



Education
Funding
Agency

Funding allocation pack: 2015 to 2016 academic year

**A guide for mainstream academies
opening between 1 April 2015 and 31
August 2015**

March 2015

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Introduction

This operational guide helps you understand how the Education Funding Agency (EFA) has calculated your funding for the 2015 to 2016 academic year. It updates last year's guidance, setting out minor changes to academy funding we introduced this year. We have developed the guide in consultation with a sample of academies and free schools to make sure it better meets your needs.

The guide supports your 2015 to 2016 academic year general annual grant (GAG) statement. Your GAG statement sets out the funding you will receive, how we have calculated it, the factors that have been applied and the source of the data we use.

How to use the guide

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

The '[What's new?](#)' section shows the changes to academy funding in 2015 to 2016 at a glance, and where the change is reflected in your GAG statement. The subsequent chapters take you through an example funding statement table by table, explaining each line in turn.

We recognise that GAG funding makes up only part of the overall funding for your academy. We are looking at ways in which, in the future, we can show all your EFA funding lines together in one statement. We are not able to do that this year, but we have added a section to the end of the guide listing the main [non-GAG revenue and capital funding lines](#). This section includes links to information about how and when these are paid.

Who is the guide for?

This guide is for mainstream academies opening between 1 April 2015 and 31 August 2015, including those with designated special units and resourced provision. Separate guidance is also available for [special academies and alternative provision academies](#) opening between 1 April 2015 and 31 August 2015.

Further information

In response to feedback from academies we have developed a [glossary of academy funding terms](#).

In addition to this guide you can access a series of [online presentations and slide sets](#) about changes to academy funding in the 2015 to 2016 academic year. This site also contains videos about financial returns, post-16 funding and capital funding.

What's new in 2015 to 2016?

The 2015 to 2016 financial year local authority (LA) funding formula will form the basis of your school budget share (SBS) until the end of the academic year on 31 August 2016. The changes to funding in 2015 to 2016 are summarised below and you can find more information on the technical aspects of these in subsequent chapters.

Further policy information on the [fairer schools funding arrangements](#) is also available.

Operational guidance on schools revenue funding and the factors that local authorities can use in their funding formula can be found in the [guide to schools revenue funding in 2015 to 2016](#).

Changes to the funding formula and your GAG statement

What's new?	What does this mean?	How will this be reflected in my GAG statement?
Change to the education services grant (ESG) rate	A reduction in the ESG rate from £140 to £87 for mainstream academies and free schools.	The new ESG rate is used in the calculation in Table C.
Tapered ESG protection	We have introduced a tapered protection to provide a measure of stability against large budget reductions resulting from the new ESG rate and the removal of SEN LACSEG.	The tapered protection is set out in Table E.
Change to sparsity factor definition	The sparsity factor school size threshold is now based on average year group size instead of the number on roll.	The new threshold is used in the calculation in Table A.2, if this factor applies to your academy.
Exceptional sparsity lump sum for small secondary schools	Local authorities can apply to the DfE to include an additional lump sum payment of up to £50,000 for very small secondary schools.	This factor will be shown in Table A: exceptional circumstance 2, if it applies to your academy.

What's new?	What does this mean?	How will this be reflected in my GAG statement?
High needs – increase in the per place rate of funding for alternative provision (AP)	An increase in the AP rate from £8,000 per place to £10,000 per place.	If your academy has a designated special unit which includes AP places you will see the new rate used in the calculation in Table G.
High needs – simplification of the process for allocating numbers of places	Roll forward of the 2014 to 2015 academic year place numbers (with a limited exceptional case process). This applies to pre- and post-16 places.	If your academy has a designated special unit you will see the rolled forward places (or agreed place numbers where an exceptional case was accepted) used to calculate Tables G and H.
Minimum funding levels	<p>We set minimum levels of dedicated schools grant (DSG) that a local authority should attract for the pupils in its area.</p> <p>For those local authorities attracting less than the minimum level we increased their budgets to meet them.</p>	In the 69 affected local authorities the amount an individual academy or free school receives will depend on local decisions about how this extra funding is distributed through the funding formula.

The GAG statement explained

The following sections of this guide walk you through the GAG statement for the 2015 to 2016 academic year. Please note that the figures in the sample Tables A to G **are intended as an illustration only**. They are drawn from a number of different cases to show you as many of the calculation workings as possible, and together they do not represent a single real-life academy.

Summary statement

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

Sample academic year 2015 to 2016 summary table



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Academic year 2015 to 2016 General Annual Grant Statement

Name	Academy name
LA Name	LA name
LAESTAB	LAEstab number
UPIN	UPIN
UKPRN	UKPRN
URN	URN
Opening Date	Date
Days Open	Number of days open in academic year 2015 to 2016

1. Breakdown of academic year 2015 to 2016 school allocation

School budget share (excl. rates)	£0.00	See Table A
of which: notional SEN funding	£0.00	See Table A
funding previously de-delegated	£0.00	See Table A
Minimum funding guarantee	£0.00	See Table B
Education services grant	£0.00	See Table C
Post opening grant (start up grant)	£0.00	See Table D
ESG protection	£0.00	See Table E
Total school allocation	£0.00	

2. Breakdown of academic year 2015 to 2016 high needs allocation		
Pre 16 high needs funding	£0.00	See Table F
Post 16 high needs funding	£0.00	See Table G
Total high needs allocation	£0.00	(Excludes any top-up funding from LA)

3. Breakdown of 16-19 allocation		
Total programme funding	£0.00	See 16-19 allocation statement
Formula protection funding	£0.00	
16-19 allocation	£0.00	
Student support services	£0.00	April 2016 payment
Total 16-19 allocation including student support services	£0.00	

TOTAL ALLOCATION (1+2+3)	£0.00	
Information on funding lines that are in addition to GAG (for example pupil premium) will be provided separately		

Sixth form funding

We wrote to open academies with sixth forms about [funding for students aged 16 to 19 for the 2015 to 2016 academic year](#) in October 2014. In this letter we set out the 16 to 19 funding formula, funding rates and the allocations timeline.

