



Department
for Education

Schools block national funding formula: technical note

September 2017

Contents

Chapter 1: Introduction and overview	5
Introduction	5
Data and modelling approach	6
Chapter 2: Establishing pupil counts and baseline funding for local authority allocations	8
Core schools funding – school level adjusted pupil count and funding baseline	8
APT adjusted pupil count	8
APT adjusted baseline funding	9
New and growing schools – “if full” APT adjusted pupil count and baseline	9
“If full” APT adjusted pupil count	9
“If full” APT adjusted baseline funding	10
Premises factors	10
Mobility factor	11
Growth factor	11
Explicit growth	11
Implicit growth	11
Summary of total schools block baseline	15
Chapter 3: Core schools funding NFF calculation for local authority allocations	16
Basic per pupil funding	16
Additional needs funding	17
Socio-economic deprivation – FSM	18
Socio-economic deprivation – Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)	19
Low prior attainment factor	21
English as an additional language factor	23
Lump sum	24
Sparsity	24
Sparsity weighting	25
Area cost adjustment	26
National funding formula pupil-led unit of funding before applying the minimum per pupil funding and the funding floor	27
National funding formula school-led unit of funding	27

“If full” national funding formula school-led unit of funding	27
Applying the minimum per pupil funding	28
Applying the funding floor	31
Core schools NFF funding – splitting between primary and secondary	34
Chapter 4: Core schools funding transitional protection	35
Core schools transitional protection funding – splitting between primary and secondary	38
Chapter 5: National funding formula allocations to local authorities	39
Baseline funding	39
Provisional funding in 2018-19, based on 2017-18 pupil count	39
Core schools funding – Provisional funding in 2018-19	39
2018-19 actual premises funding	41
2018-19 actual mobility funding	42
2018-19 actual growth funding	42
Total provisional funding in 2018-19	42
2018-19 primary and secondary units of funding – to be used in December 2017 allocations	43
Illustrative funding in 2019-20, based on 2017-18 pupil count	45
Core schools funding – illustrative funding in 2019-20	45
Illustrative 2019-20 premises funding	47
Illustrative 2019-20 mobility funding	48
Illustrative 2019-20 growth funding	48
Total illustrative funding in 2019-20	48
Illustrative funding if the NFF was implement in full and without transition, based on 2017-18 data	49
Core schools funding – illustrative funding if the NFF was implemented in full and without transition	49
Illustrative premises funding if NFF implemented in full and without transition	51
Illustrative mobility funding if NFF implemented in full and without transition	51
Illustrative growth funding if NFF implemented in full and without transition	51
Total illustrative funding if NFF implemented in full and without transition	51
Chapter 6: Calculating school level illustrative allocations	53
How does this affect the calculation?	54

APT or GAG adjusted pupil count	54
APT or GAG adjusted baseline excluding premises and mobility	54
“If full” APT or GAG adjusted baseline excluding premises and mobility	54
APT or GAG premises and mobility	54
Growth funding	55
NFF pupil-led unit of funding (pre minimum per pupil funding and funding floor)	55
NFF school-led unit of funding	55
“If full” school-led unit of funding	55
NFF minimum per pupil unit of funding	55
NFF funding floor	56
Transition on to formula	56
NFF premises and mobility funding	56
What are we publishing at a school level?	57
Annex A: Additional area cost adjustment (ACA) information, calculation of the teacher pay cost adjustment and list of ACA’s at LA level	61
Annex B: New and growing schools	67
Definition of new and growing schools	67
Funding floor calculation for new and growing schools	67
New and growing schools – transition on to formula	70
Annex C –transitional protections worked examples	71

Chapter 1: Introduction and overview

Introduction

- 1.1. This document explains how we have calculated the local authority (LA) level schools block (SB) 2018-19 actual primary and secondary units of funding. It also covers the calculation of the LA and school level provisional 2018-19 total funding and illustrative 2019-20 and national funding formula (NFF) if implemented in full and without transition:
 - a. Chapter 2 sets out how we have defined the baseline pupil count and baseline funding used to apply the transitional protection and understand the impact of the NFF. LAs can see these calculations in NFF COLLECT reports D2 and G.
 - b. Chapter 3 sets out the school level calculation of the NFF pupil-led and school-led units of funding, including the minimum per pupil funding and the funding floor. LAs can see these calculations in NFF COLLECT reports E2 and F2.
 - c. Chapter 4 sets out our approach to the school level transition on to the NFF in 2018-19 and 2019-20. LAs can see these calculations in NFF COLLECT report F2.
 - d. Chapter 5 sets out the LA SB calculation, bringing together school level output from the previous chapters and LA level calculations of the premises, mobility and growth factors. LAs can see these calculations in NFF COLLECT reports H and I.
 - e. Chapter 6 sets out the differences between the data used to calculate LA level SB allocations and the data used to illustrate the impact of the NFF at a school level. LAs and schools can see the calculation behind the school level illustrations in COLLECT report C (individual school summary).
- 1.2. Under the NFF the SB will allocate funding for pupils in Reception to Year 11 in state-funded mainstream schools and academies in England. Special schools, alternative provision, provision in nursery schools and classes, sixth form provision and post-16 only institutions are not funded under this formula. The City of London and Isles of Scilly are also excluded as they will receive a separate education grant covering funding for their schools. We have also excluded the two city technology colleges, who are funded outside of the dedicated schools grant.
- 1.3. We have published two outputs:
 - a. LA level SB 2018-19 primary and secondary units of funding, which will be used to derive the final SB funding for local authorities in December, and an illustration of the impact at LA level of introducing the NFF (provisional in 2018-19, illustrative in 2019-20 and if implemented in full and without transition).

- b. An illustration of the impact of the NFF at school level. This covers notional funding in 2018-19 and illustrative funding for 2019-20 and if the NFF had been implemented in full and without any transitional protection in 2017-18.

Data and modelling approach

- 1.4. To calculate the LA level SB 2018-19 units of funding and illustrative impacts at LA level of the NFF we have used pupil and school characteristics data from the 2017-18 authority proforma tool (APT). To illustrate the impact of the formula on schools for 2018-19, 2019-20 and if the NFF had been implemented in full and without transition we have used data from the 2017-18 APT for LA maintained schools and the 2017/18 general annual grant (GAG) statement for academies and free schools. For LA maintained schools this data will not reflect any changes since March 2017 and for academies and free schools this data will not reflect any changes since May 2017. We want schools and LAs to be able to compare the impact of the proposed formula directly to the funding they receive now. Future funding allocations will be adjusted to take into account of changing pupil numbers and characteristics, so these illustrative allocations should not be taken as firm allocations for any particular year.
- 1.5. We have published two sets of SB illustrative figures, one at LA level and one at school level. The difference between these publications is that the LA units of funding have been calculated using pupil and school characteristics data from the 2017-18 APT only and the school level figures use APT data for LA maintained schools and GAG data for academies. We use APT and GAG data for the school level figures so that schools can recognise their funding baseline. The school level figures are illustrations to help inform schools of the possible impact of the NFF in each year: the actual allocations schools receive will be determined by local authority formulae in 2018-19 and 2019-20.
- 1.6. The 2018-19 units of funding that we have published are based on 2017-18 APT data and use October 2016 census pupil counts, to be consistent with the pupil counts used in allocations currently.
- 1.7. As we have used data from the 2017-18 APT for maintained schools and from the 2017/18 GAG for academies and free schools to illustrate the school level impact of the NFF, the total of the illustrative impact on schools (from the Impact of the schools NFF table) will not match the total of the illustrative LA allocations (from the NFF summary table).
- 1.8. The NFF calculation is split into four components, which this note will refer to as:
 - a. Core schools funding – this makes up the vast majority of the SB. The LA level primary and secondary NFF units of funding will cover core schools funding. Core schools funding covers funding through the:

- i. Pupil-led factors - basic per-pupil, deprivation, low prior attainment, English as an additional language, minimum per pupil funding, funding floor and transitional protections.
 - ii. School-led factors - lump sum, sparsity.
 - iii. The area cost adjustment – this is a multiplier that applies to both pupil-led and school-led factors.
- b. Premises funding – premises funding covers funding through the PFI, split sites, rates and exceptional circumstances factors.
- c. Mobility funding – covers funding through the mobility factor.
- d. Growth funding – this is calculated at LA level using a mix of school and LA level data. It covers funding through the implicit and explicit growth factors.

Chapter 2: Establishing pupil counts and baseline funding for local authority allocations

- 2.1. The national funding formula calculates notional allocations at school level and then aggregates these up to produce local authority level allocations. We use pupil and funding data from the 2017-18 APT for both schools and academies at this point so that the funding is all on a consistent basis. This means the notional allocations for academies which contribute towards the local authority level allocation is based on the APT allocation, not the actual GAG allocation.
- 2.2. This chapter sets out the FY 2017-18 pupil counts and baseline funding used to calculate SB allocations to LAs under the NFF. Chapter 6 sets out how we have separately calculated notional allocations at school level to illustrate the impact of the formula. These published allocations use pupil and funding data from 2017/18 GAG statements for academies and free schools.
- 2.3. In order to calculate the NFF funding floor and transitional protection, we compare the funding schools received in the financial year (FY) to 31 March 2018 to their funding under the NFF, if the formula was implemented in full in FY 2017-18. So that we are comparing like with like, we need to make a number of technical adjustments to FY 2017-18 baselines to take into account changes we are making to the funding system as part of the NFF. These are explained in detail below.

Core schools funding – school level adjusted pupil count and funding baseline

- 2.4. To calculate the school level baseline for the core schools funding for LA illustrative allocations we start from the baselines and pupil counts as recorded on the LA FY 2017-18 APT.

APT adjusted pupil count

- 2.5. For each school we use the total FY 2017-18 number on roll (NOR) from the APT.
- 2.6. If the school has a special unit or resourced provision we add back the pupils in HN places that have been deducted from the FY 2017-18 APT NOR. This is because pupils in HN places in mainstream schools will be funded through the schools NFF in future rather than exclusively through the HN block.
- 2.7. Then we deduct any reception uplift pupils that were recorded on the FY 2017-18 APT NOR as the NFF does not use the reception uplift. Any school that receives funding for the reception uplift in the baseline year will have this funding protected through the funding floor and transitional protection.

APT adjusted baseline funding

- 2.8. For each school, the starting point here is the total FY 2017-18 school block funding from the APT, including any minimum funding guarantee (MFG) funding.
- 2.9. If the school has a special unit or resourced provision we uplift the baseline pupil-led funding (funding that is affected by changes to the total number of pupils) in line with the number of pupils in HN places we are adding back in to the baseline pupil count. We do this by rerunning the FY 2017-18 APT without excluding HN places.
- 2.10. We then remove the FY 2017-18 premises and mobility funding from the school level baselines, because these factors are calculated at an LA level not a school level.
- 2.11. Finally we subtract any core schools one-off funding or funding adjustment for the previous year¹. Again this data comes from either the FY 2017-18 APT or additional information LAs provided as part of the FY 2017-18 baselines exercise. This now provides the 2017-18 basis on a comparable position to the 2017-18 NFF allocations.

New and growing schools – “if full” APT adjusted pupil count and baseline

- 2.12. We want to ensure that new and growing schools are treated in a comparable way to other schools under the NFF. This is relevant for the calculation of the funding floor, where using 2017-18 pupil numbers and baseline funding would either over fund or underfund these schools. To do this we use the “if full” APT adjusted pupil count and baseline for new and growing schools in the calculation of the funding floor (covered in chapter 4). The “if full” pupil count and baseline is the pupil count and funding baseline if the school had been at capacity² in 2017-18 (see Annex B for more details). We define new and growing schools as schools that satisfy **all** of the criteria below:
 - a. The school has opened in the last 7 years,
 - b. The school has at least one empty year group in FY 2017-18 and
 - c. The school’s “if full” pupil count is at least 15 pupils greater than the school’s 2017-18 APT adjusted pupil count.

There are 353 schools on our NFF new and growing schools list.

“If full” APT adjusted pupil count

- 2.13. For each new and growing school we use their at capacity (“if full”) pupil count, based on the 2017/18 published admissions number (PAN). We ran a data check

¹ This one-off funding or funding adjustment for the previous year can be positive or negative.

² We have defined capacity as the AY 2017/18 published admissions number (PAN) multiplied by the number of year groups in a school. This data has been checked with LAs and schools.

earlier in the year to verify the NFF list of new and growing schools and “if full” pupil count. We sent the data to LAs and asked them to check and send an email response either confirming the data was correct or providing corrections. We also sent the data directly to each new and growing academy or free school.

“If full” APT adjusted baseline funding

2.14. For each new and growing school we have calculated their hypothetical “if full” APT adjusted baseline funding. First, we calculated the total “if full” schools block funding by using the 2017-18 APT and the “if full” APT adjusted pupil count rather than the 2017-18 APT pupil count. We have assumed that the additional needs characteristics of a school when full are the same as recorded on the 2017-18 APT. E.g. if 20% of pupils in a new and growing school were eligible for FSM6 funding in 2017-18 then 20% of the “if full” pupil count will be eligible for FSM6 funding. The “if full” baseline is calculated using the same opening/closing proportion as used in the FY 2017-18 APT, so if a school will only be open for 7 months of the FY 2017-18 then their “if full” APT adjusted baseline funding is calculated on the same basis. Since the funding floor is on a per-pupil basis, using the part-year proportion makes no difference to the final per-pupil baseline.

2.15. We then removed the FY 2017-18 premises funding (which does not change in line with pupil number changes) and the “if full” mobility funding from the school level baseline to give the “if full” APT adjusted baseline funding.

Premises factors

2.16. The premises baseline for the LA level illustrative allocations is the total funding each local authority allocated through each premises factor as recorded on the FY 2017-18 APT excluding any one-off funding. The individual funding factors that make up the total premises factor are:

- a. PFI
- b. Split-sites
- c. Rates
- d. Exceptional circumstances

2.17. We start from the total each LA allocated through the premises factors as recorded on the 2017-18 APT and then exclude any one-off funding in FY 2017-18 that LAs allocated through the PFI or other premises factors. We exclude one off funding because we do not want to lock this in to the FY 2017-18 baselines.

Mobility factor

- 2.18. To set the mobility baseline for the LA level illustrative allocations we:
- a. Take the funding the LA allocated to each school through the mobility factor, as recorded on the FY 2017-18 APT.
 - b. Uplift this amount in line with pupils in HN places for any schools with special units or resourced provision.
 - c. Aggregate to calculate a total amount for the LA as a whole.
 - d. The final step is to exclude any one-off funding in FY 2017-18 that LAs allocated through the mobility factor, this is because we do not want to lock any one-off funding in to the FY 2017-18 baselines.

Growth factor

- 2.19. LAs allocate funding to schools to reflect growth in pupil numbers in two ways in their FY 2017-18 APT:
- a. Explicitly through the LA level falling rolls and growth funds.
 - b. Implicitly by adjusting the pupil count used to allocate formula funding in the APT. This can be both upwards adjustments, to reflect significant increases in pupil numbers and downwards adjustments, for example where schools are closing. In this latter case, this presents a saving to the local authority that can be used to fund growth in other schools.
- 2.20. To set the growth baseline for each LA we calculate the funding allocated through both of these methods.

