700,000.00
0	£8,000	£0

Post 16 Breakdown

Place Numbers	Annual per place unit value	Total post 16 allocation
40	£10,000	£400,000.00

Hospital Provision Breakdown

Place Numbers	Total Funding
0	£0

Table A – Explanation of funding lines

Funding line	Description
AY 2014/15 Pre16 Place Numbers	These are as agreed with your commissioning local authorities (and schools) for alternative and special provision.
Annual per place unit value	For 2014/15 this is set at £10,000 per place for SEN provision, and £8,000 for places in alternative provision.
AY 2014/15 Pre16 Total Allocation	The product of special places x annual per place unit value and, or the product of alternative provision places x annual per place unit value.
AY 2014/15 Post 16 Place Numbers	These are as agreed with your commissioning local authority for special provision.
Annual per place unit value	For 2014/15 this is set at £10,000 per place.
AY 2014/15 Post 16 Total Allocation	The product of local authority agreed places x annual per place unit value.
AY 2014/15 Hospital Place Numbers	These are agreed by the EFA with the local authority that previously maintained the provision.
AY 2014/15 Hospital Total Funding	This is calculated by the local authority that previously maintained the provision, based on the agreed number of places you will provide. The local authority informs the EFA of the relevant amount.

Table B – AY 2014/15 Education Services Grant

This table includes:

- Overview of the Table B
- Sample Table B
- Table B explanation of funding lines.

Local Authority Central Spend Equivalent Grant (LACSEG) ended as part of the 2013/14 funding reforms and was replaced by the Education Services Grant (ESG), which continues in AY 2014/15. This grant is payable to academies as they are responsible for a range of education services - such as school improvement, audit and asset management - that local authorities perform on behalf of maintained schools. The ESG is allocated on either a simple per-pupil or place basis to local authorities and academies according to the number of pupils or places for which they are responsible.

For 2014/15, each academy will receive:

- £140 per pupil (mainstream provision)
- £525 per Alternative Provision place
- £595 per SEN place and Hospital Place

For alternative provision and special academies the allocation will be based on planned places data as determined by the DfE in February 2014.

From September 2014 there will be no specific transitional protection for ESG. Details of a new academy allocation protection, which includes changes to ESG rates, can be found [here](#).

Sample Table B – Education Services Grant

1.	Number of special or hospital places	110	
2.	ESG basic rate per special/ hospital place	£595.00	
3.	Number of alternative provision places	0	
4.	ESG basic rate per alternative provision place	£525.00	
5.	AY 14/15 Education Services Grant Allocation	£65,450.00	$= (1 * 2) + (3 * 4)$

Table B Explanation of funding lines

Funding Line	Description
Number of special or hospital places	These are as agreed with your commissioning local authorities and/or the authority that previously maintained the provision.
ESG basic rate per special/hospital place	For 2014/15 this is set at £595.00 for places in special academies and hospital provision.
Number of alternative provision places	These are as agreed with your commissioning local authorities and/or schools.
ESG basic rate per alternative provision place	For 2014/15 this is set at £525.00 for alternative provision.
AY 2014/15 Education Services Grant Allocation	This is $(1 \times 2) + (3 \times 4)$.

Table C – AY 2014/15 Allocation Protection

This section includes:

- A description of the new academy allocation protection
- [Sample Table C](#)
- [Table C explanation of funding lines](#)

In AY 2013/14, the first year of the ESG, we protected academies from any excessive drop in their funding by putting in place protection arrangements so that no academy saw more than a 10% reduction from the published AY 2012/13 LA Block LACSEG rate for its local authority. Additionally, for those academies for which the AY 2012/13 per pupil LA block LACSEG rate for its local authority were higher than the published AY 2012/13 rates, we ensured that the reduction in their per-pupil funding was no greater than 20% in AY 2013/14.

We are changing the protection arrangements in AY 2014/15. We will put in place a new, simple arrangement whereby any reduction in per pupil funding caused by the fall in the ESG rate from AY 2013/14 must not exceed 1% of its total funding in AY 2013/14. If the reduction is above 1%, the academy will be given additional funding to bring the reduction down to 1%.