The summary table will present an extract from your 16-19 allocation statement (which we send to you separately) as shown in section 3 of the sample table above.

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

Table A - school budget share

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

Pupil numbers are derived either from your autumn 2014 school census return or your estimate of pupil numbers for the 2015 to 2016 academic year, depending on your funding agreement. [Table H](#) shows the pupil numbers we use in your SBS calculation.

We do not include pupils in designated special units in the school budget share as they are funded on the number of agreed places. [Table F](#) shows place funding for pre-16 high needs pupils and [Table G](#) shows funding for post-16 high needs pupils.

Table A - structure description

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

Factors are labelled as either pupil- or non-pupil-led. Pupil-led factors are driven by pupil numbers or pupil characteristics. At least 80% of a local authority's schools block funding must flow through pupil-led factors.

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

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

Full year funding amount: this is the amount the local authority has calculated for the 2015 to 2016 financial year.

Part year funding amount: this is a proportioned amount based on the full 2015 to 2016 financial year amount calculated by the local authority. It is based on the number of days between the date the academy opened and the end of the academic year on 31 August 2016. The heading will be adapted according to the opening date of the academy. For academies opening on or before 1st September, this will be equivalent to the full year funding amount.

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

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

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

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

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

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

Funding previously de-delegated: funding for services is delegated by local authorities to schools through the funding formula. Maintained schools collectively may then pass back, or de-delegate, funding to the local authority for certain services to be provided centrally, with the approval of the schools forum. A list of those services for which funding can be de-delegated can be found in the [guide to schools revenue funding in 2015 to 2016](#).

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

Academies that opened on 1 April 2015 receive all of the previously de-delegated funds from April to August 2015. They will continue to do so in their 2015 to 2016 academic year and subsequent allocations.

Academies that open after 1 April and before 1 September 2015 will not receive any previously de-delegated funding in the 2014 to 2015 academic year. They will, though, receive all of the previously de-delegated funds in their 2015 to 2016 academic year allocation. For these academies, local authorities should continue to provide services for which funding is de-delegated until September 2015, if they are asked to do so.

Sample Table A – school budget share for the 2015 to 2016 academic year

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

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
1. Basic entitlement age weighted pupil unit (AWPU)	Primary (including reception)	£1,272,390.16	£1,272,390.16	This factor is mandatory. For 2015 to 2016 minimum unit values for primary and secondary pupils are £2,000 and £3,000 respectively. The LA can set different unit values for key stage 3 (KS3) and key stage 4 (KS4) but both of these must be at least £3,000 per pupil. LAs also have the option to apply a reception uplift, i.e. to add new reception pupils starting between the autumn and spring census.
	Key stage 3	£2,146,279.04	£2,146,279.04	
	Key stage 4	£1,802,542.00	£1,802,542.00	
2. Deprivation	Primary IDACI band 1	£7,982.16	£7,982.16	The Income Deprivation Affecting Children Index (IDACI) measures the proportion of children under the age of 16 that live in low income households within a local area. Your local authority formula can use any combination of IDACI categories and/or free school meals data to allocate its deprivation funding.
	Primary IDACI band 2	£9,479.93	£9,479.93	
	Primary IDACI band 3	£41,019.27	£41,019.27	
	Primary IDACI band 4	£52,502.17	£52,502.17	
	Primary IDACI band 5	£20,753.81	£20,753.81	

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
	Primary IDACI band 6	£5,872.21	£5,872.21	<p>A separate rate can be paid for each of the six categories within the IDACI index, and for the primary and secondary phases.</p> <p>You can use the IDACI tool to find more information about how the Department for Communities and Local Government calculates IDACI.</p>
	Secondary IDACI band 1	£39,203.71	£39,203.71	
	Secondary IDACI band 2	£55,048.56	£55,048.56	
	Secondary IDACI band 3	£133,702.24	£133,702.24	
	Secondary IDACI band 4	£110,377.42	£110,377.42	
	Secondary IDACI band 5	£47,498.53	£47,498.53	
	Secondary IDACI band 6	£62,646.65	£62,646.65	
	Primary free school meals (FSM)	£157,398.96	£157,398.96	<p>This is the number of primary school aged children in your academy eligible for a free school meal. Pupils eligible for FSM are recorded in the October 2014 school census. Note that if the LA uses free school meals it can only include either FSM or FSM6, and not both.</p>

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
	Primary FSM6	£0.00	£0.00	These are primary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2014 to 2015 dataset onto the spring 2014 census.
	Secondary FSM	£251,632.15	£251,632.15	This is the number of secondary school aged children in your academy that are eligible for a free school meal. Pupils eligible for FSM are recorded in the autumn 2014 school census.
	Secondary FSM6	£0.00	£0.00	These are secondary pupils who have been eligible for free school meals at any time in the past six years. The FSM6 indicator is produced by mapping the pupil premium 2014 to 2015 dataset onto the spring 2014 census.
3. Looked- after children (LAC)	LAC	£10,919.77	£10,919.77	The term 'looked after' refers to children under 18 who have been provided with care and accommodation by children's services. The measure uses data collected from the March SSDA903 return mapped to the spring school census. This factor covers all children who have been looked after for a day or more on 31 March 2014.