Explicit growth

- 2.21. To set the explicit growth baseline we use the LA level data collected in the FY 2017-18 baselines exercise. The explicit growth baseline is equal to the FY 2017-18 funding allocated to the falling rolls and growth fund. This excludes any one-off funding or funding from outside the DSG in FY 2017-18.

Implicit growth

- 2.22. To estimate the LA level implicit growth baseline we need to use school level data. We estimate the total funding through each school's APT adjusted baseline funding that is due to LAs APT pupil count adjustments. The calculation takes the pupil number difference between the October census and the adjusted APT pupil count and calculates these pupils' share of the pupil-led funding for each school. Figure 2 sets

out the calculation and some examples. These examples cover an all-through school and a school that is due to close in FY 2017-18.

Figure 1 – Implicit growth baseline calculation

Calculation step for each school	Description	Example – school open for full FY	Example – school open for part of FY
1) 2017-18 SB pupil count, split between primary and secondary pupils	We start with the primary and secondary 2017-18 SB pupil count for each school. This pupil count is from the October 2016 school census, does not exclude pupils in HN places in mainstream schools and does not include the reception uplift.	School A is an all-through school and has 210 primary pupils and 750 secondary pupils recorded on the October 2016 school census.	School D is a primary school and has 60 pupils recorded on the October 2016 census.
2) APT adjusted pupil count, total and split between primary and secondary pupils The only difference between 1) and 2) is the LA adjustment to the school's pupil count in the 2017-18 APT. For most schools 1) and 2) will be identical.	We then take the primary and secondary 2017-18 APT adjusted pupil count for each school. This pupil count does not exclude pupils in HN places in mainstream schools, does not include reception uplift pupils and includes any adjustments LAs made to the 2017-18 APT due to expected changes to pupil numbers.	School A's primary APT adjusted pupil count is 240 and secondary APT adjusted pupil count is 900. School A's total APT adjusted pupil count is 1,140.	School D's primary APT adjusted pupil count is 60.
3) APT adjusted pupil count,	We apply the proportion of the FY 2017-18 the	School A is open for the full FY 2017-18,	School D is closing in August

Calculation step for each school	Description	Example – school open for full FY	Example – school open for part of FY
taking account of the proportion of the FY 2017-18 the school is open	<p>school is open to the APT adjusted pupil count.</p> <p>This is so that the net implicit growth takes in to account the proportion of the year the LA needs to fund each school – if a school is closing part way through the FY then the LA makes a saving and can spend that on schools that are growing.</p>	so no change to APT adjusted pupil count.	<p>2017, so is open for 5 months of FY 2017-18.</p> <p>School D's APT adjusted pupil count, taking account of 42% of FY 2017-18 open, is 25.</p>
4) Proportion of primary and secondary pupil-led funding due to implicit growth	<p>The only difference between the primary and secondary pupil counts 1) and 3) is the change, if any, that LAs have made to the APT pupil count and % of FY 2017-18 the school is open.</p> <p>The primary implicit growth proportion is equal to the change between step 1 and step 3 divided by the total 2017-18 APT adjusted pupil count (taking account of the % of FY 2017-18 the school is open).</p> <p>The calculation of secondary implicit growth proportion is the</p>	<p>The difference between the primary schools block and APT adjusted pupil count is 30 pupils.</p> <p>The total APT adjusted pupil count for school A is 1.140, so the APT adjustment to the primary pupil count (30 pupils) makes up 2.6% of the total APT adjusted pupil count.</p> <p>The difference between the secondary schools block and APT adjusted pupil count is 150 pupils. The APT adjustment to the secondary pupil</p>	<p>The difference between the primary schools block and APT adjusted pupil count is -35, the LA reduces the number of pupils in school D.</p> <p>As the total APT adjusted pupil count for school D is 25, a reduction of 35 pupils is equivalent to -140.0% of the total APT adjusted pupil count.</p>

Calculation step for each school	Description	Example – school open for full FY	Example – school open for part of FY
	same, but refers to secondary pupil data rather than primary pupil data.	count (150 pupils) makes up 13.2% of the total APT adjusted pupil count. (150 divided by 1,140.)	
5) Pupil-led baseline (APT only) a) Total APT adjusted baseline funding (APT only, definition set out in chapter 3) b) APT adjusted school-led baseline funding (APT only)	To work out the pupil-led baseline funding we start with the total APT adjusted baseline funding. We need to deduct any school-led funding from the total baseline as changes to pupil numbers only affect pupil-led funding. We class school-led funding as funding through the lump sum and sparsity factors.	School A has total APT adjusted baseline funding of £4,920,000. The total school-led baseline is £150,000 (baseline lump sum and sparsity funding) and the total pupil-led baseline is £4,770,000.	School D has total APT adjusted baseline funding of £132,083. The total school-led baseline is £52,083 (baseline lump sum and sparsity funding) and the total pupil-led baseline is £80,000.
6) School contribution to LA net implicit growth baseline	The estimate of each school's primary and secondary contribution to the LA net implicit growth baseline is the pupil-led baseline multiplied by the primary and secondary proportion of funding due to implicit growth.	School A's primary contribution is £125,526, this is 2.6% of £4,770,000. School A's secondary contribution is £627,631, this is 13.2% of £4,770,000.	School D's primary contribution is -£112,000, this is -140.0% of £80,000. This is a large amount because in effect the LA is making a saving of 7/12 th of the pupil-led funding
7) Primary and secondary net	The LA level primary and secondary net		

Calculation step for each school	Description	Example – school open for full FY	Example – school open for part of FY
implicit growth baseline at local authority level	implicit growth baseline is an aggregate of each school's contribution to the primary and secondary net implicit growth baseline.		

2.23. The total growth baseline for each LA is the sum of the explicit and implicit growth baselines.

Summary of total schools block baseline

2.24. The total LA SB baseline is equal to the 2017-18 SB baseline from the baselines exercise plus a £91 million transfer from the HN block to the SB. This transfer covers the increase in the number of pupils receiving funding through the SB under the NFF because there will no longer be a deduction to the school's pupil count for pupils in HN places.

2.25. We can split this total baseline into the 4 components:

- a. Core schools funding baseline: take the APT adjusted baseline for each school and deduct the implicit growth baselines, set out above in chapter 2. Aggregate up to LA level.
- b. Premises factors baseline: baseline set out above in chapter 2.
- c. Mobility factor baseline: baseline as set out above in chapter 2.
- d. Growth factor baseline: baseline as set out above in chapter 2.

Chapter 3: Core schools funding NFF calculation for local authority allocations

- 3.1. We set out each component of the SB NFF that is calculated at a school level in this chapter. We use pupil and school characteristics data to calculate the NFF pupil-led and school-led units of funding, the minimum per pupil funding and the funding floor. We use either data from the APT or GAG, as in the baselines approach, depending on whether we are calculating LA allocations or the illustrative impact on schools. This chapter sets out the calculation of core schools funding for LA allocations.
- 3.2. Core schools funding covers funding through the NFF that is calculated at a school level. Through the core schools funding calculation we produce a NFF primary and secondary per pupil unit of funding for each LA.
- 3.3. The NFF core schools funding covers funding through the basic per pupil, deprivation, low prior attainment (LPA), English as an additional language (EAL), lump sum, and sparsity factors. The area cost adjustment (ACA) is also applied to uplift funding in line with local wage costs and the minimum per pupil funding and the funding floor are applied to ensure that all school's attract at least the minimum level of per pupil funding through the formula and that all schools attract at least a 1% increase compared to their pupil-led baseline by 2019-20.

Basic per pupil funding

Figure 2: Basic per pupil funding factors

Factor	Unit value	Eligibility
Primary age basic per pupil funding	£2,746.99	Each pupil on the school roll in year groups from reception to year 6 inclusive. The primary APT adjusted pupil count is based on data from the 2017-18 APT with adjustments to include pupils in HN places and exclude reception uplift.
Key stage 3 (KS3) basic per pupil funding	£3,862.65	Each pupil on the school roll in year groups from year 7 to year 9 inclusive. The KS3 APT adjusted pupil count is based on data from the 2017-18 APT with adjustments to include pupils in HN places.

Factor	Unit value	Eligibility
Key stage 4 (KS4) basic per pupil funding	£4,385.81	Each pupil on the school roll in year groups from year 10 to year 11 inclusive. The KS4 APT adjusted pupil count is based on data from the 2017-18 APT with adjustments to include pupils in HN places.

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

- 3.4. The total through the basic per pupil funding factor is equal to:
- a. Primary basic per pupil amount multiplied by the primary APT adjusted pupil count plus
 - b. KS3 basic per pupil amount multiplied by the KS3 APT adjusted pupil count plus
 - c. KS4 basic per pupil amount multiplied by the KS4 APT adjusted pupil count

Additional needs funding

- 3.5. The additional needs factors allocate funding to schools on the basis of the number of pupils who have particular characteristics. For each factor, schools receive a unit of funding per eligible pupil. The number of eligible pupils is worked out by calculating the proportion of pupils in the school who are eligible for each factor, and then applying this proportion to the APT adjusted pupil count. This step is necessary to ensure the changes to the pupil numbers due to the HN places and reception uplift policy changes feed through into the various proxy additional needs factors.
- 3.6. The proportion of pupils eligible for each factor only takes account of pupils for whom we have data. We assume that pupils with missing characteristics data are eligible at the same rate as all other pupils. This is the same methodology as LAs currently use to allocate funding to schools. E.g.
- a. School B has 400 pupils but only 380 have valid data returns for free school meal (FSM) eligibility.
 - b. Of the 380 pupils with valid FSM data, 95 are claiming FSM. Therefore the proportion of pupils eligible for funding through the FSM factor is 25% (95 divided by 380).
 - c. The total number of eligible pupils is calculated by multiplying the total pupil count, 400, by the school's proportion of FSM eligible pupils, 25%. Therefore School B receives funding through the FSM factor for 100 pupils.

3.7. The additional needs factors are additive so pupils attract funding for all qualifying factors. Thus a pupil currently eligible for FSM will attract the FSM unit value and the FSM6 unit value.

Socio-economic deprivation – FSM

Figure 3: FSM funding factors

Factor	Unit value	Eligibility
Primary FSM	£440	<p>Schools receive funding for all FSM eligible primary pupils through this factor.</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM eligible primary pupils from the 2017-18 APT and multiplying by the primary APT adjusted pupil count.</p>
Secondary FSM	£440	<p>Schools receive funding for all FSM eligible secondary pupils through this factor.</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM eligible secondary pupils from the 2017-18 APT and multiplying by the secondary APT adjusted pupil count (KS3 APT adjusted pupil count plus KS4 APT adjusted pupil count).</p>
Primary FSM6	£540	<p>Schools receive funding for all primary pupils who have been recorded as eligible for FSM at any time in the last six years (FSM6) through this factor. (This includes all primary pupils who are currently eligible for FSM.)</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM6 eligible primary pupils from the 2017-18 APT and multiplying by the primary APT adjusted pupil count.</p>

Factor	Unit value	Eligibility
Secondary FSM6	£785	<p>Schools receive funding for all secondary pupils who have been recorded as eligible for FSM at any time in the last six years (FSM6) through this factor. (This includes all secondary pupils who are currently eligible for FSM.)</p> <p>We calculate the total number of eligible pupils by taking the proportion of FSM6 eligible secondary pupils from the 2017-18 APT and multiplying by the secondary APT adjusted pupil count.</p>

Figure 3: This table shows the FSM funding factors, their unit value and the eligibility criteria for each factor.

Socio-economic deprivation – Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)³

3.8. The IDACI element of the deprivation factor is based on the IDACI dataset which is published by the Department for Communities and Local Government. IDACI is a relative measure of socio-economic deprivation: an IDACI ‘score’ is calculated for a lower super output area (LSOA, an area with about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing socio-economic deprivation.

3.9. The Department for Education applies a ‘banding’ methodology to enable the IDACI data to be used for school funding purposes. IDACI scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation. We match IDACI data to pupils’ home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school. The amount of IDACI funding received by a school depends on the IDACI scores of each pupil.

3.10. We have matched the 2015 IDACI data (the most recent update to the IDACI dataset) to pupil data from the October 2016 school census, on the basis of the LSOA of the pupil’s home address. The national funding formula IDACI bands (also to be

³ Department for Communities and Local Government, [‘English indices of deprivation 2015’](#), September 2015

used by local authorities to allocate funding through IDACI in 2018-19) are set out in figure 4.

Figure 4: National funding formula IDACI bands – using pupil level data from the October 2016 schools census

National funding formula IDACI bands		
IDACI score	Band	% pupils
Between 0.5 and 1	A	3%
Between 0.4 and 0.5	B	8%
Between 0.35 and 0.4	C	7%
Between 0.3 and 0.35	D	8%
Between 0.25 and 0.3	E	9%
Between 0.2 and 0.25	F	10%
Less than 0.2	G	55%

Figure 5: IDACI funding factors

Factor	Unit value	Eligibility
Primary IDACI band A	£575	We calculate the total number of eligible pupils for funding through each IDACI band by working out the proportion of IDACI band “x” eligible primary pupils for the relevant band, using October 2016 school census data, and multiplying by the primary APT adjusted pupil count.
Primary IDACI band B	£420	
Primary IDACI band C	£390	
Primary IDACI band D	£360	

Factor	Unit value	Eligibility
Primary IDACI band E	£240	We calculate the total number of eligible pupils for funding through each IDACI band by working out the proportion of IDACI band “x” eligible secondary pupils for the relevant band, using October 2016 school census data, and multiplying by the secondary APT adjusted pupil count.
Primary IDACI band F	£200	
Secondary IDACI band A	£810	
Secondary IDACI band B	£600	
Secondary IDACI band C	£560	
Secondary IDACI band D	£515	
Secondary IDACI band E	£390	
Secondary IDACI band F	£290	

Figure 5: This table shows the IDACI funding factors, their unit value and the eligibility criteria for each factor. We do not allocate funding through IDACI band G.

Low prior attainment factor

3.11. We use early years foundation stage profile (EYFSP) and key stage 2 (KS2) attainment data to work out how many pupils are eligible for funding through the LPA factor. As for other factors we use data for these factors as recorded by LAs in the 2017-18 APT.

Figure 6: LPA funding factors

Factor	Unit value	Eligibility
Primary LPA	£1,050	<p>Schools receive funding for all primary pupils who did not reach the expected level of development at foundation stage through this factor.</p> <p>The number of pupils attracting primary LPA funding has to be calculated in a special way because younger pupils have been tested in a different way to older pupils and because we do not have LPA data for pupils in Reception.</p> <p>We calculate the total number of eligible pupils by</p> <ol style="list-style-type: none"> 1. taking the proportion of LPA eligible primary pupils in years 1 to 4 (pupils who did not achieve the expected level of development in the new EYFSP) from the 2017-18 APT and multiplying by the Y1 –Y4 APT adjusted pupil count <p>then</p> <ol style="list-style-type: none"> 2. taking the proportion of LPA eligible primary pupils in years 5 to 6 (pupils who achieved fewer than 78 points in the old EYFSP) from the 2017-18 APT and multiplying by the Y5-Y6 APT adjusted pupil count <p>then summing 1 and 2 and dividing by the Y1-6 APT adjusted pupil count, to give the proportion of LPA eligible primary pupils</p> <p>and finally, multiplying this proportion by the primary APT adjusted pupil count, which includes pupils in Reception.</p>
Secondary LPA	£1,550	<p>Schools receive funding for all secondary pupils who did not achieve the expected level at key stage 2 in one or more of reading or writing or mathematics through this factor.</p>

Factor	Unit value	Eligibility
		We calculate the total number of eligible pupils by taking the proportion of LPA eligible secondary pupils from the 2017-18 APT and multiplying by the secondary APT adjusted pupil count.

