



Education & Skills
Funding Agency

**This document has
been withdrawn as
it is out of date.**

Academy general annual grant allocation guide: 2020 to 2021 academic year

**A guide for mainstream academies
open between 1 April 2020 and 31
August 2020**

March 2020

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Introduction

This operational guide helps you understand how the Education and Skills Funding Agency (ESFA) has calculated your 2020 to 2021 academic year funding. We have developed the guide in consultation with a sample of academies to make sure it meets your needs.

The guide supports your general annual grant (GAG) statement. It sets out the funding you will receive, how we have calculated it, the factors that have been applied and the source of the data we use. You will notice some changes to some of the tables, but we have kept these to a minimum to allow headline year-on-year comparisons.

For 2020 to 2021, we continue to use the national funding formula (NFF) for schools for high needs and central schools services, to allocate budgets to local authorities.

It is important to note that the NFF school-level allocations that we published in October 2019 in [spreadsheet format](#) and then in a new [on-line tool](#) in January 2020, were notional allocations only. In 2020 to 2021, local authorities have continued to set a local formula which has determined individual school and academy budgets in their authority. As in previous years, local authorities have submitted this local formula to us so that we can produce and issue academies allocation statements. Your GAG statement reflects the local formula.

How to use the guide

We have produced the guide in a format that allows you to 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 the 2020 to 2021 academic year 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 have added a section to the end of the guide listing the main [non-GAG revenue and capital funding lines](#). It includes links to information about how and when these are paid.

Who is the guide for?

This guide is for mainstream academies and free schools (including studio schools and university technical colleges (UTCs)) open between 1 April 2020 and 31 August 2020, including those with designated special units and resourced provision. Separate guidance is available for [special and alternative provision academies](#).

When we refer to academies in this document we are referring to all types, including free schools, UTCs and studio schools, unless otherwise stated.

Further information

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

What's new in the 2020 to 2021 academic year?

The changes to funding in 2020 to 2021 are summarised below and you can find more information on the technical aspects of these in subsequent chapters.

Further policy information on [pre-16 schools funding arrangements for 2020 to 2021](#) is also available. This includes the operational guidance on schools revenue funding which sets out the factors that local authorities can use in their funding formula. We have also published [high needs funding arrangements for 2020 to 2021](#).

Changes to the funding formula and your GAG statement

The key changes to the funding methodology for 2020 to 2021 are set out below. It is important to note that local authorities have some flexibility about how they reflect these changes in their local formula, so you may not see these reflected in your GAG statement.

What's new?	What does this mean?	How will this be reflected in my GAG statement?
Increase to minimum per pupil funding level and this is now mandatory factor.	Local authorities must set a minimum per pupil funding rate in 2020 to 2021, of £3,750 for primary schools and £5,000 for secondary schools. More detail can be found in the minimum level of per pupil funding section.	This will be shown in table A. You will also see that any capping and scaling applied in the minimum funding guarantee (MFG) calculation can't take the per pupil funding below the minimum per pupil level set by the local authority.
End of funding floor protection	The protection available in 2019 to 2020 using the 2017 to 2018 'funding floor' is no longer part of the allocation calculation.	
End of education service grant (ESG) protection	Education services grant protection does not continue in 2020 to 2021.	You will no longer see the ESG protection line in the summary table of your statement.

What's new?	What does this mean?	How will this be reflected in my GAG statement?
Removal of alternative gains cap	The NFF will not include a gains cap or alternative gains cap in 2020 to 2021 so we would not expect local authorities to request to use these mechanisms in their local formula.	
Changes to 16 to 19 funding	The high value courses premium is additional funding to encourage and support delivery of selected level 3 courses in subjects that lead to higher wage returns.	You will see this new line in the 16 to 19 section of the summary table on your statement.
Change to mobility rate.	Mobility is now allocated to pupils above the new threshold of 6% rather than the 10% threshold in previous years and is included in the calculation of the minimum per pupil funding level.	This will be shown in table A.


The GAG statement explained

The following sections of this guide walk you through the GAG statement for the 2020 to 2021 academic year. Please note that the figures in the sample tables A to F **are intended as an illustration only**.