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
4. Prior attainment	Primary attainment: primary low attainment 73 or 78 points (see details of factor in Table A.1)	£36,157.32	£36,157.32	<p>The local authority can choose between two separate measures of attainment for primary pupils as assessed under the early years foundation stage profile.</p> <p>Low prior attainment primary (73) is derived from the number of pupils in years 3 to 6 who achieved fewer than 73 points and pupils in year 1 and 2 who did not achieve a good level of development.</p> <p>Low prior attainment primary (78) which is derived from the number of pupils in years 3 to 6 who achieved fewer than 78 points and pupils in year 1 and 2 who did not achieve a good level of development.</p>
	Secondary attainment: secondary pupils not achieving KS2 level 4 English or maths	£455,5111.70	£455,5111.70	For secondary pupils, prior attainment funding can be targeted at all pupils who achieved a level 3 or below in either English or mathematics at key stage 2.
5. English as an additional language (EAL)	Primary EAL band 1	£0.00	£0.00	<p>Local authorities can choose to fund EAL for one, two or three years from the point where the pupil joins statutory education in England. This does not include reception. EAL band 1 refers to all pupils in the first year of statutory education, EAL band 2 includes those in their first or second year and EAL band 3 includes all pupils in their first, second or third year. The</p>
	Primary EAL band 2	£0.00	£0.00	
	Primary EAL band 3	£29,417.69	£29,417.69	

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
	Secondary EAL band 1	£0.00	£0.00	data will be taken from the national pupil database. The rate can differ for primary and secondary pupils.
	Secondary EAL band 2	£0.00	£0.00	
	Secondary EAL band 3	£51,662.08	£51,662.08	
6. Mobility over 10% (funding only applied where weighting >0.1, to the proportion above 0.1)	Primary pupils starting school outside of normal entry dates (proportion above 10%)	£12,856.43	£12,856.43	<p>Pupil mobility refers to pupils who started at the school at an unusual time during the last three academic years i.e. not in September (or in January for pupils joining reception).</p> <p>This factor allows funding to be targeted at schools experiencing levels of pupil mobility in excess of 10% of the whole school cohort.</p>
	Secondary pupils starting school outside of normal entry dates (proportion above 10%)	£0.00	£0.00	Data is taken from entry dates on the October census. Funding is applied to numbers in excess of a 10% threshold. A separate rate can be applied to primary and secondary phases.

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
7. Sparsity	Sparsity funding (see further details in Table A.2)	£17,638.10	£17,638.10	This factor has been updated for 2015 to 2016. A fixed or variable amount may be applied to small schools and academies where the average distance to a pupil's second nearest school is more than 2 miles (primary) or 3 miles (secondary) and the average year group size is below the threshold. The maximum value for the sparsity factor is £100,000 per school (including fringe uplift). More detail can be found in the sparsity factor section.
Total pupil-led factors		£6,830,492.06	£6,830,492.06	
8. Lump sum	Lump sum	£100,000.00	£100,000.00	<p>The upper limit of the lump sum is £175,000. Local authorities may set a different lump sum for primary and secondary schools. All-through academies get the secondary rate, and middle schools get an average based on year groups in each phase.</p> <p>Any schools that merged in the 2014 to 2015 financial year will receive an allocation equivalent to 85% of the combined lump sums they would have received as separate establishments. The additional amount will be shown under the exceptional circumstance 1 line at the bottom of Table A.</p>

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
9. Split sites	Split sites	£55,000.00	£55,000.00	This is an amount agreed by the local authority to cover additional costs associated with running a school across different sites. If the local authority chooses to apply this factor it must be based on clear criteria and calculation methodologies and will be published in the LA's pro forma.
10. Private finance initiative (PFI)	PFI	£500,000.00	£500,000.00	This factor funds the additional costs of being in a PFI contract. This is not necessarily the full cost. This factor can relate to additional premises costs and/or the affordability gap of the contract where this has been delegated. There is no limit to how much a local authority can allocate to this but they must set out a clear methodology for calculating the funding.
11. Existing sixth form commitments	Existing sixth form commitments	£10,015.50	£10,015.50	This is payable where a local authority has historically subsidised sixth form pupils. It is a per pupil value which continues funding for post-16 pupils up to the level that the authority provided in the 2014 to 2015 academic year. It does not represent the sixth form funding allocation. Academies with sixth forms will continue to be funded through the post-16 national funding formula.