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

English as an additional language factor

3.12. The pupils eligible for funding through the national funding formula EAL factor are pupils recorded on the census as having entered state education in England during the last three years, and having been exposed to a mother tongue other than English (EAL3).

Figure 7: EAL funding factors

Factor	Unit value	Eligibility
Primary EAL	£515	Schools receive funding for all EAL eligible primary pupils through this factor. We calculate the total number of eligible pupils by taking the proportion of EAL eligible primary pupils from the 2017-18 APT and multiplying by the primary APT adjusted pupil count.
Secondary EAL	£1,385	Schools receive funding for all EAL eligible secondary pupils through this factor. We calculate the total number of eligible pupils by taking the proportion of EAL eligible secondary pupils from the 2017-18 APT and multiplying by the secondary APT adjusted pupil count.

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

Lump sum

3.13. Each school receives a lump sum, irrespective of size.

Figure 8: Lump sum funding factor

Factor	Unit value	Eligibility
Lump sum	£110,000	All schools receive this lump sum - we do not differentiate funding by phase.

Figure 8: This table shows the lump sum funding factor, the unit value and the eligibility criteria for the factor.

Sparsity

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

Figure 9: Sparsity funding factor

Factor	Unit value
Primary sparsity	£0 - £25,000
Secondary sparsity	£0 - £65,000

Figure 9: This table shows the sparsity funding factors and the unit values.

3.15. To decide if a school is eligible for sparsity funding we use the same criteria as currently recommended by the department for use in LA SB funding formulae, and sparsity distance and year group data from the 2017-18 APT⁴. A school is eligible for sparsity funding if:

- a. For all the pupils for whom it is the nearest compatible school, the average straight-line distance from the pupil's homes to the second nearest compatible school (the sparsity distance) is more than three miles (for secondary schools) or two miles (for all other schools), and
- b. The average year group size (APT adjusted pupil count divided by number of year groups) is below the year group threshold. This is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools.

⁴ In the rare case that there is no year group data for a school on the 2017-18 APT, we assume the school is not eligible for sparsity funding.

3.16. We have set a maximum sparsity sum that schools can receive through the sparsity factor. We taper this sparsity sum using the school's sparsity weighting, so that as the average year group size approaches the threshold sparsity funding decreases. Sparse schools with a greater number of pupils receive less funding than smaller sparse schools.

Sparsity weighting

3.17. We calculate a sparsity weighting for each school that is eligible for sparsity funding. This sparsity weighting sets the proportion of the sparsity sum that each sparse school is eligible for.

3.18. The sparsity weighting for schools with an average year group size of less than half the year group threshold is 100%. These sparse schools receive the full sparsity sum.

3.19. The sparsity weighting for sparse schools with an average year group size of above half the year group threshold is calculated as follows:

$$S = \left(1 - \frac{A - T/2}{T/2}\right), \text{ where } T/2 \leq A < T$$

Where

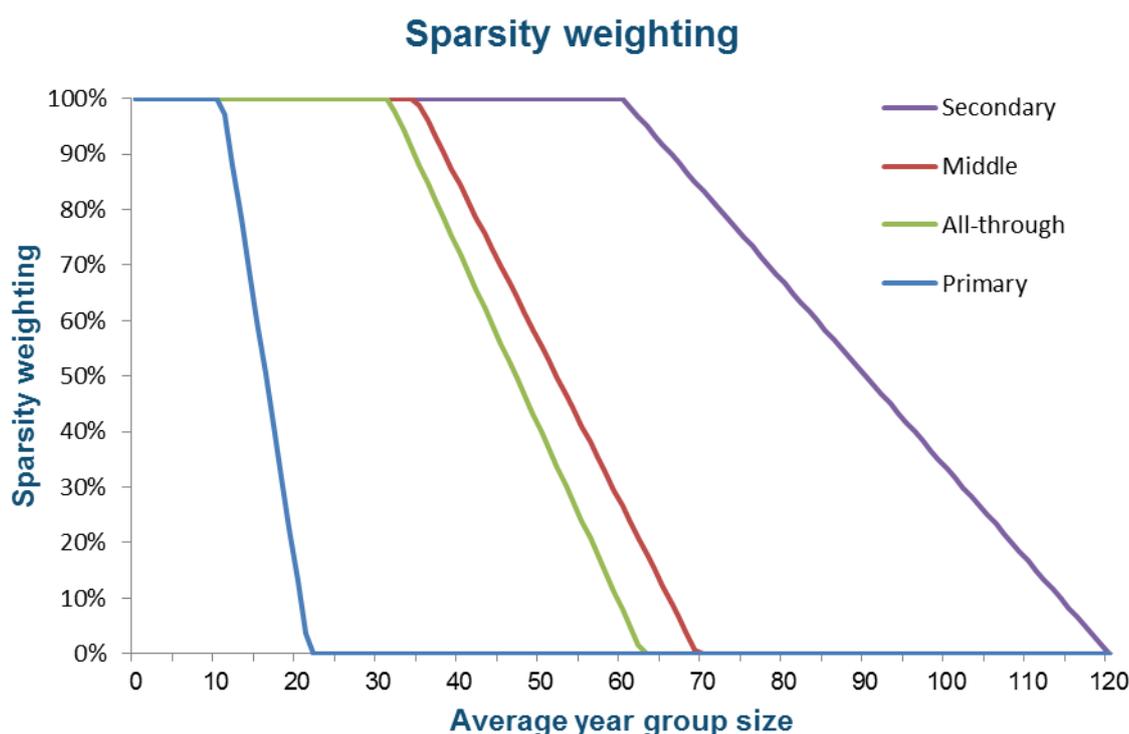
S is the sparsity weighting

A is the average year group size of the school

T is the year group threshold

3.20. The sparsity weighting for primary, middle, secondary and all-through schools will receive is set out in figure 10 below.

Figure 10 – Sparsity weighting



Area cost adjustment

3.21. The NFF includes an area cost adjustment to reflect the variation in labour market costs. We use the 'hybrid' methodology for the ACA, which takes into account variation in both the general labour market (GLM) and the teacher labour market.

3.22. The SB NFF ACA calculation is largely the same as that used to calculate the 2015-16 minimum funding levels hybrid ACA with the following methodological changes:

- a. Pay data for unqualified and part-time teachers is now reliable enough to be included.
- b. The weightings of the teacher and non-teacher elements of the ACA are now based on expenditure in mainstream schools only, excluding nursery and special schools⁵.
- c. Expenditure data for academies is included in the calculation of the teacher and non-teacher weightings.

⁵ The ACA used in the HN NFF weights the teacher and non-teacher elements based on expenditure in special schools.

- 3.23. The SB NFF ACA is a combination of:
- a. The teacher pay cost adjustment, an element to reflect the differences in the basic pay ranges between the four regional pay bands for teachers⁶ and
 - b. The GLM cost adjustment, an element to reflect geographical variation in wage costs for non-teaching staff.
- 3.24. The SB NFF ACA is calculated for each district by:
- a. Weighting the relevant teachers specific cost adjustment in line with the national proportion of spend on teaching staff (52.4%).
 - b. Weighting the relevant GLM labour cost adjustment in line with the national proportion of spend on non-teaching staff (27.1%).

National funding formula pupil-led unit of funding before applying the minimum per pupil funding and the funding floor

- 3.25. We calculate the NFF pupil-led unit of funding (pre minimum per pupil and funding floor) for each school by:
- a. Adding together the total funding through each pupil-led factor (basic per pupil, deprivation, LPA and EAL).
 - b. Uplifting in line with the school's ACA.
 - c. Dividing by the schools total APT adjusted pupil count.

National funding formula school-led unit of funding

- 3.26. We calculate the NFF school-led unit of funding for each school by:
- a. Adding together the total funding through each school-led factor (lump sum and sparsity).
 - b. Uplifting in line with the school's ACA.

“If full” national funding formula school-led unit of funding

- 3.27. We also need to calculate the “if full” NFF school-led unit of funding for new and growing schools – this is because we use “if full” data to calculate the funding floor

⁶ For more information on the calculation of the teacher pay cost adjustment please see Annex A.

baseline for new and growing schools and the NFF school-led unit of funding forms part of this calculation (full details set out in the funding floor section).

3.28. The sparsity part of the “if full” NFF school-led unit of funding differs from the NFF school-led unit of funding in two ways:

- a. It is based on “if full” pupil count rather than the APT adjusted pupil count.
- b. It is based on “if full” number of year groups rather than 2017-18 number of year groups.

3.29. Once the “if full” sparsity factor has been calculated, using the methodology set out above, we add in the lump sum factor and uplift in line with the school’s ACA. This gives the “if full” NFF school-led unit of funding.

Applying the minimum per pupil funding

3.30. The NFF includes a minimum per pupil funding factor, which sets a minimum per pupil funding any school will attract through the NFF. This minimum refers to the level of per pupil funding schools attract through the NFF. It differs from the funding floor which provides a minimum increase over individual school baselines. The funding floor is set out in section 3.32. The 2019-20 minimum per pupil funding levels for different types of schools are set out in Figure 11 below.

Figure 11 – minimum per pupil funding levels

School phase	2019-20 minimum per pupil funding level
Primary school	£3,500
Secondary school	£4,800
All-through school	£4,042 A weighted average of the primary and secondary minimum per pupil funding levels that applies to every all-through school. The calculation is (£3,500 x 7) + (£4,800 x 5) Divided by 12
Middle schools	Minimum per pupil funding level depends on the year groups in each school.

School phase	2019-20 minimum per pupil funding level
	<p>If the school does not have any KS4 year groups then the calculation is</p> <p>$(£3,500 \times \text{number of primary year groups}) + (£4,200 \times \text{number of secondary year groups})$</p> <p>Divided by total number of year groups</p> <p>If the school has KS4 year groups then the calculation is</p> <p>$(£3,500 \times \text{number of primary year groups}) + (£4,800 \times \text{number of secondary year groups})$</p> <p>Divided by total number of year groups</p>

3.31. To calculate whether a school attracts additional funding as a result of the minimum per pupil factor we compare the minimum per pupil funding levels to the NFF per pupil funding before the minimum per pupil funding levels and funding floor are applied. The calculations of the per pupil NFF funding (pre minimum per pupil and funding floor) and the funding through the minimum per pupil funding levels are set out in Figure 12.

Figure 12 – calculation of the minimum per pupil funding factor for use in local authority allocations

Calculation step	Description	Example
1) NFF pupil-led funding (pre minimum per pupil factor and funding floor)	We start with the NFF pupil-led funding before applying the minimum per pupil funding or funding floor.	Secondary school B's NFF pupil-led funding (pre minimum per pupil factor and funding floor) is £4,500 per pupil.
2) NFF school-led funding	We need to add together the total funding through the NFF pupil-led and school-led factors to calculate total NFF funding (pre minimum per pupil factor and funding floor).	The NFF school-led funding for school B is £110,000.
3) APT adjusted pupil count	We use this to calculate the per pupil funding for the minimum per pupil funding factor calculation.	School B has total APT adjusted pupil count of 1,200.

Calculation step	Description	Example
4) NFF per pupil funding used for the minimum per pupil funding calculation	<p>The per pupil NFF funding (pre minimum per pupil factor and funding floor) is equal to:</p> <p>NFF pupil-led funding (pre minimum per pupil factor and funding floor) (step 1)</p> <p>Multiplied by APT adjusted pupil count (step 3)</p> <p>Plus NFF school-led funding (step 2)</p> <p>Divided by APT adjusted pupil count</p>	<p>School B's per pupil NFF funding (pre minimum per pupil factor and funding floor) is equal to</p> <p>£4,500 multiplied by 1,200 (£5,400,000), plus £110,000 (£5,510,000)</p> <p>divided by 1,200, which equals £4,592.</p>
5) School's individual minimum per pupil funding level	The calculation of the minimum per pupil funding level for each school is set out in Figure 11.	School B is a secondary school the so minimum per pupil funding level is £4,800.
6) Does the school receive funding through the minimum per pupil funding factor?	If a school's per pupil NFF funding (pre minimum per pupil and funding floor) is less than the school's individual minimum per pupil funding level than the school receives funding through the minimum per pupil funding factor.	<p>School B's per pupil NFF funding (pre minimum per pupil factor and funding floor) is £4,592.</p> <p>This is less than school B's individual minimum per pupil funding level , £4,800, so the school receives a funding uplift through the minimum per pupil funding factor.</p> <p>This is equal to £208 per pupil (£4,800 - £4,592).</p>
7) NFF per pupil funding (post minimum per pupil but pre funding floor)	The NFF per pupil funding post minimum per pupil but pre funding floor is calculated by adding any per pupil funding through the minimum per pupil funding factor (step 6) to the NFF per pupil funding from step	School B is open for the full financial year. The NFF per pupil funding (post minimum per pupil but pre funding floor) is £4,592

Calculation step	Description	Example
	4 and multiplying by the proportion of the financial year each school is open.	plus £208 multiplied by 100%, £4,800.
8) NFF pupil-led funding (post minimum per pupil but pre funding floor)	<p>We also need to calculate the NFF pupil-led funding, a per pupil unit of funding that excludes the school-led factors, to use in the funding floor calculation.</p> <p>We take the NFF pupil-led funding (pre minimum per pupil and funding floor) from step 1, add the per pupil funding through the minimum per pupil funding factor from step 6 and multiply by the proportion of the financial year each school is open.</p>	<p>School B's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £4,500 plus £208 multiplied by 100%, £4,708.</p> <p>This excludes NFF school-led funding.</p>

Applying the funding floor

3.32. The NFF includes a funding floor which ensures all schools see a minimum gain of 1% above their baseline pupil-led funding by 2019-20. Through this factor we set a minimum funding allocation for each school which refers to their funding baseline.

3.33. To calculate whether a school attracts additional funding as a result of the floor (to ensure that their funding is at least 1% greater than the baseline funding as a result of this formula) we look at the changes between each school's funding floor baseline (per pupil) and NFF pupil-led funding after the minimum per pupil funding levels have been applied.). We take account of changes to a school's pupil and school-led funding only in the funding floor calculation – premises, mobility and growth funding will be allocated and protected at LA level.

3.34. Each schools' funding floor baseline (per pupil) is calculated by taking the total APT adjusted baselines described in 2.11 and subtracting the NFF school-led funding. This parallels the established MFG methodology and ensures i) that the NFF school-led funding does not go up and down with future pupil number changes and ii) that the change in the school-led funding between the baseline year and the NFF is protected by the funding floor calculation.

3.35. We use APT data for all schools in our calculation of the funding floor for use in LA allocations. Figure 13 sets out the funding floor calculation and some worked examples. The funding floor for new and growing schools is based on "if full" data

rather than 2017-18 data – this ensures that the funding floor is calculated referring to the “steady state” position of each school, so all schools are treated in the same way.