Summary statement

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

Academic year 2020 to 2021 summary table

 Education & Skills Funding Agency	Academy General Annual Grant allocation statement: 2020 to 2021	
Name	Provider name	
LA name	LA name	
LAESTAB	LAEstab number	
UPIN	UPIN	
UKPRN	UKPRN	
URN	URN	
Opening date	Date	
1. Breakdown of academic year 2020 to 2021 school allocation		
School budget share (excl. rates)	£0.00	See Table A
of which notional SEN funding	£0.00	See Table A
Minimum funding guarantee	£0.00	See Table B
Post-opening grant (start-up grant)	£0.00	See Table C
Total school allocation	£0.00	
2. Breakdown of academic year 2020 to 2021 high needs allocation		
Pre-16 high needs place funding	£0.00	See Table D

Post-16 high needs place funding	£0.00	See Table E
Total high needs allocation	£0.00	(Excludes any top-up funding from local authority)
3. Breakdown of 16 to 19 allocation		
Programme funding - formula	£0.00	See 16 to 19 allocation statement
Formula protection funding	(£0.00)	
Student financial support funding	£0.00	
Industry placements funding	£0.00	
Advanced maths premium funding	£0.00	
High value course premium funding	£0.00	
Total 16 to 19 allocation including student financial support funding	£0.00	
Total allocation (1+2+3)		
	£0.00	
Information on funding lines that are in addition to GAG will be provided separately (pupil premium, for example)		
Your allocation does not include funding for national non-domestic rates (NNDR). This is because you should claim separately for the funding required using an online claim form . Payment is made in full within two months of the claim being submitted.		

Post 16 funding

On 31 August 2019, the Chancellor announced an [additional £400m](#) for 16 to 19 education for academic year 2020 to 2021. We have published information on [what this means for 16 to 19 revenue funding allocations in 2020 to 2021](#) and will continue to update our [16 to 19 funding allocations](#) page and timeline with further information as it becomes available.

The summary table will present an extract from your 16 to 19 revenue funding allocation statement (which we upload to Document Exchange separately) as shown in section 3 of the sample table above.

Further information about [16 to 19 funding allocations](#) including [guidance](#) to help you understand your allocation is also available.

Table A - school budget share

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

Pupil numbers are derived either from your autumn 2019 validated [school census](#) return or your agreed estimate of pupil numbers for the 2020 to 2021 academic year, depending on the terms of your funding agreement. However, where the local authority notifies us of variations in school census numbers (through their authority proforma tool, for planned growth or infrastructure changes) then these will be used to calculate your allocation. [Table F](#) gives further information about the pupil numbers we use in the calculation of your allocation.

We do not make a deduction to your SBS pupil numbers for high needs places. Instead we determine the SBS based on the total number of pupils on roll, including those in the special unit or resourced provision¹.

Table A - structure description

Factor: this column shows the names of the factors through which the local authority can allocate funding. There are three mandatory factors that all local authorities must use in their funding formula: basic entitlement age weighted pupil unit (AWPU), deprivation and minimum per pupil funding levels (MPPFL). All other factors are optional.

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

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

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

¹ We have made an adjustment between the high needs block, and the schools block for each local authority to reflect this. Place funding rates reflect this (as set out in [Table D](#)).

Full year funding amount: this is the amount the local authority has calculated for the 2020 to 2021 financial year.

Part year funding amount: this is a proportioned amount based on the full 2020 to 2021 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 2021. For academies opening before or on 1 September 2020 this will be equivalent to the full year amount.

Total pupil-led factors: this shows the total of all the pupil-led factors applicable to your academy.

Total other factors: this shows the total of all the non-pupil-led factors applicable to your academy.

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

Funding previously de-delegated: funding for services is delegated by local authorities to schools through the funding formula. Maintained schools collectively may then pass back, or de-delegate, funding to the local authority for certain services to be provided centrally, with the approval of the schools forum. A list of those services for which funding can be de-delegated can be found in the [schools funding 2020 to 2021 operational guide](#).

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

Academies that open on 1 April 2020 receive all of the previously de-delegated funds from April to August 2020. They will continue to do so in their 2020 to 2021 academic year and subsequent allocations.

Academies that open after 1 April and before 1 September 2020 will not receive any previously de-delegated funding in the 2019 to 2020 academic year. They will, though, receive all of the previously de-delegated funds in their 2020 to 2021 academic year allocation. For these academies, local authorities should continue to provide services for which funding is de-delegated until September 2020, if they are asked to do so. If the local authority is unable to provide the requested service then they could, alternatively, pay the funding directly to the academy.