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
12. London fringe	London fringe	£113,079.06	£113,079.06	This factor supports schools that have to pay higher teacher salaries because they are in one of 5 local authorities in the London fringe area, where only part of the authority is in this area. These are: Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex. It is applied as a multiplier to the total schools block factors excluding premises factors (PFI, split-site, historic sixth form funding and approved exceptional funding factors).
Total other factors		£778,094.56	£778,094.56	
Exceptional circumstance 1	Additional lump sum for schools amalgamated during the financial year 2014 to 2015	£150,000.00	£150,000.00	This is the additional amount payable as a result of the amalgamation. It is 85% of the combined lump sums from the year after amalgamation. Additional lump sums may be agreed in a second year after amalgamation, these will be shown as one of exceptional circumstance 3 to 6.
Exceptional circumstance 2	Additional sparsity lump sum for small schools	£50,000.00	£50,000.00	From 2015 to 2016 local authorities can also apply to include an additional lump sum of up to £50,000 for very small secondary schools in sparsely populated areas.
Exceptional circumstance 3	Exceptional circumstances 3	£53,229.88	£53,229.88	Local authorities may request the inclusion of additional factors in their formula for exceptional circumstances relating to the

Factor	Description	Full year funding amount	Part year funding amount (as full year for academies open on or before 1 September 2015)	Explanation
Exceptional circumstance 4	Exceptional circumstance 4	£19,984.00	£19,984.00	nature of their premises. Such factors have to be approved by the EFA. To qualify as 'exceptional' these factors must affect fewer than 5% of schools (including academies) in the authority and the cost for the institution must exceed 1% of their budget. Note that these lines will only appear in Table A if your local authority has an approved exceptional factor and it applies to your academy.
Exceptional circumstance 5	Exceptional circumstance 5	£36,973.00	£36,973.00	
Exceptional circumstance 6	Exceptional circumstance 6	£0.00	£0.00	
Total school budget share (excluding rates)		£7,918,773.50	£7,918,773.50	
of which: notional SEN budget		£758,619.44	£758,619.44	
funding previously de-delegated		£0.00	£0.00	

The sparsity factor

The sparsity factor is derived from the distance that pupils live from their second nearest school. For each school, those pupils who live closest are identified and then the average distance to the second nearest school for these pupils is calculated. Distances are calculated using the crow flies distance from a pupil's postcode to a school's postcode. This has been calculated using pupil and school postcode coordinates from the October pupil level and school level census. (For the purposes of this factor, selective grammar schools are not considered when identifying the second nearest school.)

We have changed the school size criteria in the sparsity calculation for 2015 to 2016, which is now based on average year group size rather than the total number on roll.

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

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

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

From 2015 to 2016 local authorities can also apply to include an additional lump sum of up to £50,000 for very small secondary schools in sparsely populated areas. The criteria for eligibility of a school are:

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

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

Table B – minimum funding guarantee (MFG)

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

The EFA adjusts the 2015 to 2016 financial year allocation calculated by the local authority, proportioned from the time you open as an academy until the end of the academic year, 31 August 2016. For academies that opened between April and August 2015, the amount shown is based on your financial year 2015 to 2016 allocation from your local authority and will be for the whole of the academic year.

The MFG is a protection against changes in per pupil school budget share (SBS) funding between 2014 to 2015 and 2015 to 2016. The amount of protection will vary according to the impact of local changes in the funding formula and how they affect individual per pupil rates. The floor remains at -1.5% for 2015 to 2016. Where a local authority applies a cap or scale this figure may represent a reduction in the academy's allocation.

To determine whether to apply the MFG the per pupil values for the two years are compared. If there is a fall in funding of more than 1.5% per pupil the fall is capped at this rate.

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

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

MFG applies to pupils in reception to year 11 (excluding any reception uplift pupils that may be included in the SBS calculation).

Adjustments and exclusions

A number of exclusions and adjustments are applied to the respective school budget shares in order to ensure a valid comparison.

Exclusions

The funding lines automatically excluded from the MFG calculation are:

- early years funding – this is paid by the local authority and not included in the SBS
- post-16 funding – this has its own form of protection
- the lump sum – this is not treated as a per pupil amount because for small schools the lump sum forms a large amount per pupil. If it was included in the MFG calculation it would build in excessive protection where a school is increasing its numbers

- the sparsity factor - this is because sparsity is similar to the lump sum in its purpose and therefore including it would distort the protection that MFG provides
- high needs pupils in designated units within a mainstream setting
- national non-domestic rates (NNDR) - these are paid on receipt of a claim using an [online form](#), and paid in a single amount outside of the SBS

Any additional funding distributed to schools through the 2015 to 2016 local funding formula as a result of minimum funding levels in the 69 eligible local authorities is not excluded from the MFG calculation.

If local authorities wish to exclude any additional funding lines from the MFG calculation - from either the baseline funding (2014 to 2015) or the 2015 to 2016 funding - they must make an exceptional case to the DfE. An example of an approved MFG exclusion is where a school will be receiving split site funding for the first time in 2015 to 2016. This exclusion allows the school to receive the full benefit of the additional funding. Similarly, where a school will no longer be operating on a split site in 2015 to 2016, the local authority may wish to exclude the split site funding from the baseline for 2014 to 2015 when calculating the MFG, so that the protection does not include funding for which they are no longer eligible.

Technical adjustments

Local authorities are able to make technical adjustments to the 2014 to 2015 baseline to make this comparable with 2015 to 2016 funding in certain exceptional circumstances. These relate to changes in delegation – for example where a budget has been funded centrally previously and is now delegated into the funding formula, or where funding has been moved between the schools and high needs block to achieve compliance with the requirement for schools to meet the first additional £6,000 costs of high needs pupils.