Figure 13 – calculation of the NFF funding floor for use in local authority allocations

Calculation step	Description	Example – all other schools	Example – new and growing
1) Is the school new and growing?	We need to use different input data for new and growing schools (defined in chapter 2).	No, school A is an all-through school that is not new and growing.	Yes, school C is a new and growing primary school.
2) Total baseline funding	We start with the total baseline, “if full” for new and growing schools and APT adjusted for all other schools.	School A’s APT adjusted baseline is £4,920,000.	School C’s “if full” adjusted baseline is £1,610,000.
3) NFF school-led unit of funding	The baseline for the funding floor calculation excludes NFF school-led funding. We use “if full” output for new and growing schools. We also take account of the proportion of the FY the school is open.	School A is open for 100% of the FY, school A’s NFF school-led funding is £110,000 x 100%, £110,000.	School C is open for 100% of the FY, school C’s “if full” NFF school-led funding is £110,000 x 100%, £110,000.
4) Pupil count	The funding floor calculation is on a per pupil basis. We use “if full” pupil count for new and growing schools and the APT adjusted pupil count for all other schools.	School A’s APT adjusted pupil count is 1,140.	School C’s “if full” pupil count is 420.
5) Funding floor baseline	The baseline for the funding floor is calculated by: Taking the total baseline funding (step 2)	School A’s funding floor baseline is £4,219. This is £4,920,000 minus £110,000	School C’s funding floor baseline is £3,571. This is £1,610,000 minus £110,000

Calculation step	Description	Example – all other schools	Example – new and growing
	<p>Subtracting NFF school-led unit of funding (step 3)</p> <p>And dividing by the pupil count (step 4).</p>	(£4,810,000) divided by 1,140 (£4,219).	(£1,500,000) divided by 420 (£3,571).
6) Minimum gain by 2019-20	<p>The minimum gain for any school by 2019-20 is a 1% increase on their funding floor baseline.</p> <p>To check that each school will see at least a 1% gain by 2019-20 we uplift the baseline for the funding floor by 1%.</p>	School A's NFF pupil-led funding needs to be at least 1% greater than the funding floor baseline – this is £4,261.	School C's NFF pupil-led funding needs to be at least 1% greater than the funding floor baseline – this is £3,607.
7) NFF pupil-led funding (<u>post minimum per pupil but pre funding floor</u>), set out in figure 12	For all schools we use the NFF pupil-led unit of funding based on 2017-18 APT data – this is the funding through the formula including the minimum per pupil funding level and excluding NFF school-led funding.	School A's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £4,147.	School C's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £3,550.
8) How much funding will the school receive through the NFF funding floor factor?	<p>We check that each school's NFF pupil-led funding (post minimum per pupil but pre funding floor) (step 7) delivers the minimum gain by 2019-20 (step 6).</p> <p>If the NFF pupil-led unit of funding is not at least 1% greater than the funding floor baseline then the school receives</p>	School A's NFF pupil-led funding (post minimum per pupil but pre funding floor) of £4,147 is less than 1% uplift to the funding floor baseline (£4,261) so school A gets £114 per pupil through the funding floor factor.	School C's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £3,550 which is less than £3,607 - 1% uplift to the funding floor baseline – so school C gets £57 per pupil through the funding floor factor.

Calculation step	Description	Example – all other schools	Example – new and growing
	funding through the funding floor factor.		
9) NFF pupil-led funding (post minimum per pupil and funding floor)	This is equal to: NFF pupil-led funding (post minimum per pupil but pre funding floor) (step 7) Plus NFF funding floor per pupil (step 8).	School A's NFF pupil-led funding (post minimum per pupil and funding floor) is £4,261, this is £4,147 plus £114.	School C's NFF pupil-led funding (post minimum per pupil and funding floor) is £3,607, this is £3,550 plus £57.

Core schools NFF funding – splitting between primary and secondary

3.36. To calculate the LA level primary and secondary per pupil units of funding for the schools block NFF LA allocations we need to split core schools funding between primary funding and secondary funding. To calculate this split:

- a. First, we split all funding through the basic per pupil, deprivation, low prior attainment and EAL factors (including ACA uplift) based on the pupil count for individual factors— all funding for primary pupils is classed as primary funding, all funding for secondary pupils is classed as secondary funding.
- b. Then, we split all funding through the school-led factors based on the pupil number split. So if an all-through school has 1,210 pupils, 210 of whom are primary and 1,000 of whom are secondary, we split the school-led funding in to 17% primary funding and 83% secondary funding.
- c. Finally, we split any extra funding through the minimum per pupil funding and funding floor factors based on the pupil split. So if a middle-school receives £100 per pupil through the funding floor and there are 180 primary pupils and 120 secondary pupils in the school, the primary funding will equal £100 multiplied by 180 (£18,000) and the secondary funding will equal £100 multiplied by 120 (£12,000).

Chapter 4: Core schools funding transitional protection

- 4.1. Chapter 3 covers the school level calculations that are used to illustrate the NFF funding for local authorities if the NFF was implemented in full and without transition. To calculate provisional allocations for 2018-19 and illustrative allocations for 2019-20, we apply transitional protections at a school level. These cover the core schools funding only since funding for premises, mobility and growth are based on 2017-18 figures and thus need no transitional protection. LA allocations in each year will be based on the aggregate school level allocations after the transitional protections DfE sets.
- 4.2. There are two parts to the transitional protection:
- a. The first is the gains cap, this is similar to the current transitional protection used by LAs in their SB funding allocations.. Gains for underfunded schools will be capped at 3% in 2018-19 and a further 3% in 2019-20.
 - b. The second is the minimum per pupil funding level, this is applied after the gains cap. We have set a transitional minimum per pupil funding level for 2018-19, which is £200 less than the 2019-20 minimum per pupil funding level set out in Figure 11.
- 4.3. We split schools into three groups when applying the gains cap:
- a. Group 1 – new and growing schools. We will not apply a gains cap to new and growing schools. The NFF pupil-led funding for some new and growing schools is below their transitional protection baseline (due to an inflated baseline lump sum per pupil whilst the school is still filling up, more details in Annex B). We apply the minimum funding guarantee (MFG) of -1.5% to these schools.
 - b. Group 2 - schools on the 1% funding floor. The 2018-19 funding for these schools will be at least 0.5% higher than their 2017-18 baseline.
 - c. Group 3 – schools gaining more than 1% under the NFF⁷, these schools will see a maximum gain of either 3% of their baseline funding or 20% of their remaining gains in 2018-19.
- 4.4. We have calculated illustrative allocations for 2018-19 and 2019-20, so have calculated transitional protections for two years. As with the calculation of the funding floor and the existing MFG approach, the gains cap calculation is based on the pupil-led funding including the change in the school-led funding. In other words, the NFF

⁷ Including any schools with a negative transitional protection baseline.

school-led funding is excluded to ensure that this does not change in line with pupil numbers in future years.

4.5. Figure 14 sets out the transitional protection calculation steps, please see Annex C for detailed worked examples.

Figure 14 – overview of the transitional protection calculation

Calculation step	Details
1) Establish the transitional protection baseline per pupil	This baseline is calculated in a similar way to the existing MFG transitional protection baseline. The per pupil baseline covers baseline pupil-led funding and the change in school-led funding, NFF school-led funding is excluded to ensure this does not changing in line with puil numbers.
2) Establish the change between the transitional protection baseline and NFF pupil-led funding if implemented in full without transition	The transitional protections calculation refers to two stages of the NFF: <ul style="list-style-type: none"> a) Before the funding floor is applied – we refer to the percentage change pre funding floor to calculate the 2018-19 gain for school’s in group 2. b) After the funding floor is applied –the percentage change if the NFF was implemented in full without transtion.
3) Split schools between groups	As set out in 4.3, the speed at which school’s transition on to the NFF depends on which group a school is in: <ul style="list-style-type: none"> a) Group 1 – NFF new and growing schools (defined in 2.12) b) Group 2 – schools receiving funding through the funding floor c) Group 3 – all other schools that are gaining compared to the transitional protection baseline
4) Group 1 – new and growing schools where NFF pupil-led funding is above the transitional protection baseline	New and growing schools (as defined in 2.12) that gain funding under the NFF (compared to their transitional protection baseline) move directly on to formula – the gains cap does not apply to new and growing schools.
5) Group 1 - new and growing schools where NFF pupil-led funding is	New and growing schools (as defined in 2.12) that lose funding under the NFF (compared to their transitional

Calculation step	Details
below the transitional protection baseline	protection baseline) are protected under the MFG. These schools cannot lose more than 1.5% per pupil each year.
6) Group 2 – schools receiving funding through the funding floor	<p>Schools receiving funding through the funding floor see an increase of between 0.5% and 1% in 2018-19.</p> <p>If a school's change in funding before the funding floor is applied is greater than 0.5%⁸ then the school receives this gain in 2018-19.</p> <p>We also check that each school's funding per pupil is above the relevant minimum per pupil funding level and allocate additional funding if required.</p>
7) Group 3 – all other gaining schools	<p>If the change between the transitional protection baseline and the NFF pupil-led funding is an increase of 3% or below then schools move directly on to formula.</p> <p>If schools are still due to gain over 3% then they receive the maximum of either:</p> <ul style="list-style-type: none"> a) 3% gain on their transitional protection baseline or b) 20% of their remaining gains <p>So, if a school was still due to receive a 10% increase in funding then they would receive a), 3% gain on their transitional protection baseline, as this is greater than b), 20% of 10% = 2%.</p> <p>If a school was still due to receive a 25% increase in funding then they would receive b), 20% of 25% = 5%, as this is greater than a), 3%.</p> <p>We also check that each school's funding per pupil is above the relevant minimum per pupil funding level and allocate additional funding if required.</p>

⁸ By definition this gain will be no greater than 1% as the school is eligible to receive funding through the funding floor

Core schools transitional protection funding – splitting between primary and secondary

- 4.6. To calculate the LA level primary and secondary per pupil units of funding for the schools block NFF LA allocations we need to split the school level transitional protection adjustments between primary funding and secondary funding. To split the core schools transitional protection adjustments between primary funding and secondary funding we use the pupil number split.
- 4.7. If a school is subject to the gains cap then the transitional protection adjustment is negative, 2018-19 funding is less than funding if the NFF was implemented in full and without transition. For example, for a middle school with a 2018-19 transitional protection adjustment of -£50 per pupil and 180 primary pupils and 120 secondary pupils in the school, the primary transitional protection adjustment funding will equal -£50 multiplied by 180 (-£9,000) and the secondary transitional protection adjustment funding will equal -£50 multiplied by 120 (-£6,000).

Chapter 5: National funding formula allocations to local authorities

- 5.1. As part of the consultation response we have published the “NFF summary table” which sets out the impact of the NFF on LAs – these LA level figures cover:
- a. the 2017-18 baseline,
 - b. the provisional impact of the NFF in 2018-19 (the first year of the NFF) and the actual 2018-19 units of funding to be used in allocations in December 2017,
 - c. the illustrative impact of the NFF in 2019-20 (the second year of the NFF) and
 - d. the illustrative impact of the NFF if implemented in full and without transition.

Baseline funding

- 5.2. The baseline funding for each LA is based on data captured in the 2017-18 APT and baselines exercise and is split in to four components. As set out in chapters 1 & 2 these are:
- a. Core schools funding – this makes up the vast majority of the SB. This baseline has been adjusted to include pupils in HN places. The LA level primary and secondary NFF units of funding will cover core schools funding. Core schools funding covers funding through the:
 - i. Pupil-led factors - basic per-pupil, deprivation, low prior attainment, English as an additional language, minimum per pupil funding, funding floor, transitional protections and area cost adjustment.
 - ii. School-led factors - lump sum, sparsity and area cost adjustment.
 - b. Premises funding – premises funding covers funding through the PFI, split sites, rates and exceptional circumstances factors.
 - c. Mobility funding – covers funding through the mobility factor.
 - d. Growth funding – this is calculated at LA level using a mix of school and LA level data. It covers funding through the implicit and explicit growth factors.

Provisional funding in 2018-19, based on 2017-18 pupil count

Core schools funding – Provisional funding in 2018-19

- 5.3. Figure 15 sets out the calculation of the total 2018-19 provisional NFF primary and secondary core schools funding.

Figure 15 – Total provisional core schools funding, 2018-19

Calculation step	Description	Example
1) Total primary core schools funding if implemented in full and without transition	<p>We take the total NFF primary core schools funding before any transitional protections for all schools in the local authority.</p> <p>This covers all primary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).</p>	LA 1's total NFF primary core schools funding before transitional protections is £100.0m
2) Total primary net implicit growth baseline	This is the total of all primary implicit growth contributions from schools in the LA.	LA 1's total primary implicit growth baseline funding is £0.7m
3) Total primary 2018-19 transitional protection adjustment	We sum the 2018-19 primary transitional protection adjustments for all schools in the local authority.	LA 1's total primary 2018-19 transitional protection adjustment is -£3.0m. ⁹
4) Total primary 2018-19 core schools funding	<p>To calculate the total primary 2018-19 core schools funding (based on 2017-18 pupil count) we:</p> <ol style="list-style-type: none"> a. Start with the total primary core schools funding (step 1) b. Subtract the total primary net implicit growth funding (step 2) c. Add the total primary 2018-19 transitional protection adjustment (step 3) 	<p>LA 1's total primary 2018-19 core schools funding is £96.3m</p> <p>This is equal to the £100.0m (step 1)</p> <p>Minus £0.7m (step 2)</p> <p>Plus -£3.0m (step 3)</p>

⁹ This is negative because we are capping gains at 3% in 2018-19 and a further 3% in 2019-20 – not all schools move directly on to formula. The 2018-19 transitional protection adjustment is equal to the difference between the funding schools attract in 2018-19 and the funding schools would attract if the NFF was implemented in full and without transition.

Calculation step	Description	Example
5) Total secondary core schools funding if implemented in full and without transition	We take the total NFF secondary core schools funding before any transitional protections for all schools in the local authority. This covers all secondary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF secondary core schools funding before transitional protections is £140.0m
6) Total secondary net implicit growth baseline	This is the total of all secondary implicit growth contributions from schools in the LA.	LA 1's total secondary implicit growth baseline funding is £0.5m
7) Total secondary 2018-19 transitional protection adjustment	We sum the 2018-19 secondary transitional protection adjustments for all schools in the local authority.	LA 1's total secondary 2018-19 transitional protection adjustment is -£7.0m
8) Total secondary 2018-19 core schools funding	To calculate the total secondary 2018-19 core schools funding (based on 2017-18 pupil count) we: a. Start with the total secondary core schools funding (step 5) b. Subtract the total secondary net implicit growth funding (step 6) c. Add the total secondary 2018-19 transitional protection adjustment (step 7)	LA 1's total secondary 2018-19 core schools funding is £132.5m This is equal to the £140.0m (step 5) Minus £0.5m (step 6) Plus -£7.0m (step 7)

2018-19 actual premises funding

5.4. Our approach for allocating premises funding under the NFF for 2018-19 is to base funding on historic spend from the 2017-18 APT, with the exception of the PFI factor where we will uprate funding in line with inflation, using RPIX. For each LA we:

- a. Take the PFI premises factor baseline and uplift in line with RPIX growth from April 2016 to April 2017 (3.8%).