Table A – school budget share

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

[Back to summary table](#)

Factor	Description	Full year funding amount	Part year funding amount	Explanation
1. Basic entitlement age weighted pupil unit (AWPU)	Primary (including reception)	£0.00	£0.00	For 2020 to 2021, the basic entitlement minimum unit values for primary and secondary pupils are £2,000 and £3,000 respectively. The local authority can set different unit values for key stage 3 (KS3) and key stage 4 (KS4) but each of these must be at least £3,000 per pupil.
	Key stage 3	£1,433,951.20	£1,433,951.20	
	Key stage 4	£1,251,439.36	£1,251,439.36	Local authorities also have the option to apply a reception uplift that is to add new reception pupils starting between the autumn and January census during 2018 to 2019.
2. Deprivation	Primary IDACI band F	£0.00	£0.00	The Income Deprivation Affecting Children Index (IDACI) measures the proportion of children under the age of 16 that live in low income households in the local area. Your local authority formula can use any combination of IDACI categories and/or
	Primary IDACI band E	£0.00	£0.00	
	Primary IDACI band D	£0.00	£0.00	
	Primary IDACI band C	£0.00	£0.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Primary IDACI band B	£0.00	£0.00	free school meals and Ever6 data to allocate its deprivation funding.
	Primary IDACI band A	£0.00	£0.00	A separate rate can be paid for each of the six categories in the IDACI index, and for the primary and secondary phases.
	Secondary IDACI band F	£287.63	£287.63	
	Secondary IDACI band E	£0.00	£0.00	
	Secondary IDACI band D	£0.00	£0.00	
	Secondary IDACI band C	£0.00	£0.00	
	Secondary IDACI band B	£595.08	£595.08	
	Secondary IDACI band A	£0.00	£0.00	
	Primary free school meals (FSM)	£0.00	£0.00	
	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 2019 to 2020 dataset onto the spring 2019 census.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
	Secondary FSM	£11,294.92	£11,294.92	This is the number of children in secondary year groups in your academy that are eligible for a free school meal. Pupils eligible for FSM are recorded in the autumn 2019 school census.
	Secondary FSM6	£71,981.53	£71,981.53	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 2019 to 2020 dataset on to the spring 2019 census.
3. Children looked after (CLA) (optional factor)	CLA	£0.00	£0.00	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 SSDA903 return mapped to the spring school census. This factor covers all children who have been looked after for a day or more to 31 March 2019.

Factor	Description	Full year funding amount	Part year funding amount	Explanation
4. Prior attainment	Primary attainment: primary low attainment	£0.00	£0.00	<p>This factor may be applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP).</p> <p>The EYFSP changed in 2013, so from 2020 to 2021 there will be no need for a primary weighting as all primary year groups will represent results under the new framework.</p>
	Secondary attainment: secondary pupils not achieving the expected standards in KS2 tests	£216,858.28	£216,858.28	<p>For secondary pupils, prior attainment funding can be targeted at pupils not achieving the expected standard in KS2 in either reading, writing or maths.</p> <p>A national weighting will be applied to year 7. Year 8, 9 and 10 pupils will have a fixed weighting. Secondary prior attainment for pupils in year 11 will continue to be calculated without a weighting to reflect that these pupils took the old style KS2 tests</p>
	Primary EAL band 1	£0.00	£0.00	Local authorities can choose to fund EAL for one, two or three years from the point

Factor	Description	Full year funding amount	Part year funding amount	Explanation
5. English as an additional language (EAL)	Primary EAL band 2	£0.00	£0.00	where the pupil joins statutory education in England. This does not include reception.
	Primary EAL band 3	£0.00	£0.00	EAL band 1 refers to all pupils in their first year of statutory education, EAL band 2 includes those in their first or second year and EAL band 3 includes all pupils in their first, second or third year. The data will be taken from the national pupil database. The rate can differ for primary and secondary pupils.
	Secondary EAL band 1	£0.00	£0.00	
	Secondary EAL band 2	£0.00	£0.00	
	Secondary EAL band 3	£0.00	£0.00	
6. Mobility over 6% (funding only applied where mobility >0.06, to the proportion above 0.06) (optional factor)	Primary pupils starting school outside of normal entry dates (proportion above 6%)	£0.00	£0.00	‘Pupil mobility’ refers to pupils who started the school at an unusual time during the last three academic years, that is not in September (or not in January for pupils joining in reception). This factor allows funding to be targeted at schools experiencing levels of pupil mobility in excess of 6% of the whole school cohort. Mobility is now allocated to pupils above the new threshold of 6% rather than the 10% threshold in previous years and is included in the calculation of the minimum funding level.
	Secondary pupils starting school outside of normal entry dates (proportion above 6%)	£0.00	£0.00	
Total pupil-led factors		£2,986,408.00	£2,986,408.00	