Capping and scaling – affordability adjustments

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

For example:

- a 4% cap and 40% scaling would mean that all gains up to 4% are kept by schools, and any gains above 4% are scaled back by 40%
- a 10% cap and 100% scaling would mean that all gains above 10% are taken from the SBS

- a 0% cap with a 70% scaling would mean that all gains are scaled back by 70%

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

Capping and scaling will not be applied to new schools until all year groups are present.

Sample Table B – academic year 2015 to 2016 minimum funding guarantee

Line	Value	Calculation	Explanation
1. Academic year 2015 to 2016 school budget share (366 days)	£7,918,773.50	From Table A	This is the school budget share shown in your Table A. It is the 2015 to 2016 financial year allocation calculated by the local authority adjusted pro rata for the remainder of the 2015 to 2016 academic year.
2. MFG adjustment - full year	£78,354.48		This is the calculation made by the local authority for the whole 2015 to 2016 financial year. If a local authority has applied capping or scaling then this would appear as a deduction.
3. Pupil numbers used in original MFG calculation	369		
4. Number of pupils actually funded	369		This shows the total number of pupils being funded.
5. MFG adjustment – 366 days pro rata	£78,354.48	$= (2 \times 366) / 366 \times (4/3)$	This is the total MFG adjustment, proportioned from the time you open as an academy until the end of the academic year, 31 August 2016. For academies open on or before 1 September 2015 this will be equivalent to the figure in [2].
6. Adjusted academic year 2015 to 2016 school budget share	£79,97127.98	1+5	

Table C – education services grant (ESG)

ESG is allocated on a simple per pupil basis. It is payable for the total number of pupils from nursery to year 14. The pupil number is derived from either the autumn 2014 school census or your estimated pupil numbers for academic year 2015 to 2016, depending on your funding agreement. Note that high needs places in a designated special unit within a mainstream academy are included in the pupil count for the ESG calculation.

The rate for mainstream academies in the 2015 to 2016 academic year is £87 per pupil.

ESG is paid to academies to cover the cost of services that local authorities provide centrally to maintained schools but which academies must secure independently. These may include school improvement, finance and HR functions, audit and asset management.

Sample Table C – academic year 2015 to 2016 education services grant

Line		Value	Calculation	Explanation
1.	Autumn 2014 census pupil numbers or, where applicable, academic year 2015 to 2016 estimated pupil numbers	1392.6		Total pupil numbers including nursery and sixth form pupils.
2.	ESG basic rate per pupil	£87.00		£87 per pupil in 2015 to 2016.
3.	Academic year 2015 to 2016 education services grant allocation	£121,156.20	$= 1 * 2$	Total ESG allocation calculated by a simple multiplication of pupil numbers by the per pupil rate.
4.	ESG allocation 366 days pro rata	£121,156.20	$= (3 * 366 \text{ days}) / 366$	The total ESG allocation proportioned from the time you open as an academy until the end of the academic year, 31 August 2016. For academies open on or before 1 September 2015 this will be equivalent to the figure in [3].

Table D – post-opening grant (start-up grant)

This will only be populated if you are due to receive start-up grant in the 2015 to 2016 academic year.

Start-up grant (SUG)

SUG is paid to full sponsored academies only.

There are two elements, part A and part B. Part A is a flat rate allocation paid in the first year of opening. Part B is a formulaic allocation intended to contribute to costs, such as leadership, as a new academy grows towards full capacity. Consequently, part B may be paid over a number of years as the academy grows.

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

Post-opening grant (POG)

POG is paid to free schools, studio schools and university technical colleges. These lines will not therefore be populated in your statement. POG is intended to enable these new schools to cover the initial costs of opening, such as buying books and equipment. Like SUG, it includes an element to contribute to costs, such as leadership, as a new school grows towards full capacity.

Sample Table D – academic year 2015 to 2016 post-opening (start-up) grant

Line		Value	Calculation	Explanation
1.	Start-up grant part A	£1,417.00		For academies that opened from April 2013 this is a one-off payment.
2.	Start-up grant part B – formulaic allocation	£102,192.60		The total part B value will be paid in the first 3 years after opening for secondary and the first 2 years after opening for primary academies.
3.	Start-up grant part B – assessment			
4.	Post-opening grant – per pupil resources			For free schools, UTCs and studio schools, this is the total of the resource element of the POG.
5.	Post-opening grant – leadership diseconomies			For free schools, UTCs and studio schools, this is the total of the diseconomies element of the POG.
6.	Total post-opening grant (start-up grant) allocation	£103,609.60	= 1 + 2 + 3 + 4 + 5	The sum of SUG or POG elements as applicable.

Table E - education services grant (ESG) protection

The ESG rate for 2015 to 2016 academic year is £87 per pupil with no top-up for academies. This is set out in [Table C](#).

A tapered protection will be applied for academies open before 1 September 2015, to provide continued protection against significant budget reductions as a result of changes to ESG and the removal of SEN LACSEG. The protection ensures that the reduction in funding resulting from these changes cannot be greater than a specified percentage of the overall budget on a per pupil basis.