- b. Take the premises factor baselines for all other factors (split-sites, rates, exceptional circumstances 1-6).
- c. Add the total through PFI and other factors together to give the 2018-19 NFF actual funding through the premises factors.

2018-19 actual mobility funding

5.5. Our approach for allocating mobility funding under the NFF for 2018-19 is to base funding on historic spend. For each LA, 2018-19 NFF mobility funding is equal to the mobility factor baseline (details set out in chapter 2).

2018-19 actual growth funding

5.6. The NFF will include a growth factor, so that it is responsive to significant changes to pupil numbers that are not recognised by lagged funding. In 2018-19 we will allocate funding for growth to LAs on the basis of historic spend in line with our approach to the premises and mobility factors. The way we calculate historic spend for growth, however, is slightly different to other premises factors. In addition to the explicit funds for growth and falling rolls that LAs can top-slice from their DSG, authorities often recognise growth by making adjustments to their schools' data to reflect the number of pupils they expect to arrive at individual schools. We have added this 'implicit' growth to each authority's explicit spend to determine their total growth funding in 2018-19.

5.7. For each local authority, the actual 2018-19 NFF growth funding is equal to the growth factor baseline (details set out in chapter 2).

Total provisional funding in 2018-19

5.8. We have published the total provisional funding each LA would receive in the first year of the NFF (2018-19) based on 2017-18 data. Figure 16 sets out the calculation of the total provisional funding in 2018-19.

Figure 16 – Total provisional funding in 2018-19

Calculation step	Description	Example
1) Total primary 2018-19 core schools funding	The provisional total funding through primary core schools factors. Figure 15– step 4.	LA 1's total primary 2018-19 core schools funding is £96.3m

Calculation step	Description	Example
2) Total secondary 2018-19 core schools funding	The provisional total funding through secondary core schools factors. Figure 15 – step 8.	LA 1's total secondary 2018-19 core schools funding is £132.5m
3) 2018-19 provisional funding through the core schools formula	This is the total of The provisional 2018-19 primary core schools funding (step 1) Plus the provisional 2018-19 secondary core schools funding (step 2)	LA 1's total provisional 2018-19 core schools funding is £228.8m
4) 2018-19 funding through premises, mobility and growth	This is the total funding through the premises, mobility and growth factors in 2018-19. This will be used to calculate final LA funding allocations for 2018-19 in December 2017.	LA 1's total funding through the premises, mobility and growth factors is £10m
5) Total provisional funding in 2018-19	The total provisional funding in 2018-19 is equal to The 2018-18 provisional funding through the core schools formula (step 3) Plus the 2018-19 funding through premises, mobility and growth (step 4)	The total provisional funding in 2018-19 for LA 1 is £238.8m

2018-19 primary and secondary units of funding – to be used in December 2017 allocations

5.9. For each LA we calculate a primary unit of funding (PUF) and secondary unit of funding (SUF). These are final, actual units of funding that will not be updated for 2018-19. These actual 2018-19 NFF primary and secondary units of funding will be used to allocate funding to LAs in December 2017.

5.10. Figure 17 sets out the calculation of the 2018-19 NFF primary and secondary units of funding.

Figure 17 – 2018-19 LA level NFF primary unit of funding

Calculation step	Description	Example
1) Total provisional primary 2018-19 core schools funding	<p>The total primary core schools funding in year 1 of the NFF, based on 2017-18 data.</p> <p>This excludes implicit growth.</p> <p>Figure 15, step 4.</p>	LA 1's total primary 2018-19 core schools funding is £96.3m
2) Primary pupil count	<p>The primary pupil count is based on the 2017-18 schools block pupil count for all schools open in FY 2017-18. This pupil count takes account of the proportion of the FY each school is open.</p> <p>For each school in the LA we take</p> <p>The 2017-18 primary schools block pupil count (based on Oct 2016 census)</p> <p>And multiply by the proportion of FY 2017-18 the school is open</p> <p>Then aggregate up to LA level.</p>	LA 1's total primary pupil count is 25,000
3) 2018-19 NFF PUF	To calculate the 2018-19 LA level NFF PUF we divide the total primary 2018-19 core schools funding (step 1) by the primary pupil count (step 2).	LA 1's 2018-19 NFF PUF is equal to £96.3m divided by 25,000 primary pupils, £3,852
4) Total provisional secondary 2018-19 core schools funding	<p>The total secondary core schools funding in year 1 of the NFF, based on 2017-18 data.</p> <p>This excludes implicit growth.</p> <p>Figure 15, step 8.</p>	LA 1's total secondary 2018-19 core schools funding is £132.5m

Calculation step	Description	Example
5) Secondary pupil count	<p>The secondary pupil count is based on the 2017-18 schools block pupil count for all schools open in FY 2017-18. This pupil count already includes pupils in high needs places and takes account of the proportion of the FY each school is open.</p> <p>For each school in the LA we take</p> <p>The 2017-18 secondary schools block pupil count (based on Oct 2016 census)</p> <p>And multiply by the proportion of FY 2017-18 the school is open</p> <p>Then aggregate up to LA level.</p>	LA 1's total secondary pupil count is 23,000
6) 2018-19 NFF SUF	To calculate the 2018-19 LA level NFF SUF we divide the total secondary 2018-19 core schools funding (step 4) by the secondary pupil count (step 5).	LA 1's 2018-19 NFF SUF is equal to £132.5m divided by 23,000 secondary pupils, £5,761

Illustrative funding in 2019-20, based on 2017-18 pupil count

Core schools funding – illustrative funding in 2019-20

5.11. Figure 18 sets out the calculation of the NFF primary and secondary core schools funding for the illustrative 2019-20 funding. These illustrative funding allocations are based on 2017-18 data: actual 2019-20 allocations will be based on more upto date data.

Figure 18 – Illustrative core schools funding, 2019-20

Calculation step	Description	Example
1) Total primary core schools funding if implemented in full and without transition	We take the total NFF primary core schools funding before any transitional protections for all schools in the LA.	LA 1's total NFF primary core schools funding before

Calculation step	Description	Example
	This covers all primary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	transitional protections is £100.0m
2) Total primary net implicit growth baseline	This is the total of all primary implicit growth contributions from schools in the LA.	LA 1's total primary implicit growth baseline funding is £0.7m
3) Total primary 2019-20 transitional protection adjustment	We sum the 2019-20 primary transitional protection adjustments for all schools in the local authority.	LA 1's total primary 2019-20 transitional protection adjustment is -£0.5m ¹⁰
4) Total primary 2019-20 core schools funding	To calculate the total primary 2019-20 core schools funding (based on 2017-18 pupil count) we: <ul style="list-style-type: none"> a. Start with the total primary core schools funding (step 1) b. Subtract the total primary net implicit growth funding (step 2) c. Add the total primary 2019-20 transitional protection adjustment (step 3) 	LA 1's total primary 2019-20 core schools funding is £98.8m This is equal to the £100.0m (step 1) Minus £0.7m (step 2) Plus -£0.5m (step 3)
5) Total secondary core schools funding if implemented in full and without transition	We take the total NFF secondary core schools funding before any transitional protections for all schools in the LA. This covers all secondary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF secondary core schools funding before transitional protections is £140.0m

¹⁰ This is negative because we are capping gains at 3% in 2018-19 and a further 3% in 2019-20 – not all schools move directly on to formula. The 2019-20 transitional protection adjustment is equal to the difference between the funding schools attract in 2019-20 and the funding schools would attract if the NFF was implemented in full and without transition.

Calculation step	Description	Example
6) Total secondary net implicit growth baseline	This is the total of all secondary implicit growth contributions from schools in the LA.	LA 1's total secondary implicit growth baseline funding is £0.5m
7) Total secondary 2019-20 transitional protection adjustment	We sum the 2019-20 secondary transitional protection adjustments for all schools in the LA.	LA 1's total secondary 2019-20 transitional protection adjustment is -£1.5m
8) Total secondary 2019-20 core schools funding	To calculate the total secondary 2019-20 core schools funding (based on 2017-18 pupil count) we: <ul style="list-style-type: none"> a. Start with the total secondary core schools funding (step 5) b. Subtract the total secondary net implicit growth funding (step 6) c. Add the total secondary 2019-20 transitional protection adjustment (step 7) 	LA 1's total secondary 2019-20 core schools funding is £138.0m <ul style="list-style-type: none"> This is equal to the £140.0m (step 5) Minus £0.5m (step 6) Plus -£1.5m (step 7)

Illustrative 2019-20 premises funding

5.12. To illustrate 2019-20 premises funding for each LA we have used 2017-18 APT data. We will say more in due course about how we will fund the premises factors in 2019-20 and what our options are for funding them through a “hard” formula in the longer term. To calculate the illustrative 2019-20 premises funding we:

- a. Take the 2017-18 PFI premises factor baseline, and uplift in line with RPIX growth from April 2016 to April 2017 – we apply the uplift twice to illustrate two years of RPIX uplift.
- b. Take the 2017-18 premises factor baseline for all other factors (split-sites, rates, exceptional circumstances 1-6).
- c. Add the total through PFI and other factors together to give the 2019-20 NFF funding through the premises factors.

Illustrative 2019-20 mobility funding

5.13. To illustrate 2019-20 mobility funding for each LA we have used 2017-18 APT data. We will continue to work on developing an accurate and robust indicator of mobility to replace historic spend for this factor in future. For each LA, illustrative 2019-20 NFF mobility funding is equal to the 2017-18 mobility factor baseline.

Illustrative 2019-20 growth funding

5.14. To illustrate 2019-20 growth funding for each LA we have used 2017-18 APT data. We will continue to look at options for funding growth in 2019-20 and beyond. For each LA, illustrative 2019-20 NFF growth funding is equal to the 2017-18 growth factor baseline.

Total illustrative funding in 2019-20

5.15. We will be publishing an illustration of the total funding each LA would receive in the second year of the NFF (2019-20) based on 2017-18 data. Figure 19 sets out the calculation of the total illustrative funding in 2019-20.

Figure 19 – Total illustrative funding in 2019-20

Calculation step	Description	Example
1) Total primary 2019-20 core schools funding	The illustrative total funding through primary core schools factors. Figure 18 – step 4.	LA 1's total primary 2019-20 core schools funding is £98.8m
2) Total secondary 2019-20 core schools funding	The illustrative total funding through secondary core schools factors. Figure 18 – step 8.	LA 1's total secondary 2019-20 core schools funding is £138.0m
3) 2019-20 illustrative funding through the core schools formula	This is the total of The illustrative 2019-20 primary core schools funding (step 1) Plus the illustrative 2019-20 secondary core schools funding (step 2)	LA 1's total illustrative 2019-20 core schools funding is £236.8m

Calculation step	Description	Example
4) 2019-20 funding through premises, mobility and growth	This is the total funding through the premises, mobility and growth factors in 2019-20.	LA 1's total funding through the premises, mobility and growth factors is £10m
5) Total illustrative funding in 2019-20	The total illustrative funding in 2019-20 is equal to The 2019-20 illustrative funding through the core schools formula (step 3) Plus the 2019-20 funding through premises, mobility and growth (step 4)	The total illustrative funding in 2019-20 for LA 1 is £246.8m

Illustrative funding if the NFF was implement in full and without transition, based on 2017-18 data

Core schools funding – illustrative funding if the NFF was implemented in full and without transition

5.16. Figure 20 sets out the calculation of the NFF primary and secondary core schools funding if the NFF was implemented in full and without transition.

Figure 20 – Illustrative core schools funding, if the NFF was implemented in full and without transition

Calculation step	Description	Example
1) Total primary core schools funding if implemented in full and without transition	We take the total NFF primary core schools funding if implemented in full and without transition. This covers all primary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF primary core schools funding is £100.0m

Calculation step	Description	Example
2) Total primary net implicit growth baseline	This is the total of all primary implicit growth contributions from schools in the LA.	LA 1's total primary implicit growth baseline funding is £0.7m
3) Total primary core schools funding, if NFF fully implemented	To calculate the total primary core schools funding if NFF fully implemented (based on 2017-18 pupil count) we: <ul style="list-style-type: none"> a. Start with the total primary core schools funding (step 1) b. Subtract the total primary net implicit growth funding (step 2) 	LA 1's total primary core schools funding if NFF fully implemented is £99.3m This is equal to the £100.0m (step 1) Minus £0.7m (step 2)
4) Total secondary core schools funding if implemented in full and without transition	We take the total NFF secondary core schools funding if implemented in full and without transition. This covers all secondary funding through the school level formula (pupil-led, school-led, minimum per pupil funding and funding floor factors).	LA 1's total NFF secondary core schools funding is £140.0m
5) Total secondary net implicit growth baseline	This is the total of all secondary implicit growth contributions from schools in the LA.	LA 1's total secondary implicit growth baseline funding is £0.5m
6) Total secondary core schools funding, if NFF fully implemented	To calculate the total secondary core schools funding if fully implemented (based on 2017-18 pupil count) we: <ul style="list-style-type: none"> a. Start with the total secondary core schools funding (step 4) b. Subtract the total secondary net implicit growth funding (step 5) 	LA 1's total secondary core schools funding if fully implemented is £139.5m This is equal to the £140.0m (step 4) Minus £0.5m (step 5)

Illustrative premises funding if NFF implemented in full and without transition

5.17. To illustrate premises funding for each LA if the NFF was implemented in full and without transition we have used 2017-18 APT data. We will say more in due course about how we will fund the premises factors in the longer term. To calculate the illustrative premises funding if the NFF was implemented in full and without transition we:

- a. Take the 2017-18 PFI premises factor baseline, and uplift in line with RPIX growth from April 2016 to April 2017 – we apply the uplift twice to illustrate two years of RPIX uplift.
- b. Take the 2017-18 premises factor baseline for all other factors (split-sites, rates, exceptional circumstances 1-6).
- c. Add the total through PFI and other factors together to give the NFF funding through the premises factors if implemented in full and without transition.

Illustrative mobility funding if NFF implemented in full and without transition

5.18. To illustrate mobility funding for each LA if the NFF was implemented in full and without transition we have used 2017-18 APT data. We will continue to work on developing an accurate and robust indicator of mobility to replace historic spend for this factor in future. For each LA, illustrative NFF mobility funding if implemented in full and without transition is equal to the 2017-18 mobility factor baseline.

Illustrative growth funding if NFF implemented in full and without transition

5.19. To illustrate growth funding for each LA if the NFF was implemented in full and without transition we have used 2017-18 APT data. We will continue to look at options for funding growth in the longer term. For each LA, illustrative NFF if implemented in full and without transition growth funding is equal to the 2017-18 growth factor baseline.

Total illustrative funding if NFF implemented in full and without transition

5.20. We will be publishing an illustration of the total funding each LA would have received had the NFF was implemented in full and without transition. Figure 21 sets out the calculation of the total illustrative funding.