Factor	Description	Full year funding amount	Part year funding amount	Explanation
7. Sparsity	Sparsity funding (see further details in Table A.2)	£0.00	£0.00	<p>A fixed or variable amount may be applied to small schools and academies where the average distance to a pupil's second nearest school is more than 2 miles (primary) or 3 miles (secondary) and the average year group size is below the specified threshold for its phase.</p> <p>The maximum value for the sparsity factor is £100,000 per school (including fringe uplift). Local authorities can make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools.</p> <p>More detail can be found in the sparsity factor section.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
8. Lump sum	Lump sum	£108,606.33	£108,606.33	<p>The upper limit of the lump sum is £175,000. Local authorities may set a different lump sum for primary and secondary schools. All-through academies get the secondary rate, and middle schools get an average based on the number of year groups present in each phase.</p> <p>Any schools that merged in the 2019 to 2020 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>
9. Split sites	Split sites	£0.00	£0.00	<p>This is an amount agreed by the local authority to cover additional costs associated with running a school across different sites. If the local authority chooses to apply this factor it must be based on clear criteria and a clear methodology for calculating the funding and be shown in the local authorities proforma.</p>

Factor	Description	Full year funding amount	Part year funding amount	Explanation
10. Private finance initiative (PFI)	PFI	£0.00	£0.00	This factor funds the additional costs of being in a PFI contract. This is not necessarily the full cost. This factor can relate to additional premises costs and/or the affordability gap of the contract where this has been delegated. There is no limit to how much a local authority can allocate to this but they must set out a clear methodology for calculating the funding.
11. London fringe	London fringe	£0.00	£0.00	This factor supports schools that have to pay higher teacher salaries because they are in one of 5 local authorities in the London fringe area, where only part of the authority is in this area. These are: Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex. It is applied as a multiplier to the total schools block factors excluding premises factors (PFI, split-site, and approved exceptional funding factors).
Total other factors		£108,606.33	£108,606.33	
Exceptional circumstance 1	Additional lump sum for schools amalgamated during the financial year 2019 to 2020	£0.00	£0.00	This is the additional amount payable as a result of the amalgamation. It is 85% of the combined lump sums from the year after amalgamation. Additional lump sums may be agreed in a second year after amalgamation, these will be shown as one of exceptional circumstance 3 to 6.

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

Factor	Description	Full year funding amount	Part year funding amount	Explanation
Prior year adjustment (optional)	Prior year funding adjustment	£0.00	£0.00	Local authorities can apply an adjustment to total funding where they wish to make an amendment relating to funding paid in the prior year that will be added to or deducted from the current year's allocation. Note that this line will only appear in table A if it applies to your academy.
MPPFL rate	Minimum per pupil funding level (as set by the local authority)	£0.00	£0.00	See the minimum per pupil funding level section for more detail.
MPPFL Adjustment (if applicable)	Total adjustment required to ensure the academy meets the MPPFL rate set by the local authority	£0.00	£0.00	Any adjustment to the SBS as a result of applying a minimum funding per pupil rate will be shown here. This is calculated as the minimum per pupil level rate, less the per pupil allocation, multiplied by number on roll.
Total school budget share (excluding rates)		£3,095,014.33	£3,095,014.33	
of which notional SEN budget		£249,240.19	£249,240.19	
funding previously delegated		£12,287.38	£12,287.38	
De-delegation funding retained by the LA				

Sample Table A.1 – sparsity data

Note: table A.1 will only appear on your statement if your academy is eligible for [sparsity funding](#).