The percentage protection for an academy is determined by its level of ESG per pupil (ESG + SEN LACSEG + ESG protection) in the 2014 to 2015 academic year. For academies that had no SEN LACSEG and no ESG protection the level of ESG per pupil would be £140; for others with legacy funding from LACSEG, SEN LACSEG and ESG protection, the level of ESG per pupil will be higher.

The tapered protection is applied as follows:

- if the academy received up to and including £140 of ESG the protection rate will be -1%
- if the academy received up to and including £160 of ESG the first £140 will be protected at -1% and the amount above £140 will be protected at -2%
- if the academy received more than £160 the first £140 will be protected at -1%, any amount above £140 and up to and including £160 will be protected at -2%, and any amount above £160 will be protected at -3%

Further information including a worked example is available in the [supplementary guidance note](#) and [online ESG presentation](#).

Sample Table E – academic year 2015 to 2016 education services grant (ESG) protection

Line		Value	Calculation	Explanation
E.1 Academic year 2015 to 2016 reduction rate				
Pupil numbers				
1.	Academic year 2014 to 2015 pupil count: reception to post-16 excluding high needs places	957		Four separate pupil counts are used to calculate the amount of ESG protection the academy will receive in the 2015 to 2016 academic year. Pupil counts for both the 2014 to 2015 and 2015 to 2016 academic years are used as the calculation compares per pupil funding rates for each year. Pupil counts including and excluding high needs places are used as these pupils attract different funding elements. The pupil count in line [1] excludes pupils in designated special units or resourced provision. It includes reception uplift if this was applied by the local authority.
2.	Academic year 2014 to 2015 pupil count: reception to post-16 including high needs places	957		This pupil count includes pupils in designated special units or resourced provision and reception uplift if this was applied by the local authority.
3.	Academic year 2015 to 2016 pupil count: reception to post-16 excluding high needs places	547		This pupil count excludes pupils in designated special units. It includes reception uplift if this was applied by the local authority.
4.	Academic year 2015 to 2016 pupil count: reception to post-16 including high needs places	547		This pupil count includes pupils in designated special units or resourced provision and reception uplift if this was applied by the local authority.
Academic year 2014 to 2015 total allocation unit values				

Line		Value	Calculation	Explanation
5.	Academic year 2014 to 2015 school budget share	£2,653,960.15		This step calculates the total 2014 to 2015 allocation in per pupil terms. Line [5] is the amount of school budget share received in the 2014 to 2015 academic year. This is shown in Table A of your 2014 to 2015 funding statement.
6.	Academic year 2014 to 2015 minimum funding guarantee / affordability adjustment	£144,406.32		This is the amount of MFG paid in the 2014 to 2015 academic year (if applicable) as shown in Table B of your 2014 to 2015 funding statement. If an affordability adjustment was made through capping and scaling this will be shown as a negative amount.
7.	Academic year 2014 to 2015 ESG	£133,980.00		This is the total ESG received for the 2014 to 2015 academic year for pupils from reception to post-16. This may not equate to your ESG allocation in 2014 to 2015 as shown on your 2014 to 2015 funding statement because it excludes any nursery pupils that may have been present.
8.	Academic year 2014 to 2015 allocation protection	£0.00		This is the total amount of allocation protection received in the 2014 to 2015 academic year. This protected per pupil funding against losses resulting from the fall in the ESG rate and the SEN LACSEG adjustment. Academies opening in the 2014 to 2015 academic year will not receive this protection and hence this cell will display zero.
9.	Academic year 2014 to 2015 post-16 allocation (total funding excluding student support services)	£896,233.00		This is the total post-16 allocation for the 2014 to 2015 academic year excluding student support services. This is shown in the summary table of your 2014 to 2015 funding statement.

Line		Value	Calculation	Explanation
10.	Academic year 2014 to 2015 total allocation adjusted unit value	£4,000.61	$= ((5 + 6 + 9) / 1) + ((7 + 8) / 2)$	<p>This is the total per pupil allocation for the 2014 to 2015 academic year. If the academy is to receive a protection amount in the 2015 to 2016 academic year the percentage protection rate will be applied to this figure multiplied by the number of pupils on roll for the 2015 to 2016 academic year.</p> <p>Each funding element is divided by the number of pupils attracting that element. The SBS, MFG and post-16 allocation are divided by the number of pupils on roll excluding high needs pupils as these pupils attract high needs place funding. The ESG and allocation protection are divided by the number on roll including high needs pupils.</p>
ESG per pupil rates and change between academic years 2014 to 2015 and 2015 to 2016				
11.	Academic year 2014 to 2015 ESG per pupil rate	£140.00		This step calculates the difference between the academic year 2014 to 2015 and 2015 to 2016 ESG rates. Line [11] is the ESG rate per pupil for 2014 to 2015 which is equal to £140. This is made up of a basic rate of £113 plus a top-up of £27.
12.	Academic year 2015 to 2016 ESG per pupil rate	£87.00		This is the rate of ESG per pupil for 2015 to 2016 which is equal to £87.
13.	Change to ESG rate between academic years 2014 to 2015 and 2015 to 2016	(£53.00)	$= 12 - 11$	This is the reduction in the ESG per pupil rate between the 2014 to 2015 and 2015 to 2016 academic years. This is equal to -£53.
Academic year 2015 to 2016 adjusted reduction unit value				
14.	Change to ESG rate between academic years 2014 to 2015 and 2015 to 2016	(£53.00)	$= 13$	As [13] this is the reduction in the ESG per pupil rate between the 2014 to 2015 and 2015 to 2016 academic years. This is equal to -£53.