Figure 21 – Total illustrative funding, if the NFF was fully implemented

Calculation step	Description	Example
1) Total primary core schools funding if NFF implemented in full and without transition	The illustrative total funding through primary core schools factors. Figure 20 – step 3.	LA 1's total primary core schools funding if NFF fully implemented is £99.3m
2) Total secondary core schools funding if NFF implemented in full and without transition	The illustrative total funding through secondary core schools factors. Figure 20 – step 6.	LA 1's total secondary core schools funding if NFF fully implemented is £139.5m
3) Total illustrative funding through the core schools formula, if NFF fully implemented	This is the total of The illustrative primary core schools funding (step 1) Plus the illustrative secondary core schools funding (step 2)	LA 1's total illustrative core schools funding if NFF fully implemented is £238.8m
4) Total funding through premises, mobility and growth, if NFF fully implemented	This is the total funding through the premises, mobility and growth factors if the NFF was fully implemented.	LA 1's total funding through the premises, mobility and growth factors is £10m
5) Total illustrative funding if the NFF fully implemented	The total illustrative funding is equal to The illustrative funding through the core schools formula if NFF fully implemented (step 3) Plus the funding through premises, mobility and growth if NFF fully implemented (step 4)	The total illustrative funding if NFF fully implemented for LA 1 is £248.8m

Chapter 6: Calculating school level illustrative allocations

- 6.1. Chapters 2-4 set out the school level calculations that feed in to the calculation of LA level allocations, covered in chapter 5. This covers the output in the “NFF summary table” listed below:
- a. the LA level 2018-19 primary and secondary units of funding, the 2018-19 total funding for premises, growth and mobility and the total provisional 2018-19 schools block funding based on 2017-18 pupil count.
 - b. the total illustrative 2019-20 funding for premises, growth and mobility and an illustration of the total 2019-20 schools block funding based on 2017-18 pupil count.
 - c. the total illustrative NFF funding for premises, growth and mobility and an illustration of the total schools block funding if the NFF was fully implemented based on 2017-18 pupil count.
- 6.2. We have published school level figures which illustrate the impact of the NFF for each school. These school level figures will not show the actual amount of funding that schools will receive in 2018-19 because each LA will still be responsible for setting individual funding formulae and funding for schools in 2018-19 will be driven by data from the October 2017 school census.
- 6.3. To calculate the school level illustrative figures we will use 2017-18 APT data for LA maintained schools and 2017/18 GAG data for academies and free schools. For the majority of academies and free schools there is no difference between the two data sources, so the published school level figures will be equivalent to the school level figures used in the LA level calculations. However, for some academies and free schools there are differences. There are two reasons for differences between APT and GAG data:
- a. Some academies and free schools are funded on estimated pupil numbers rather than census pupil numbers, LAs do not have to use these estimated pupil numbers in the APT.
 - b. Some academies and free schools have received a higher level of funding in the past and so are protected against a higher baseline than used in the APT.
- 6.4. We do not adjust the school level illustrative allocations for implicit growth because we want the illustrations to be calculated on a consistent basis to actual 2017-18 allocations, which include implicit growth funding. These illustrations are designed to

help schools to understand the effect the NFF may have on their funding allocations, not to be consistent with the school level figures that feed in to LA allocations.

How does this affect the calculation?

6.5. For the purpose of illustrating the impact of the NFF on individual schools, GAG data is used for academies and free schools, rather than APT data, anywhere the calculations refer to a total number of pupils, a funding baseline or the proportion of the baseline year the school is open. The precise areas that are affected are listed in this section – in all but one case the details of the calculation are exactly the same as the calculation for LA level allocations and only the input data changes.

APT or GAG adjusted pupil count

6.6. As set out in chapter 2, the adjusted pupil count includes HN places and excludes reception uplift. The adjusted pupil count calculation for school level illustrations is the same as for LA allocations, however we use GAG data for the pupil count, high needs places and reception uplift for academies and free schools.

APT or GAG adjusted baseline excluding premises and mobility

6.7. As set out in chapter 2, the adjusted baseline includes an uplift for HN places and excludes any one-off funding. The adjusted baseline calculation for the school level illustrations is the same as for LA allocations, however we use GAG data for the funding baseline, high needs uplift and one-off funding for academies and free schools.

“If full” APT or GAG adjusted baseline excluding premises and mobility

6.8. We have recalculated the GAG adjusted baseline for new and growing academies and free schools (definition of new and growing set out in 2.12). This baseline has been calculated by rerunning the GAG 2017/18 allocations calculations using the “if full” pupil count.

APT or GAG premises and mobility

6.9. GAG premises funding does not include rates. Academies and free schools never receive their rates funding as ESFA pay rates directly. So for LA maintained schools the premises baseline includes rates and for academies the premises baseline excludes rates.

6.10. The mobility baseline is taken from GAG data for academies and free schools.

Growth funding

6.11. We do not show explicit growth funding in our school level illustrations as we do not know how LA funding for explicit growth is allocated at a school level. We do not remove implicit growth from the core schools baseline or NFF allocation for the school level illustrations as we want school's to be able to recognise their funding baseline.

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

6.12. The calculation is as set out in chapter 3. The differences in input data for academies and free schools are:

- a. The primary, KS3 and KS4 adjusted pupil counts are based on GAG data. These pupil counts are used to calculate the basic per pupil funding.
- b. The funding through additional needs factors is based on the proportion of pupils eligible for each factor (this does not change between APT and GAG) and the primary and secondary adjusted pupil count from GAG data. The total number of pupil eligible for each factor is equal to the APT proportion multiplied by the GAG primary or secondary pupil count.
- c. The proportion of the year open is based on GAG data (refers to academic year rather than financial year).

NFF school-led unit of funding

6.13. The calculation is as set out in chapter 3. The differences in input data for academies and free schools are:

- a. The sparsity calculation of the average year group size refers to the GAG adjusted pupil count.
- b. The proportion of the year open is based on GAG data (refers to academic year).

“If full” school-led unit of funding

6.14. The calculation is as set out in chapter 3. The only difference in input data for academies and free schools is that the proportion of the year open is based on GAG data (refers to academic year).

NFF minimum per pupil unit of funding

6.15. The calculation is as set out in 3.30. The differences in input data for academies and free schools are that:

- a. The adjusted pupil count is based on GAG data.
- b. The proportion of the year open is based on GAG data (refers to academic year).

NFF funding floor

6.16. The calculation is as set out in 3.32. The differences in input data for academies and free schools are that:

- a. The funding floor baseline is based on GAG data.
- b. The adjusted pupil count is based on GAG data.

Transition on to formula

6.17. We have illustrated the impact of the NFF in the first and second year as well as setting out the impact if all school's moved directly on to formula. The transitional protection calculations are set out in 4.4. The differences in input data for academies and free schools are:

- a. The transitional protection baseline is based on GAG data.
- b. The adjusted pupil count is based on GAG data.

NFF premises and mobility funding

6.18. We include premises and mobility funding in the illustrative school level figures. The calculation of NFF premises and mobility funding here is very similar to the calculation at LA level¹¹:

- a. Notional 2018-19 premises and mobility funding at school level is:
 - i. The maximum of the:
 - (1) 2017-18 PFI baseline uplifted in line with the RPIX growth from April 2016 to April 2017 plus the other premises factors 2017-18 baselines and
 - (2) zero
 - ii. Plus the maximum of the
 - (1) 2017-18 mobility baseline and
 - (2) zero.
- b. Illustrative 2019-20 premises and mobility funding is:

¹¹ For some schools the premises baseline is negative – in these cases we do not use a negative NFF premises factor, we reset to zero.

- i. The maximum of the:
 - (1) 2017-18 PFI baseline uplifted twice in line with the RPIX growth from April 2016 to April 2017 plus the other premises factors 2017-18 baselines and
 - (2) Zero
 - ii. Plus the maximum of the
 - (1) 2017-18 mobility baseline and
 - (2) zero
- c. Illustrative premises and mobility funding if NFF fully implemented is equal to the illustrative 2019-20 premises and mobility funding, as set out above.

What are we publishing at a school level?

6.19. Our school level impact table will set out four figures for each school, figure 22 sets out the definition of each output. These are split between new and growing schools and all other schools.

Figure 22 – Published output, school level illustrations

Published output	Majority of schools (19,855 schools)	New & growing schools (353 schools)
1) Funding baseline	<p>This is the adjusted funding baseline. We have adjusted the pupil count and funding baseline so that HN places are no longer deducted from the baseline pupil count. This includes premises, mobility and MFG and makes no adjustment for implicit growth.</p> <p>LA maintained schools</p> <p>This is based on 2017-18 APT data.</p> <p>Academies and free schools</p> <p>This is based on 2017/18 GAG data.</p>	<p>This is the “if full” funding baseline for new and growing schools. This includes premises, mobility and MFG.</p> <p>LA maintained schools</p> <p>We have calculated baseline funding as though these schools were full in 2017-18, based on APT data.</p> <p>Academies and free schools</p> <p>We have calculated baseline funding as though these schools were full in 2017/18, based on GAG data.</p>
2) Notional total funding	<p>This is the total funding under the NFF after one year of transitional protections. This includes premises and mobility funding</p>	<p>No output – the pupil count and funding for schools that are new and growing are likely to change</p>

Published output	Majority of schools (19,855 schools)	New & growing schools (353 schools)
in 2018-19 (2018/19)	<p>and makes no adjustment for implicit growth.</p> <p>LA maintained schools</p> <p>This is based on the NFF formula, one year of transitional protections and 2017-18 APT data.</p> <p>The total notional 2018-19 funding is equal to:</p> <p>The 2018-19 NFF pupil-led unit of funding multiplied by the 2017-18 APT adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the notional 2018-19 premises and mobility funding.</p> <p>Academies and free schools</p> <p>This is based on the NFF formula, one year of transitional protections and 2017/18 GAG data.</p> <p>The total notional 2018/19 funding is equal to:</p> <p>The 2018-19 NFF pupil-led unit of funding multiplied by the 2017/18 GAG adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the notional 2018/19 premises and mobility funding.</p>	a lot each year until the school is full.
3) Illustrative funding in 2019-20 (2019/20)	<p>This is the total funding under the NFF after two years of transitional protections. This includes premises and mobility funding and makes no adjustment for implicit growth.</p> <p>LA maintained schools</p>	No output – the pupil count and funding for schools that are new and growing are likely to change a lot each year until the school is full.

Published output	Majority of schools (19,855 schools)	New & growing schools (353 schools)
	<p>This is based on the NFF formula, two years of transitional protections and 2017-18 APT data.</p> <p>The total illustrative 2019-20 funding is equal to:</p> <p>The 2019-20 NFF pupil-led unit of funding multiplied by the 2017-18 APT adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative 2019-20 premises and mobility funding.</p> <p>Academies and free schools</p> <p>This is based on the NFF formula, two years of transitional protections and 2017/18 GAG data.</p> <p>The total illustrative 2019/20 funding is equal to:</p> <p>The 2019-20 NFF pupil-led unit of funding multiplied by the 2017/18 GAG adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative 2019/20 premises and mobility funding</p>	
4) Illustrative funding if the NFF was implemented in full and without any transition	<p>This is the total funding if the NFF was implemented in full and without any transition.</p> <p>This includes premises and mobility funding and makes no adjustment for implicit growth.</p> <p>LA maintained schools</p> <p>This is based on the NFF formula and 2017-18 APT data.</p>	<p>We have calculated illustrative funding if the NFF was implemented in full and without any transition and the school was full (pupil count equal to if full pupil count). This includes premises and mobility funding.</p> <p>The total “if full” illustrative NFF funding is equal to</p>

Published output	Majority of schools (19,855 schools)	New & growing schools (353 schools)
	<p>The total illustrative NFF funding is equal to:</p> <p>The NFF pupil-led unit of funding (post minimum per pupil and funding floor) multiplied by the 2017-18 APT adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative NFF premises and mobility funding</p> <p>Academies and free schools</p> <p>This is based on the NFF formula and 2017/18 GAG data.</p> <p>The total illustrative NFF funding is equal to:</p> <p>The NFF pupil-led unit of funding (post minimum per pupil and funding floor) multiplied by the 2017/18 GAG adjusted pupil count</p> <p>Plus the NFF school-led unit of funding</p> <p>Plus the illustrative NFF premises and mobility funding</p>	<p>The NFF pupil-led unit of funding (post minimum per pupil and funding floor) multiplied by the “if full” pupil count</p> <p>Plus the “if full” school-led unit of funding</p> <p>Plus the “if full” illustrative NFF premises and mobility funding</p>

Annex A: Additional area cost adjustment (ACA) information, calculation of the teacher pay cost adjustment and list of ACA's at LA level

- A.1. The methodology for the teacher pay element of the national funding formula ACA is designed to bring out the differences in pay ranges between the four regional pay bands (Inner London, Outer London, Fringe and Rest of England), but not to reflect any regional differences in distribution along the pay ranges. We do not want the teacher pay cost adjustment to reflect regional differences in staffing choices, we only want it to reflect the differences in pay ranges between the four regional pay bands. E.g. If in Inner London there are fewer teachers in the leadership grade compared to the national average we do not want this to skew the teacher pay cost adjustment.
- A.2. We calculate a notional average salary for each regional pay band to measure the differences between pay bands. The first step in this calculation is to create four data sets, one for each regional pay band. We include actual or notional pay for all teachers in England in each dataset. To do this we need four versions of pay data for each teacher, their actual basic pay (used to populate the dataset of the regional pay band they work in) and three notional pay figures (used to populate the datasets for the other three regional pay bands). The notional pay is the pay a teacher would receive if they worked in a different regional pay band at the same level. The notional average salary for each regional pay band is the mean of each dataset. As we include all teachers in each dataset the only difference between the notional average salaries are the differences between the regional pay bands.
- A.3. The basic pay is the gross salary minus allowances (allowances are classified into teaching and learning responsibilities, special educational needs, recruitment and retention and other).
- A.4. The calculation used to transform the basic pay of each teacher in England from the teacher's actual pay band to the notional pay for the other three regional pay bands is set out in an example below. This transformation is repeated for all teachers and all regional pay bands. E.g. The transformation to Inner London notional basic pay for a teacher who is in the Rest of England, is calculated as follows:
- a. First, calculate the difference between the actual basic pay for the teacher and the bottom of the teacher's actual pay range (the Rest of England range in this case) for this teacher's grade (leadership, leading practitioner, upper pay range, main pay range or unqualified teacher). The pay ranges are as defined in the School Teachers' Pay and Conditions Document (STPCD) for the relevant year (e.g. STPCD 2015 if November 2015 salaries are used).
 - b. Then calculate the difference between the top and bottom of the Inner London pay range for this teacher's grade and divide by the difference between the top and bottom of the teacher's actual pay range (the Rest of England in this case). This

gives an uplift which is used to convert the teacher's actual basic pay to their Inner London notional basic pay.

- c. Apply the uplift calculated in step b to the distance from the bottom of the pay range to the teacher's actual basic pay, calculated in step a.
- d. Add the figure calculated in step c to the bottom of the pay range for Inner London for this teacher's grade. This gives the Inner London notional pay for this teacher.

A.5. The following groups of staff are included in our calculation of the ACA teachers' pay cost adjustment:

- a. Qualified and unqualified teachers
- b. Full-time and part-time teachers
- c. Classroom teachers and leaders
- d. Teachers in primary and secondary schools.