Line	Value	Explanation
1. Sparsity unit value	£0.00	This is the lump sum amount of money your local authority has set in consultation with its schools forum. It can set different amounts for primary and secondary schools, middle schools or all-through schools, up to a maximum of £100,000 in each case.
2. Distance threshold (miles)	0.000000	This figure can be set by the local authority. This needs to be either at or above the minimum of two miles for primary, middle and all-through schools and three miles for secondary.
3. Year group threshold	0.000000	The local authority can apply a cap on the size of schools eligible for sparsity funding, as long as it is at, or below, the average year group size appropriate for the academy.
4. Average year group size	0.000000	This is the average year group size of your academy.
5. Taper applied (fixed/ tapered/NFF)	Fixed	The local authority can apply a single lump sum or a tapered amount related to school size. If they have applied a single lump sum it will say 'fixed'; if a tapered amount is applied it will say 'tapered'. Local authorities can also use the NFF formula for sparsity. If this is the case then this cell will say 'NFF'.
6. Sparsity distance	0.000000	The sparsity distance is produced by identifying those pupils for whom the school is their nearest eligible school and then calculating the average distance to the second nearest eligible school for these pupils. Distances are calculated using the crow flies distance (in miles) from a pupil's postcode to a school's postcode.

Minimum per pupil funding level

The national funding formula (NFF) provides a minimum per pupil funding value when setting the funding levels for local authorities. These minimum per pupil values have increased for 2020 to 2021.

The calculation of the minimum per pupil funding rate has been simplified to ensure consistency for all schools, including those with non-standard year groups.

The use of the minimum per pupil rate has also been made mandatory, though, in certain circumstances, LAs can apply to change the rate(s) through the 'disapplication' process.

The calculation of the 'test' for any uplift for the minimum per pupil funding has been simplified; the option for the local authority to exclude elements of funding has been removed so that now mobility is always included in the calculation and premises (rates, PFI, split sites for example) always excluded.

To ensure consistency for all schools, including those with non-standard year groups, this year we have simplified the calculation for a school's individual minimum per-pupil levels within the NFF. For all schools, we will now apply the following calculation:

$$((\text{Number of primary year groups } R - Y6 \times \text{£}3,750) + (\text{Number of KS3 year groups } Y7 - Y9 \times \text{£}4,800) + (\text{Number of KS4 year groups } Y10 \text{ \& } Y11 \times \text{£}5,300))$$

divided by Total number of year groups

This calculation will provide per-pupil funding of at least £3,750 for each primary school, and £5,000 for each secondary school with standard structures of seven and five year groups respectively. For middle schools, all-through schools and other schools with a non-standard year group structure this will produce a specific minimum per-pupil value that relates to the number of year groups in each phase.

The total academy SBS allocation (excluding any prior year adjustment) is divided by the funded number on roll (NOR) (reception to year 11) to arrive at the per pupil allocation for comparing with the minimum per pupil funding level. We do not include the rates figure in the calculation for academies as we pay academies separately for national non-domestic rates (NNDR) using the [online claim](#) form.

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

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

calculation. Similarly, where they do not receive a minimum funding level allocation, capping and scaling will not take the budget lower than the minimum per pupil funding level.

Further details are included in the MFG section.

The sparsity factor

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

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

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

Phase	Average year group size fewer than:	Average distance from second nearest school
Primary	21.4 pupils	2 miles or more
Middle	69.2 pupils	2 miles or more
Secondary	120 pupils	3 miles or more
All-through	62.5 pupils	2 miles or more

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

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

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

- pupils present in years 10 and 11

- 350 pupils or fewer
- a sparsity distance of 5 miles or more

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

Table B – minimum funding guarantee (MFG)

Table B sets out how your minimum funding guarantee (MFG) is calculated. The MFG is a protection against changes in per pupil school budget share (SBS) funding between the 2019 to 2020 and 2020 to 2021 academic years. The amount of protection will vary according to the impact of local changes in the funding formula and the effect of these on individual per pupil rates.

In 2020 to 2021, local authorities have the flexibility to set local MFG between +0.5% and +1.84% per pupil in order to offer higher levels of protection locally.

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

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

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

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

Exclusions and adjustments

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

Exclusions

The funding lines automatically excluded from the MFG calculation are:

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

Any additional lump sum funding received in the 2019 to 2020 academic year by academies that amalgamated during the 2018 to 2019 academic year is deducted from the baseline only. Any additional lump sum funding in the 2020 to 2021 academic year for academies amalgamating in 2019 to 2020 is excluded from the 2020 to 2021 MFG budget, but not the baseline.