Line		Value	Calculation	Explanation
15.	Academic year 2015 to 2016 SEN LACSEG adjustment (equal to academic year 2014 to 2015 SEN LACSEG adjustment)	(£0.00)		This represents the remaining 50% of the 2012 to 2013 academic year SEN LACSEG amount if applicable. As this is a deduction it will show as a negative amount.
16.	Removal of academic year 2014 to 2015 allocation protection	£0.00	= 8	The removal of the 2014 to 2015 allocation protection - along with the reduction in the ESG rate and the SEN LACSEG adjustment - is used to calculate the potential reduction in an academy's funding between the 2014 to 2015 and 2015 to 2016 academic years.
17.	Academic year 2015 to 2016 adjusted reduction unit value	(£53.00)	= $14 + ((15 + (-1 \times 16)) / 4)$	This line shows the potential reduction in the academy's funding per pupil as a result of the reduced ESG rate. It is made up of the reduction in the ESG rate between the 2014 to 2015 and 2015 to 2016 academic years, the SEN LACSEG adjustment and the removal of academic year 2014 to 2015 allocation protection. It is divided by the number of pupils on roll including high needs places to show the reduction per pupil.
18.	Academic year 2015 to 2016 reduction rate (loss) = adjusted reduction as a proportion of total allocation adjusted unit value	-1.32%	= $17 / 10$	This shows the reduction per pupil as a proportion of the total allocation received in the 2014 to 2015 academic year. It shows the proportion of the academy's academic year 2014 to 2015 per pupil allocation they would lose without protection.
E.2 Academic year 2015 to 2016 tapered protection				
Academic year 2014 to 2015 funding rate				
19.	Academic year 2014 to 2015 ESG	£133,980.00	= 7	This step calculates the tapered protection rate for the academy's 2015 to 2016 academic year funding. As [7] this line shows the total ESG received for academic year 2014 to 2015 for pupils from reception to post 16.

Line		Value	Calculation	Explanation
20.	Academic year 2014 to 2015 SEN LACSEG value that was not adjusted for	£0.00	= 15 * -1	This represents the 50% of the 2012 to 2013 academic year SEN LACSEG amount that was not recovered in 2014 to 2015. Because this is the amount that was not recovered in 2014 to 2015 it is shown as a positive value.
21.	Academic year 2014 to 2015 allocation protection	£0.00	= 8	As [8] the amount of transitional protection received in academic year 2014 to 2015.
22.	Academic year 2014 to 2015 pupil count: pupil numbers used to allocate ESG (excluding nursery pupils)	957	= 2	As [2] the number of pupils attracting ESG for academic year 2014 to 2015 from reception to post-16 including pupils in designated special units and reception uplift if applicable.
23.	Academic year 2014 to 2015 funding rate	£140.00	= (19 + 20 + 21) / 22	The funding rate for academic year 2014 to 2015 is made up of the amount of ESG (excluding that for nursery pupils), the SEN LACSEG adjustment and the amount of transitional protection received. This is divided by the number of reception to year 11 pupils attracting ESG for that year to show the funding rate per pupil.
Academic year 2015 to 2016 tapered protection				
24.	Condition 1	1%		The conditions and thresholds refer to the protection rates and the level of ESG (including SEN LACSEG and transitional protection) these apply to. Condition 1 is the lowest rate of protection of 1%.
25.	Threshold 1	£140		Threshold 1 is £140.
26.	Condition 2	2%		Condition 2 is 2%.
27.	Threshold 2	£160		Threshold 2 is £160.
28.	Condition 3	3%		Condition 3 is 3%.
Academic year 2015 to 2016 adjusted reduction unit value				

Line		Value	Calculation	Explanation
29.	Funding rate up to and including threshold 1 is protected against losses below condition 1	-1.00%	$= -1 * (\text{MIN}(25,23) / 23) * 24$	The 2015 to 2016 allocation reduction floor is the maximum loss to an academy's funding between the 2014 to 2015 and 2015 to 2016 academic years. For each academy this is calculated by applying the protection rates (conditions) to the relevant part of the 2014 to 2015 academic year per pupil funding rate. The 2014 to 2015 funding rate up to and including £140 is protected at -1%.
30.	Funding rate beyond threshold 1 up to and including threshold 2 is protected against losses below condition 2	-0.00%	$= -1 * (\text{MIN}((27-25), (23-25)) / 23) * 26$	The 2014 to 2015 funding rate above £140 and up to and including £160 is protected at -2%.
31.	Funding rate beyond threshold 2 is protected against losses below condition 3	-0.00%	$= -1 * (\text{MAX}(0, 23-27) / 23) * 28$	The 2014 to 2015 funding rate above £160 is protected at -3%.
32.	Allocation reduction floor	-1.00%	$= 29 + 30 + 31$	This line shows the maximum per pupil loss to the academy's funding between the 2014 to 2015 and 2015 to 2016 academic years resulting from the reduction in ESG and SEN LACSEG adjustment.
E.3 Academic year 2015 to 2016 ESG protection calculation				
Academic year 2015 to 2016 ESG protection				
33.	Extent to which academic year 2015 to 2016 reduction rate falls below the allocation reduction floor	0.32%	$= \text{IF}(32 < 18, 0, 32 - 18)$	This shows how much the per pupil funding has dropped beyond the threshold shown in Line [32] between the two academic years.