The allocation protection for mainstream academies includes protection against the SEN LACSEG adjustment. This does not apply to special academies or alternative provision as no such adjustment is being made.

Sample Table C – AY 2014/15 Allocation Protection

1.	AY13/14 ESG allocation	£106,571.89	
2.	AY13/14 number of High Needs places (pre and post 16)	120	
3.	AY 13/14 ESG adjusted unit value	£888.10	= 1 / 2
AY14/15 adjusted ESG rate			
4.	AY14/15 ESG allocation	£65,450.00	
5.	AY14/15 number of High Needs places (pre and post 16)	110	
6.	AY14/15 ESG adjusted unit value	£595.00	= 4 / 5

AY13/14 allocation unit value			
7.	AY13/14 High Needs Block allocation	£1,076,000.00	
8.	AY13/14 Additional Insurance	£2,400.00	
9.	AY13/14 ESG	£106,571.89	
10.	AY13/14 post 16 allocation excluding Bursary	£160,099.54	
11.	AY13/14 allocation adjusted unit value	£11,208.93	= (7 + 8 + 9 + 10) / 2
Protection calculation			
12.	Allocation reduction floor	-1.0%	
13.	AY14/15 allocation reduction as a proportion of AY13/14 allocation	-2.6%	= (6 - 3) / 11
14.	Extent to which the reduction falls below the protection floor	1.6%	IF (13 < -1.0%, 12 – 13) ELSE 0
15.	AY14/15 Allocation Protection	£19,910.20	IF protection applies, =14 * 11 * 5

Table C – Explanation of funding lines

	Funding line	Description
1.	AY 2013/14 ESG allocation	In most academies this will equal the ESG rate for AY 2013/14 multiplied by the number of pupils. However, some academies received a transitional protection which is included in this allocation.
2.	AY 2013/14 number of High Needs places (pre and post 16)	This is equal to the number of places attracting ESG, from reception to post 16 pupils.
3.	AY 2013/14 ESG unit value	This is the per place ESG amount.

AY 2014/15 Adjusted ESG rate		
4.	AY 2014/15 ESG allocation	This is the total ESG payable for AY 2014/15 and will reflect the reduction in the ESG rate and removal of transitional protection.
5.	AY 2014/15 number of High Needs places (pre and post 16)	This is equal to the number of places attracting ESG, from reception to post 16.
6.	AY 2014/15 ESG adjusted unit value	This is the per pupil ESG value. For most academies it will represent the allocation divided by the number of places.
AY 2013/14 allocation unit value		
7.	AY 2013/14 High Needs Block allocation	This is the amount payable for pre 16, as shown in Table A of your 2013/14 allocation.
8.	AY 2013/14 Top-Up Insurance	This represents the additional £20 per pupil reflecting the more expensive premiums payable by academies compared with maintained schools. It can be found in Table D of your AY 2013/14 funding statement.
9.	AY 2013/14 ESG	This is the total education services grant allocation for AY 2013/14. It is the same as in Line [1] and can be found in Table B of your AY 2013/14 funding statement.
10.	AY 2013/14 post 16 allocation excluding Bursary	This is the total post 16 allocation from your AY 2013/14 allocation, excluding the bursary payment and can be found in Table A of your AY 2013/14 allocation
11.	AY 2013/14 allocation adjusted unit value	This is the total AY 2013/14 allocation (the pre and post 16 high needs block + the additional insurance element + education services grant). This total is then divided by the number of places to give a per place allocation. This figure is then used as the baseline to calculate any reduction resulting from the reduction in ESG. It is shown as (Lines [7] + [8] + [9] + [10]) divided by line [2].
Protection calculation		
12.	Allocation reduction floor	The protection floor is set at -1%. This means that the decrease in funding arising from the reduction in ESG will not exceed more than 1% of your entire AY 2013/14 allocation. It is calculated at a per place level so will not protect against a loss in funding due to falling places.
13	AY 2014/15 allocation reduction as a proportion of AY	This is the ESG reduction, expressed as a proportion of the AY 2013/14 allocation. It is calculated by subtracting the AY14/15 adjusted