If local authorities wish to exclude any additional funding lines from the MFG calculation (either the 2019 to 2020 baseline funding or the 2020 to 2021 academic year funding) they must make an exceptional case to ESFA. An example of an approved MFG exclusion is where a school would be receiving split site funding for the first time in the 2020 to 2021 academic year. This exclusion allows the school to receive the full benefit of the additional funding. Similarly, where a school will no longer be operating on a split site in 2020 to 2021 the local authority may wish to exclude the split site funding from the baseline for 2019 to 2020 when calculating the MFG, so that the protection does not include funding for which the school is no longer eligible.

Technical adjustments

Local authorities can make technical adjustments to the 2019 to 2020 baseline to make this comparable with 2020 to 2021 funding in certain exceptional circumstances. These relate to changes in delegation, for example, where a budget was previously funded centrally and is now delegated into the funding formula, or where funding has been moved to the high needs block to commission AP places for schools as well as for the local authority.

Capping and scaling – affordability adjustments

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

For example:

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

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

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

Capping and scaling and MPPFL

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

Similarly, where an academy does not receive a MPPFL allocation, capping and scaling should not take the budget lower than the minimum per pupil funding level.

Sample Table B – academic year 2020 to 2021 minimum funding guarantee

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Line	Value	Calculation	Explanation
1.	£3,097,791.00	From Table A	This is the school budget share shown in your Table A. It is the 2020 to 2021 financial year allocation calculated by the local authority adjusted pro rata for the remainder of the 2020 to 2021 academic year. For academies opening before or on 1 September 2020 this will be equivalent to the full year amount.
2.	£0.00		This is the calculation made by the local authority for the whole 2020 to 2021 financial year. If a local authority has applied capping or scaling then this would appear as a deduction.
3.	665		
4.	665		This shows the total number of pupils being funded.

5.	MFG adjustment – 365 days pro rata	£0.00	= (2 / 365 days x 0 days) x (4 / 3)	This is the total MFG adjustment, proportioned for the number of days your academy is open between 1 September 2020 and the end of the academic year, 31 August 2021. For academies opening before or on 1 September 2020 this will be equivalent to the full year amount.
6.	Adjusted academic year 2020 to 2021 school budget share	£3,097,791.00	= 1 + 5	

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

Table C will only be populated if you are due to receive start-up grant or post-opening grant funding in the 2020 to 2021 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 that is paid in the first year of opening. Part B is a formulaic allocation that is intended to contribute to costs, such as leadership, as a new academy grows towards full capacity. It is paid over 2 years for primary schools and 3 years for secondary schools.

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

Post-opening grant (POG)

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

The first element (resources) is paid each year that the school builds up to capacity for each new pupil expected to be on roll.

The second element (leadership) is paid annually based on the number of year groups that the school will ultimately have that do not yet have pupils. The amount is paid to mainstream schools with pupils aged 5 to 15 each year depending on how many year groups (cohorts) are empty.

Sample Table C – academic year 2020 to 2021 post-opening grant (start-up grant)

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Line	Value	Calculation	Explanation
. Start-up grant part A	£0.00		For academies that opened from April 2013 this is a one-off payment.
2. Start-up grant part B – formulaic allocation	£0.00		The total part B value will be paid in the first 3 years after opening for secondary and the first 2 years after opening for primary academies.
3. Post-opening grant – per pupil resources	£0.00		For free schools, UTCs and studio schools, this is the total of the resource element of the POG.
4. Post-opening grant – leadership diseconomies	£0.00		For free schools, UTCs and studio schools, this is the total of the diseconomies element of the POG.
5. Total post-opening grant (start-up grant) allocation	£0.00	= 1 + 2 + 3 + 4	The sum of SUG or POG elements as applicable.

Table D – pre-16 high needs place funding

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

In 2020 to 2021, pre-16 places at special units/resourced provision occupied by pupils recorded on the school census as sole or dual (main) will be funded at £6,000. Pupils in these places will also attract funding through the mainstream school formula.

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

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

ESFA confirm the number of high needs places in mainstream academies and free schools to fund in 2020 to 2021 as part of the [annual place change notification](#) process.