A.6. The following groups of staff are not included in our calculation of the ACA teachers' pay cost adjustment:

- a. Centrally employed teachers
- b. Supply teachers
- c. Teachers with incomplete or unreliable pay data

A.7. The following caveats apply:

- a. Data is collected in the School Workforce Census in early November each year, at a time when not all schools have held pay determination meetings for their teachers. This means that salaries of some teachers reflect the previous academic year.
- b. Approximately 1-2% of schools do not provide School Workforce Census data each year.

A.8. The teachers' specific cost adjustment (SCA) for each regional pay band is calculated by dividing the mean notional basic pay for that pay band by the mean notional basic pay for the Rest of England pay band.

A.9. The non-teacher pay element of the national funding formula ACA is based on the general labour market specific labour cost adjustment calculated by the Department for Communities and Local Government for 2013-14.

A.10. The teacher and non-teaching staff elements of the national funding formula ACA are weighted in proportion to actual expenditure on teaching and non-teaching staff in primary and secondary schools.

A.11. The national teacher proportion is the total expenditure on teachers divided by total expenditure on teachers, non-teaching staff and non-pay combined, 52.4%. The non-teaching staff proportion is total expenditure on non-teaching staff divided by total expenditure on teachers, non-teaching staff and non-pay combined, 27.1%.

A.12. Figure 23 sets out the SB ACA for each LA.

Figure 23 – schools block ACA at local authority level

Local authority name	Districts	Area cost adjustment
Barking and Dagenham	Barking and Dagenham	1.12872
Barnet	Barnet	1.09803
Barnsley	Barnsley	1.00000
Bath and North East Somerset	Bath and North East Somerset	1.01433
Bedford	Bedford	1.01537
Bexley	Bexley	1.08204
Birmingham	Birmingham	1.00331
Blackburn with Darwen	Blackburn with Darwen	1.00000
Blackpool	Blackpool	1.00000
Bolton	Bolton	1.00535
Bournemouth	Bournemouth	1.00000
Bracknell Forest	Bracknell Forest	1.05613
Bradford	Bradford	1.00016
Brent	Brent	1.14471
Brighton and Hove	Brighton and Hove	1.00166
Bristol	Bristol	1.01433
Bromley	Bromley	1.08204
Buckinghamshire Fringe	Chiltern, South Buckinghamshire	1.04607
Buckinghamshire non-Fringe	Aylesbury Vale, Wycombe	1.02812
Bury	Bury	1.00535
Calderdale	Calderdale	1.00016
Cambridgeshire	All	1.01259
Camden	Camden	1.18172
Central Bedfordshire	Central Bedfordshire	1.01537
Cheshire East	Cheshire East	1.00356
Cheshire West and Chester	Cheshire West and Chester	1.00356
Cornwall	Cornwall	1.00000
Durham	Durham	1.00000
Coventry	Coventry	1.00331
Croydon	Croydon	1.08204
Cumbria	All	1.00000

Local authority name	Districts	Area cost adjustment
Darlington	Darlington	1.00000
Derby	Derby	1.00000
Derbyshire	All	1.00000
Devon	All	1.00000
Doncaster	Doncaster	1.00000
Dorset	All	1.00000
Dudley	Dudley	1.00331
Ealing	Ealing	1.14471
East Riding of Yorkshire	East Riding of Yorkshire	1.00000
East Sussex	All	1.00166
Enfield	Enfield	1.08204
Essex Fringe	Basildon, Brentwood, Epping Forest, Harlow	1.03710
Essex non-Fringe	Braintree, Castle Point, Chelmsford, Colchester, Maldon, Rochford, Tendring, Uttlesford	1.00347
Gateshead	Gateshead	1.00000
Gloucestershire	All	1.00618
Greenwich	Greenwich	1.18172
Hackney	Hackney	1.18172
Halton	Halton	1.00356
Hammersmith and Fulham	Hammersmith and Fulham	1.18172
Hampshire	All	1.01391
Haringey	Haringey	1.12872
Harrow	Harrow	1.09803
Hartlepool	Hartlepool	1.00000
Havering	Havering	1.08204
Herefordshire	Herefordshire	1.00000
Hertfordshire Fringe	Broxbourne, Dacorum, East Hertfordshire, Hertsmere, St Albans, Three Rivers, Watford, Welwyn Hatfield	1.04607
Hertfordshire non-Fringe	North Hertfordshire, Stevenage	1.01537
Hillingdon	Hillingdon	1.09803
Hounslow	Hounslow	1.09803
Isle of Wight	Isle of Wight	1.01391
Islington	Islington	1.18172
Kensington and Chelsea	Kensington and Chelsea	1.18172
Kent Fringe	Dartford, Sevenoaks	1.03710
Kent non-Fringe	Ashford, Canterbury, Dover, Gravesham, Maidstone, Shepway, Swale, Thanet, Tonbridge and Malling, Tunbridge Wells	1.00069
Kingston upon Hull, City of	Kingston upon Hull, City of	1.00000
Kingston upon Thames	Kingston upon Thames	1.09803
Kirklees	Kirklees	1.00016
Knowsley	Knowsley	1.00110
Lambeth	Lambeth	1.18172
Lancashire	All	1.00000
Leeds	Leeds	1.00016

Local authority name	Districts	Area cost adjustment
Leicester	Leicester	1.00000
Leicestershire	All	1.00000
Lewisham	Lewisham	1.18172
Lincolnshire	All	1.00000
Liverpool	Liverpool	1.00110
Luton	Luton	1.01537
Manchester	Manchester	1.00535
Medway	Medway	1.00069
Merton	Merton	1.14471
Middlesbrough	Middlesbrough	1.00000
Milton Keynes	Milton Keynes	1.02812
Newcastle upon Tyne	Newcastle upon Tyne	1.00000
Newham	Newham	1.12872
Norfolk	All	1.00000
North East Lincolnshire	North East Lincolnshire	1.00000
North Lincolnshire	North Lincolnshire	1.00000
North Somerset	North Somerset	1.01433
North Tyneside	North Tyneside	1.00000
North Yorkshire	All	1.00000
Northamptonshire	All	1.00322
Northumberland	Northumberland	1.00000
Nottingham	Nottingham	1.00271
Nottinghamshire	All	1.00271
Oldham	Oldham	1.00535
Oxfordshire	All	1.02176
Peterborough	Peterborough	1.01259
Plymouth	Plymouth	1.00000
Poole	Poole	1.00000
Portsmouth	Portsmouth	1.01391
Reading	Reading	1.03406
Redbridge	Redbridge	1.08204
Redcar and Cleveland	Redcar and Cleveland	1.00000
Richmond upon Thames	Richmond upon Thames	1.09803
Rochdale	Rochdale	1.00535
Rotherham	Rotherham	1.00000
Rutland	Rutland	1.00000
Salford	Salford	1.00535
Sandwell	Sandwell	1.00331
Sefton	Sefton	1.00110
Sheffield	Sheffield	1.00000
Shropshire	Shropshire	1.00000
Slough	Slough	1.05613
Solihull	Solihull	1.00331
Somerset	All	1.00000

Local authority name	Districts	Area cost adjustment
South Gloucestershire	South Gloucestershire	1.01433
South Tyneside	South Tyneside	1.00000
Southampton	Southampton	1.01391
Southend-on-Sea	Southend-on-Sea	1.00347
Southwark	Southwark	1.18172
St Helens	St Helens	1.00110
Staffordshire	All	1.00000
Stockport	Stockport	1.00535
Stockton-on-Tees	Stockton-on-Tees	1.00000
Stoke-on-Trent	Stoke-on-Trent	1.00000
Suffolk	All	1.00002
Sunderland	Sunderland	1.00000
Surrey	All	1.05613
Sutton	Sutton	1.09803
Swindon	Swindon	1.00703
Tameside	Tameside	1.00535
Telford and Wrekin	Telford and Wrekin	1.00000
Thurrock	Thurrock	1.03710
Torbay	Torbay	1.00000
Tower Hamlets	Tower Hamlets	1.18172
Trafford	Trafford	1.00535
Wakefield	Wakefield	1.00016
Walsall	Walsall	1.00331
Waltham Forest	Waltham Forest	1.08204
Wandsworth	Wandsworth	1.18172
Warrington	Warrington	1.00356
Warwickshire	All	1.00687
West Berkshire	West Berkshire	1.03406
West Sussex Fringe	Crawley	1.05613
West Sussex non-Fringe	Adur, Arun, Chichester, Horsham, Mid Sussex, Worthing	1.00000
Westminster	Westminster	1.18172
Wigan	Wigan	1.00535
Wiltshire	Wiltshire	1.00703
Windsor and Maidenhead	Windsor and Maidenhead	1.05613
Wirral	Wirral	1.00110
Wokingham	Wokingham	1.03406
Wolverhampton	Wolverhampton	1.00331
Worcestershire	All	1.00000
York	York	1.00000

Annex B: New and growing schools

- B.1. The NFF will provide an increase for all schools of at least 1% per pupil by 2019-20 over 2017-18 – we achieve this through the funding floor. This floor is calculated on a per pupil basis.
- B.2. For most schools, the baseline that the funding floor is calculated with reference to is their 2017-18 per-pupil baseline. However, for 353 “new and growing” schools (defined in the next section) the floor is calculated with reference to their “if full” per-pupil baseline: the funding they would have received per-pupil in 2017-18 if they were at full capacity. This means that new and growing schools will attract at least 1% of funding per pupil above their “if full” baseline by 2019-20.

Definition of new and growing schools

- B.3. We have defined new and growing schools as all schools recorded on 2017-18 authority proforma tool (APT) returns which satisfy the following three conditions:
1. The school has opened in the last seven years.
 2. The school does not have pupils in all planned year groups in 2017-18.
 3. The school’s “if full” pupil count (based on their 2017-18 published admissions number (PAN)) is at least 15 pupils greater than their 2017-18 pupil count recorded on the APT.
- B.4. We asked local authorities to check the list of schools satisfying the first two conditions and confirm the 2017-18 PAN earlier this year. The third condition ensures that schools which to all intents and purposes had its full number of pupils in 2017-18, even if not all planned year groups are present, are not counted as new and growing for these purposes.

Funding floor calculation for new and growing schools

- B.5. The funding floor calculation takes account of the change to the total of pupil-led and school-led funding on a per pupil basis, in a similar way to the current minimum funding guarantee calculation used by local authorities. The difference in the schools’ lump sum between their current funding and the NFF arrangements is captured in the funding baseline, to ensure any reductions in the lump sum are protected.
- B.6. The funding floor baseline for new and growing schools could therefore be significantly different depending on whether we use 2017-18 data or “if full” data, as school-led funding remains fixed regardless of the number of pupils in the school. This means that the more pupils a school has, the lower the school-led funding per

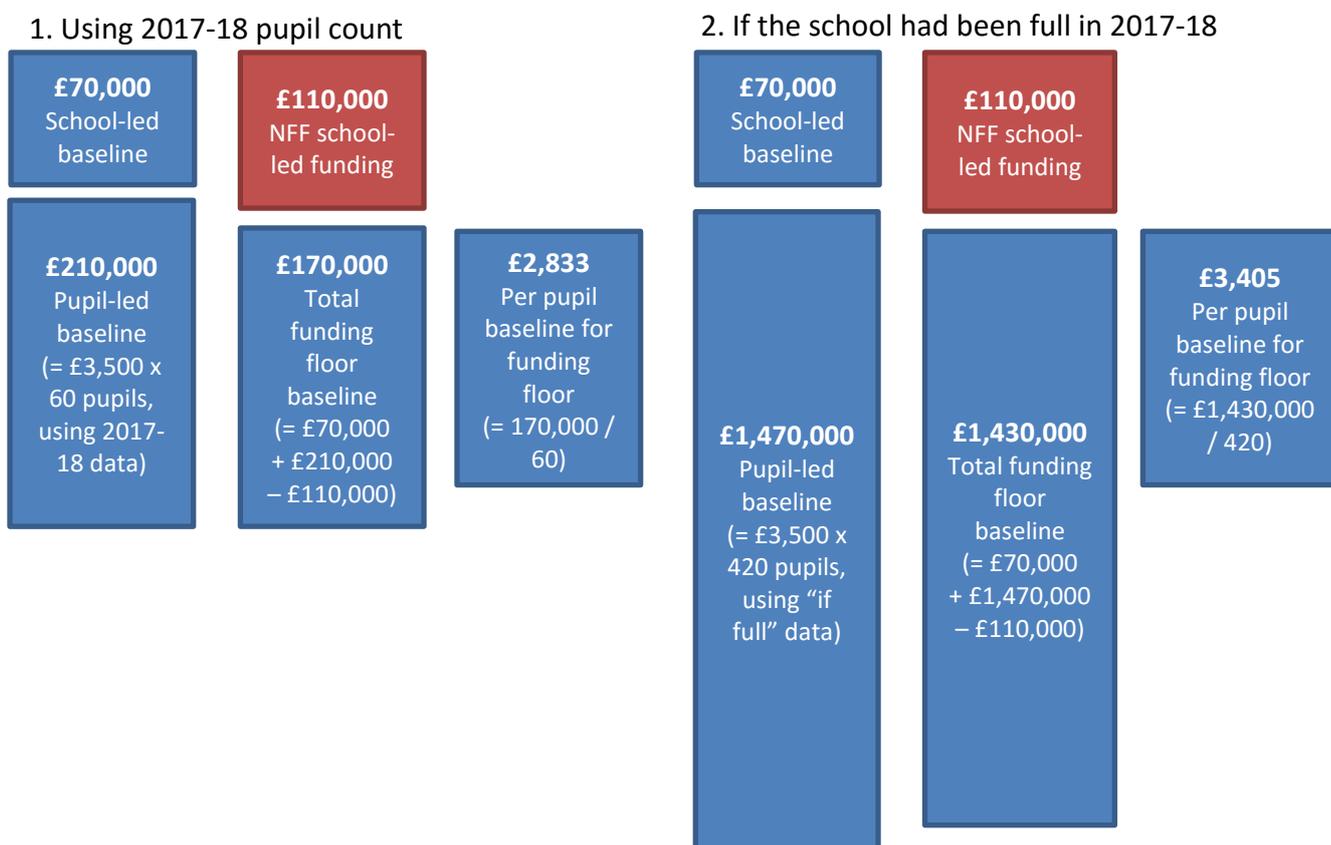
pupil. While a school is still filling up, the school-led funding under the NFF is significantly bigger on a per-pupil basis than for full schools, so that the operation of the funding floor either penalises the growing school or unfairly overfunds it.

B.7. A new and growing school that receives more funding through the school-led factors under the NFF than now would have too low a baseline if we were to use their actual 2017-18 pupil numbers and funding. This is because the decrease in the amount of school-led funding, which is including in the baseline calculation, would be divided by a small number of pupils and result in a big deduction. Conversely, a new and growing school that receives more funding through the school-led factors now than under the NFF would have too high a baseline if we were to use their actual 2017-18 pupil numbers and funding. The fairest approach for new and growing schools is therefore to use their “if full” baseline for the funding floor calculation

B.8. Below are two hypothetical examples of new and growing schools to illustrate this.