	2013/14 allocation	ESG unit value (Line [6]) from the AY13/14 equivalent (Line [3]). This is then subtracted from the AY 2014/15 adjusted unit value (line [11]).
14.	Extent to which the reduction falls below the protection floor	This is the percentage value by which the reduction in AY 2014/15 allocation (Line [13]) exceeds the -1% floor. It is calculated by subtracting AY 2014/15 allocation reduction as a proportion of AY 2013/14 (Line [13]) from the allocation reduction floor (Line [12]).
15.	AY 2014/15 Allocation Protection	This is the amount of academy allocation protection payable to the institution. The amount represents the extent to which the reduction falls below the protection floor of -1%.

Table D – Start-Up Grant or Sponsored Academies/Free Schools Post-Opening Grant

This section includes;

- [An explanation of Start-Up Grant and Post -Opening Grants](#)
- [An Example of Table D Start-Up Grant/Post-Opening Grant](#)
- [Explanation of Table D Start-Up Grant/Post-Opening Grant](#)

Start-Up Grant (SUG) and Post-Opening Grant (POG)

Start-Up Grant (SUG) is only paid to full sponsored academies (with a predecessor school) to assist with raising standards and transform educational attainment. It provides additional funding to reflect the nature of those schools, and challenges of raising standards.

The way in which Start-Up Grant is calculated is dependent on whether an academy is a primary, secondary, special academy or an alternative provision academy and the amount will have been clearly set out in your funding letter, should it be applicable.

Post-Opening Grants are only for free schools. It is funding in addition to their per pupil funding. Post-Opening Grants are designed to enable schools to cover essential initial costs, such as buying books and equipment; and to meet the costs arising as the school builds up its cohorts over time. This funding is essential to meet the additional costs associated with starting a brand new school.

Table D sets out the remaining SUG payment for AY 2014/15 if applicable.

Start-up grants for special academies and alternative provision is paid at a flat rate of £25,000 for 100 places, with any additional places funded at a rate of £250 per place.

This level of funding will be reviewed annually to ensure that the level of grant is appropriate. Special academies, alternative provision and PRUs do not receive a formulaic allocation for leadership capacity as their GAG is allocated on a per-place rather than per-pupil basis. This already takes account of staff diseconomies of scale, recognising that pupil numbers in such provision can fluctuate widely throughout the year.

For special free schools, the amount paid under this grant will be agreed on a project by project basis following negotiation, based on the needs of the new school.

The flat-rate grants will be paid in the first academic year of opening only, 50% in month one, 25% in month two and 25% in month three.

Sample Table D – Start-Up Grant/Post-Opening Grant

1.	Start-Up Grant Part A	£1,500.00	
2.	Start-Up Grant Part B – Formulaic Allocation	£0.00	
3.	Start-Up Grant Part B - Assessment	£37,940.00	
4.	Total Start-Up Grant Allocation	£39,440.00	= 1 + 2 + 3

Table D – Explanation of funding lines

Funding line	Description
Start-Up Grant - Part A	For academies that opened after April 2013 this is a one off payment. If the academy opened prior to April 2013, the payments will be broken down into a range of value amounts per year and will appear so in Table D. This will be set out in each individual academy’s funding letter.
Start-Up Grant – Part B (Formulaic and Assessment)	For academies that opened post April 2013 the total SUG B value will be paid over the subsequent 3 years post opening. However for pre April 2013 opening academies these values appear on Table D as set out in their individual funding letter. This will be split down between formulaic and assessment and reflected as such in the table.
Total Start-Up Grant Allocation	This is the total of SUG A and SUG B values.

Further information is available about free schools and Post-Opening Grants on the [website](#).



Education
Funding
Agency

© Crown copyright 2014

You may re-use this document/publication (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence v2.0. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/version/2 or email: psi@nationalarchives.gsi.gov.uk.

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

Any enquiries regarding this publication should be sent to us at: www.education.gov.uk/contactus.

This document is available for download at: www.GOV.UK

Reference: EFA-00048-2014