This provides a base level of funding. Any additional funding above this level (top-up) 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. Further information on [high needs funding arrangements for 2020 to 2021](#) is available.

Sample Table D – academic year 2020 to 2021 pre-16 high needs place funding

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Type		Place numbers	Annual per place unit value	Total pre-16 allocation	Calculation	Explanation
1.	Special unoccupied	0	£10,000.00	£0.00		Place numbers: rolled forward 2019 to 2020 places (or agreed place numbers where a change in place numbers has been requested).
2.	Special occupied	0	£6,000.00	£0.00		Unit value: £6,000 per occupied place, £10,000 per unoccupied place Total allocation = place numbers x unit value
3.	Alternative provision	0	£10,000.00	£0.00		Place numbers: rolled forward 2019 to 2020 places (or agreed place numbers where a change in place numbers has been requested). Unit value: £10,000 per place Total allocation = place numbers x unit value
4.	Total pre-16 high needs allocation			£0.00	= 1 + 2 + 3	Total pre-16 allocation (special) + total pre-16 allocation (alternative provision)

Table E – post-16 high needs place funding

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

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

ESFA confirm the number of high needs places in mainstream academies and free schools to fund in 2020 to 2021 as part of the [annual place change notification](#) process.

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. Further information on [high needs funding arrangements for 2020 to 2021](#) is available.

Sample Table E – academic year 2020 to 2021 post-16 high needs place funding

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Place numbers	Annual per place unit	Total post-16 allocation	Allocation to August 2020	Explanation
2	£6,000.00	£12,000.00	£12,000.00	<p>Place numbers: rolled forward post-16 2019 to 2020 places (or agreed place numbers where a change in place numbers has been requested).</p> <p>Unit value: £6,000</p> <p>Total post-16 allocation = place numbers x unit value</p>
Total post-16 high needs place funding 12 months			£12,000.00	Total post-16 allocation to August 2021

Further information on [high needs funding arrangements for 2020 to 2021](#) is available.

Table F – pupil number matrix

Table F shows the pupil numbers used in each of the calculations. The main sources of pupil numbers are the autumn 2019 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 16 to 19 pupils.

In 2020 to 2021, pupils in designated special units or resourced provision in mainstream academies are included in the calculation of SBS pupil-led factors. These pupils are also funded under the place funding system as described in table D.

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

For census-funded academies, pupil numbers are taken from the autumn 2019 validated [school census](#) using single registration at the school and current **main**-dual registration. However, where the local authority notifies us of variations in school census numbers (through their authority proforma tool, for planned growth or infrastructure changes) then these will be used to calculate your allocation.

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

Sample table F – academic year 2020 to 2021 pupil number matrix

	Reception uplift 1	Primary 2	Secondary 3	Post-16 4	Total	Calculation
School budget share (SBS)	0	0	665	N/A	665	$= 1 + 2 + 3$
Minimum funding guarantee (MFG)	N/A	0	665	N/A	665	$= 2 + 3$

Funding outside the GAG

The previous sections explain the elements that make up your GAG funding. As an academy you will receive other revenue funding that is not part of your GAG. Some non-GAG funding has not been confirmed for 2020 to 2021, this section will be updated as the grants are confirmed. Currently confirmed are:

- [early years funding](#) - paid by the local authority to academies with a nursery class through the early years national funding formula (EYNFF)
- national non-domestic rates (NNDR) - paid on receipt of a claim using an [online form](#) in a single amount outside of the SBS
- [pupil premium](#) - paid in four instalments by ESFA
- high needs top-up funding - paid by the local authority where required. In the case of AP, top-up funding can be paid directly by other schools and academies. Information about the [high needs funding arrangements for 2020 to 2021](#) is available
- [teachers' pay grant](#) - further allocations covering the next financial year will be published in due course
- [T level funding](#) - for providers selected to deliver T Levels in the 2020 to 2021 academic year
- [teachers' pension employer contribution grant](#) – further allocations covering the next financial year will be published in due course

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

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

Risk protection arrangement (RPA)

If you are a member of [RPA](#) any adjustment made to your funding will be shown on your monthly pay schedule. It is not shown on your allocation 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 you will not receive an adjusted allocation statement, but your monthly pay schedule will be reissued. Details of the values for new academies are on the monthly remittance advice notes issued to the academy trust.



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