Example 1 – per-pupil baseline is understated if we use 2017-18 data

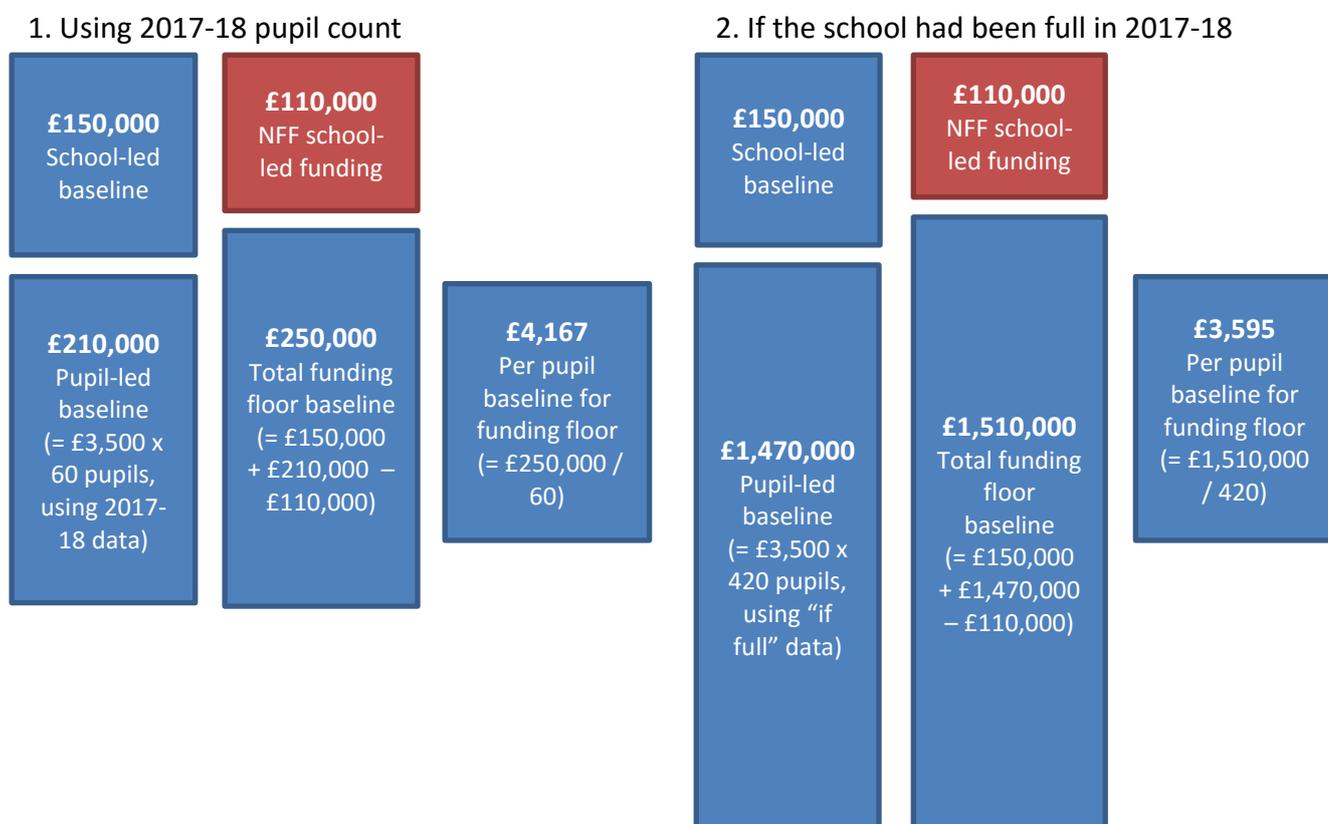
B.9. School A is a primary school that only has one year group of two classes present in 2017-18. It currently has 60 pupils, but would have 420 pupils if it were full to capacity. School A’s local authority allocated £70,000 through the lump sum in 2017-18 (for simplicity these examples assumes the schools receive no funding through the sparsity factor or premises factors). Like all schools, it will receive £110,000 in lump sum funding under the NFF. It received £3,500 per pupil through the pupil-led factors in 2017-18.



B.10. School A's per-pupil baseline for the funding floor would be calculated as just £2,833 if the 2017-18 pupil numbers and funding were used, compared to £3,405 if the school's "if full" pupil count of 420 were used.

Example 2 – per-pupil baseline overstated if we use 2017-18 data

B.11. School B is a similar school to School A. It also currently has 60 pupils and would have 420 pupils if it were full to capacity. It also received £3,500 per pupil through the pupil-led factors in 2017-18, but School B's local authority allocated £150,000 through the lump sum in 2017-18. Like all schools, it will receive £110,000 in lump sum funding under the NFF.



B.12. School B's per-pupil baseline for the funding floor would be calculated as £4,167, compared to £3,595 if the school's "if full" pupil count of 420 were used. Setting a baseline at the higher amount that would continue as the school grows would mean funding the school inconsistently to other schools. So, to ensure the NFF is applied on a consistent basis to all schools we use "if full" data when calculating the funding floor factor for new and growing schools.

New and growing schools – transition on to formula

- B.13. The notional funding allocations for new and growing schools provided through the NFF will be calculated each year using the actual pupil numbers. For 2018-19, October 2016 pupil numbers have been used. New and growing schools will therefore receive a notional allocation using the NFF formula using the relevant October count, but with the funding floor amount calculated based on “if full” baselines as described above. Thus the use of “if full” numbers only applies to the protection provided through the funding floor. The funding floor will provide at least a 1% per pupil increase for new and growing schools on their “if full” baseline per pupil by 2019-20.
- B.14. For some new and growing schools, the level of the funding floor will actually be lower than their current per-pupil funding. This is because growing schools experience higher per-pupil funding in their early years, as their school-led funding is divided by a smaller number of pupils. As the school’s pupil numbers grow, their school-led funding will remain the same, and so the overall per-pupil level of funding will decrease.
- B.15. For new and growing schools, we will also apply a further level of transitional protection by applying a transitional floor of -1.5% to mirror the minimum funding guarantee. This means that the per-pupil level of funding under the NFF will not reduce faster than -1.5% in 2018-19 and 2019-20. When calculating actual allocations, local authorities will be able to apply to disapply the minimum funding guarantee as they often do now for new and growing schools if they feel that is appropriate.
- B.16. New and growing schools who are gaining under the NFF will not be subject to the 3% gains cap in the NFF.

Annex C –transitional protections worked examples

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
1) Establishing the transitional protection baseline per pupil	<p>We start with the APT adjusted baseline for each school – this excludes premises and mobility.</p> <p>We then subtract the NFF school-led unit of funding (taking in to account the proportion of the FY 2017-18 each school is open).</p> <p>And divide by the APT adjusted pupil count.</p>	<p>School A has an APT adjusted baseline of £4,920,000.</p> <p>The NFF school-led unit of funding for school A is £110,000.</p> <p>School A's APT adjusted pupil count is 1,140.</p> <p>Therefore, school A's baseline for transitional protection is £4,219, (£4,920,000 minus £110,000) divided by 1,140.</p>	<p>School B has an APT adjusted baseline of £5,260,000.</p> <p>The NFF school-led unit of funding for school B is £110,000.</p> <p>School B's APT adjusted pupil count is 1,200.</p> <p>Therefore, school B's baseline for transitional protection is £4,292, (£5,260,000 minus £110,000) divided by 1,200.</p>	<p>School C has an APT adjusted baseline of £770,000.</p> <p>The NFF school-led unit of funding for school C is £110,000.</p> <p>School C's APT adjusted pupil count is 180.</p> <p>Therefore, school C's baseline for transitional protection is £3,667, (£770,000 minus £110,000) divided by 180.</p>
2) NFF pupil-led funding (post minimum per pupil and funding floor) (set out in figure 13)	This is the pupil-led (ie excludes school-led funding) unit of funding for schools if the NFF was implemented in full and without transition.	School A's NFF pupil-led funding (post minimum per pupil and funding floor) is £4,261.	School B's NFF pupil-led funding (post minimum per pupil and funding floor) is £4,708.	School C's NFF pupil-led funding (post minimum per pupil and funding floor) is £3,607.

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
3) What is the change between the baseline for the transitional protection and the NFF pupil-led unit of funding?	We work out the percentage change between the baseline for the transitional protection (step 1) and the NFF pupil-led unit of funding (step 2).	Change for school A is 1.0%.	Change for school B is 9.7%.	Change for school C is -1.6%.
4) NFF pupil-led funding (before funding floor applied) (set out in figure 12)	As part of this calculation we may need to refer to the change in pupil-led funding before the funding floor is applied. To be able to do this we need to refer to the NFF pupil-led funding after applying the minimum per pupil funding factor but before applying the funding floor.	School A's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £4,147.	School B's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £4,708.	School C's NFF pupil-led funding (post minimum per pupil but pre funding floor) is £3,550.
5) What is the change between the baseline for the transitional protection and the NFF pupil-led funding (post minimum per	We work out the percentage change between the baseline for the transitional protection (step 1) and the pre funding	Change pre funding floor for school A is -1.7%.	Change pre funding floor for school B is 9.7%.	Change pre funding floor for school C is -3.2%.

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
pupil but pre funding floor)?	floor NFF pupil-led unit of funding (step 4).			
6) Dividing schools between groups	<p>If new and growing school then group 1.</p> <p>If school receives funding through the funding floor then group 2.</p> <p>All other schools in group 3.</p>	School A is in group 2 as this school receives funding through the funding floor.	School B is in group 3.	School C is in group 1.
7) Applying the MFG and gains cap	The next step is to apply the MFG and gains cap as set out in chapter 4.	<p>Schools in group 2 receive a maximum gain of either:</p> <ul style="list-style-type: none"> a. their change to pupil-led funding pre funding floor (step 5) or b. 0.5% <p>School A receives maximum of either</p>	<p>If the change under the NFF (step 3) is less than 3% then schools go straight on to formula.¹²</p> <p>Otherwise schools in group 3 receive a maximum gain of either:</p> <ul style="list-style-type: none"> a. 20% of their remaining cash 	<p>We do not cap gains for new and growing schools – so new and growing schools with NFF pupil-led funding above their transitional protection baseline go directly on to formula.</p> <p>New and growing schools with NFF pupil-led funding</p>

¹² Exception is the very small number of schools that have a negative transitional protection baseline – these schools receive 20% of their remaining gains.

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
		<p>a. Loss of 1.7% or b. Gain of 0.5%</p> <p>So gains 0.5% in 2018-19.</p> <p>2018-19 pupil-led unit of funding after MFG and gains cap is £4,240.</p>	<p>gains (20% of step 3) or b. Gain of 3%</p> <p>School B is due to gain 9.7% under the NFF so receives either max of</p> <p>a. 20% of 9.7% (1.9%) or b. Gain of 3.0%</p> <p>So gains 3.0% in 2018-19.</p> <p>2018-19 pupil-led unit of funding after MFG and gains cap is £4,420.</p>	<p>below their transitional protection baseline are protected under the MFG.</p> <p>School C's NFF pupil-led funding is below the 2017-18 transitional protection baseline. This school is protected under the MFG and cannot lose more than 1.5% in 2018-19.</p> <p>2018-19 pupil-led unit of funding after MFG and gains cap is £3,612.</p>
8) Check to make sure school's per pupil funding is not below the transitional minimum per pupil funding level	<p>We need to check that each school's per pupil funding is not below the transitional minimum per pupil.</p> <p>We do this by comparing the per pupil funding after gains cap and MFG applied to the</p>	<p>School A's total 2018-19 core schools funding after MFG and gains cap is £4,943,600. This is £4,240 (step 7) multiplied by 1,140 (APT adjusted pupil count)</p>	<p>School B's total 2018-19 core schools funding after MFG and gains cap is £5,414,000. This is £4,420 (step 7) multiplied by 1,200 (APT adjusted pupil count)</p>	<p>School C's total 2018-19 core schools funding after MFG and gains cap is £760,160. This is £3,612 (step 7) multiplied by 180 (APT adjusted pupil count)</p>

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
	<p>transitional minimum per pupil funding level. This per pupil funding includes NFF school-led funding.</p> <p>The transitional minimum per pupil funding level is £200 less than each school's NFF minimum per pupil funding level, set out in figure 11. This transitional minimum per pupil funding level is also adjusted to take account of the proportion of the year each school is open.</p>	<p>plus £110,000 (NFF school-led funding).</p> <p>School A's per pupil funding is £4,336, £4,943,600 divided by 1,140.</p> <p>School A is an all-through school open for the full year. The minimum per pupil funding level is £4,042 and the transitional minimum per pupil funding level is £3,842.</p> <p>School A's per pupil funding (£4,336) is greater than £3,842 so no additional funding required.</p>	<p>plus £110,000 (NFF school-led funding).</p> <p>School B's per pupil funding is £4,512, £5,414,000 divided by 1,200.</p> <p>School B is a secondary school open for the full year. The minimum per pupil funding level is £4,800 and the transitional minimum per pupil funding level is £4,600.</p> <p>School B's per pupil funding (£4,512) is less than £4,600 so needs a £88 additional funding per pupil.</p>	<p>plus £110,000 (NFF school-led funding).</p> <p>School C's per pupil funding is £4,223, £760,160 divided by 180.</p> <p>School C is a primary school open for the full year. The minimum per pupil funding level is £3,500 and the transitional minimum per pupil funding level is £3,300.</p> <p>School C's per pupil funding (£4,223) is greater than £3,300 so no additional funding required.</p>
9) 2018-19 pupil-led unit of funding (post	The 2018-19 pupil-led unit of funding (post transitional	School A's 2018-19 pupil-led unit of funding (post transitional minimum per	School B's 2018-19 pupil-led unit of funding (post transitional minimum per	School C's 2018-19 pupil-led unit of funding (post transitional minimum per

Calculation step	Description	Example – an all-through school on the funding floor	Example – a secondary school gaining over 3%	Example – a primary new and growing school
transitional minimum per pupil)	<p>minimum per pupil) is equal to</p> <p>2018-19 pupil-led unit of funding (pre transitional minimum per pupil) (step 7)</p> <p>Plus funding through transitional minimum per pupil funding level (step 8)</p>	pupil) is £4,240, this is £4,240 (step 7) plus £0 (step 8).	pupil) is £4,508, this is £4,420 (step 7) plus £88 (step 8).	pupil) is £3,612, this is £3,612 (step 7) plus £0 (step 8).
10) 2018-19 transitional protection adjustment per pupil	<p>The 2018-19 transitional protection adjustment per pupil is equal to</p> <p>the 2018-19 pupil-led unit of funding (post transitional min.pp) (step 9)</p> <p>minus the NFF pupil-led unit of funding (post minimum per pupil and funding floor) (step 2)</p>	School A's 2018-19 transitional protection adjustment per pupil is -£21, this is £4,240 (step 9) minus £4,261 (step 2).	School B's 2018-19 transitional protection adjustment per pupil is -£200, this is £4,508 (step 9) minus £4,708 (step 2).	School C's 2018-19 transitional protection adjustment per pupil is £5, this is £3,612 (step 9) minus £3,607 (step 2).



Department
for Education

© Crown copyright 2017

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

To view this licence:

visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3

email psi@nationalarchives.gsi.gov.uk

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

About this publication:

enquiries www.education.gov.uk/contactus

download www.gov.uk/government/publications

Reference: DFE-00266-2017



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



Like us on Facebook:
facebook.com/educationgovuk