Line	Value	Calculation	Explanation
34. Academic year 2015 to 2016 ESG protection	£7,107.69	$= 33 * 10 * 4$	This line shows the total protection amount the academy will receive in the 2015 to 2016 academic year. It is calculated by applying the protection rate to the total 2014 to 2015 allocation per pupil multiplied by the academic year 2015 to 2016 pupil numbers.

Table F – pre-16 high needs funding

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

High needs funding for designated units in mainstream academies is calculated on a simple per-place basis.

In the 2015 to 2016 academic year we will roll forward your 2014 to 2015 academic year place numbers and use these to calculate your allocation. The exception to this is where your local authority has put forward a case to the EFA for additional places and this has been accepted. We would then use this agreed figure in your allocation.

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

Sample Table F – academic year 2015 to 2016 pre-16 high needs funding

Type		Place numbers	Annual per place unit value	Total pre-16 allocation	Allocation to August 2016 (as total allocation for academies open on or before 1 September 2015)	Calculation	Explanation
1.	Special	12	£10,000.00	£120,000.00	£120,000.00		Place numbers: agreed 2015 to 2016 places Unit value: £10,000 Total pre-16 allocation = place numbers * unit value Allocation to August 2016: Total allocation * days open / 366
2.	Alternative Provision	0	£10,000.00	£0.00	£0.00		Place numbers: agreed 2015 to 2016 places Unit value: £10,000 Total pre-16 allocation = place numbers * unit value Allocation to August 2016: Total allocation * days open / 366
3.	Total pre-16 high needs allocation (366 days)				£120,000.00	= (1 + 2)	Total pre-16 allocation (special) + total pre-16 allocation (alternative provision), proportioned from the time you open as an academy until the end of the academic year, 31 August 2016.

Table G – post-16 high needs funding

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

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

As with pre-16, we will roll forward your 2014 to 2015 academic year place numbers and use these to calculate your 2015 to 2016 academic year allocation. The exception to this is where your local authority has put forward a case for additional places and this has been accepted by the EFA. We would then use this agreed figure in your allocation.

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

Sample Table G – academic year 2015 to 2016 post-16 high needs funding

Place numbers	Annual per place unit	Total post-16 allocation	Allocation to August 2016 (as total allocation for academies open on or before 1 September 2015)	Explanation
20	£6,000.00	£120,000.00	£120,000.00	Place numbers: agreed 2015 to 2016 SEN places Unit value: £6,000 Total post-16 allocation = place numbers*unit value Allocation to August 2016: Total allocation * days open / 366
Total post-16 high needs allocation (366 days)			£120,000.00	Total post-16 allocation, proportioned from the time you open as an academy until the end of the academic year, 31 August 2016.

More information on post-16 high needs funding can be found on the [high needs section](#) of GOV.UK.

Table H – pupil number matrix

Table H shows the pupil numbers used in the various calculations. The main sources of pupil numbers are the autumn 2014 census, estimates provided by academies and agreed high needs places. Within your allocation the number of pupils attracting the various funding elements may differ. For example, the calculations for school budget share (SBS) do not include nursery or post-16 pupils. These pupils are, however, included in the calculations for the education services grant (ESG).

In mainstream academies, pupils in special units or resourced provision are not included in the calculation of SBS pupil-led factors. These pupils are funded separately under the place funding system. They are however included in the calculation of ESG, although they attract the mainstream ESG rate.

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

For census-funded academies the pupil counts are taken from autumn 2014 school census using single registration at the school and current main - dual registration. For estimate-funded establishments they are taken from the final validated RFDC dataset.

Sample Table H - academic year 2015 to 2016 pupil matrix

	Nursery 1	Reception uplift 2	Primary 3	Secondary 4	Post-16 5	High needs places 6	Total	Calculation
School budget share (SBS)	N/A	0	425	940	N/A	12	1353	= 2 + 3 + 4 - 6
Minimum funding guarantee (MFG)	N/A	N/A	425	940	N/A	N/A	1353	= 3 + 4 - 6
Education services grant (ESG)	27.6	N/A	425	940	0	N/A	1392.60	= 1 + 3 + 4 + 5
ESG protection	N/A		425	940	0	12	1353	= 2 + 3 + 4 + 5 - 6

Funding outside the GAG

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

- [early years funding](#) - paid by the local authority to academies with a nursery class through the early years single funding formula (EYSFF)
- national non domestic rates (NNDR) - paid on receipt of a claim made using an [online form](#) in a single amount outside of the SBS
- [pupil premium](#) - paid in four instalments by the EFA
- [PE and sport premium for primary schools](#) - paid by the EFA in the autumn term
- [universal infant free school meals](#) – paid in instalments by the EFA to academies with infant classes
- high needs top-up funding - paid by the local authority where required. Information about the process for the 2015 to 2016 academic year high needs place funding arrangements can be found in [Schools revenue funding 2015 to 2016](#).

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

Our series of [online presentations and slide sets](#) includes a video about funding outside the GAG.

Risk protection arrangement (RPA)

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



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