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Education & Skills
Funding Agency

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Introduction

Before a school opens as an academy, Education and Skills Funding Agency (ESFA) provides details of their revenue funding, known as the general annual grant (GAG), in a draft allocation statement.

This guide explains how to estimate your GAG before receiving your draft statement. It includes links to online data, and contains examples to help explain how to estimate your funding.

This guide is designed for schools converting to become academies and schools becoming sponsored academies between 1 April 2018 and 31 August 2018.

For free schools, studio schools and university technical colleges (UTCs), we have published financial templates to allow you to calculate indicative allocations based on information about your school:

- [free schools, including special schools and AP free schools](#)

- [UTCs](#)
- [studio schools](#)

General annual grant (GAG): mainstream academies

GAG is revenue funding, and is used by academies to meet their day to day running costs. The main element of this is the pre-16 school budget share (SBS).

Funding outside the GAG

As an academy, you will receive other revenue funding that is not included as part of your GAG. This may include:

- [early years funding](#): this is paid by the local authority to academies with a nursery class through the early years national funding formula (EYNFF)
- national non domestic rates (NNDR): this is paid on receipt of a claim made using an [online form](#), and is paid as separate to the SBS
- [pupil premium](#): this is paid in instalments by ESFA
- [PE and sport for primary schools](#): this is paid by ESFA in the autumn term
- [universal infant free school meals \(UIFSM\)](#): this is paid in instalments by ESFA to academies with infant classes
- high needs top up funding: this is paid by the local authority where required, more information about the process for high needs place funding in the 2017 to 2018 academic year is available in the [high needs funding arrangements 2017 to 2018](#) guidance

In addition you may also receive [capital funding](#) from ESFA.

Risk protection arrangement

The [risk protection arrangement \(RPA\)](#) is an alternative to commercial insurance for academy trusts. Under RPA, the UK government covers the losses instead of commercial insurance. Schools converting to academy status that wish to join RPA should inform their DfE contact who will arrange this with ESFA. The cost of joining the scheme is £20 per pupil, per year.

If you opt in, RPA is not shown on your allocation statement as it does not affect your allocation, but it will affect the amount you will receive on a monthly basis. If you opt into RPA you will not receive an adjusted GAG statement, but your monthly pay schedule will be reissued.

Funding for new academies opening from 1 April 2018

The 2018 to 2019 financial year local authority funding formula will form the basis of the SBS until the end of August 2018.

Sixth-form funding and start-up grants are all based on the 2017 to 2018 academic year rates. High needs place funding is based on the 2018 to 2019 financial year rates.

Academies will receive new allocations from September 2018.

The table below explains the funding factor timeline.

Funding factor	April 2018 to August 2018	September 2018 to April 2019
Pre-16 SBS	2018 to 2019 financial year local authority funding formula	2018 to 2019 financial year local authority funding formula
Sixth-form funding	2017 to 2018 academic year	2018 to 2019 academic year
High needs	2018 to 2019 financial year	2018 to 2019 financial year

Estimating your pre-16 school budget share (SBS)

Your pre-16 SBS is the same amount that the local authority allocated to your maintained predecessor, excluding rates, insurance and early years funding.

To estimate your funding as an academy use the 2018 to 2019 financial year funding settlement that the local authority sent to your predecessor school in February 2018.

Proportion the SBS by dividing this figure by 365 (the number of days in 2018 to 2019) to give a per day amount and then multiply this by the number of days from the academy opening date until the end of the 2017 to 2018 academic year, 31 August 2018. See [annex 1](#) for more information on the number of days used in this calculation.

To illustrate, a school that opens on 1 June 2018 would estimate their funding using the following method:

Funding factor	April 2018 to August 2018	September 2018 to April 2019
Pre-16 SBS excluding rates, insurance and early years funding	£3,495,000	This is taken from the 2018 to 2019 financial year funding statement that the local authority will send to the predecessor school in February 2018
SBS per day amount	$\frac{£3,495,000}{365}$ = £9,575.34	This is the yearly SBS amount divided by the number of days in the year (365 days).
SBS prorated amount	$£9,575.34 \times 92$ = £880,931.28	This is the SBS daily amount multiplied by the number of days the school is open for (1 June 2018 to the end of the 2017 to 2018 academic year, 31 August 2018). See annex 1 for more information on the number of days used in this calculation.

Estimating your sixth form funding

You can estimate your sixth form funding by calculating a daily allocation and multiplying the number of remaining days in the 2017 to 2018 academic year.

For example, for an academy that opens on 1 June 2018:

1. Open the [16 to 19 allocation data: 2017 to 2018 academic year](#) file

2. Select the row for the predecessor school, checking the local authority (column C) and institution name (column E). The total funding allocation for the predecessor school is in column T.
3. Calculate the prorated allocation using the following method in the table below.

Factor	Calculation	Description
Total funding allocation	£500,000	This is taken from column T in the 16 to 19 allocation data: 2017 to 2018 academic year file
Sixth-form funding per day amount	$\frac{£500,000}{365} = £1,369.86$	This is the total funding allocation divided by the number of days in the year (365 days)
Sixth-form funding prorated amount	$£1,369.86 \times 92 = £126,027.12$	This is the sixth-form funding per day amount multiplied by the number of days the school is open for (1 June 2018 to the end of the 2017 to 2018 academic year, 31 August 2018). See annex 1 for more information on the number of days used in this calculation.

Estimating your high needs places for special units in mainstream schools

Special units in mainstream schools receive high needs place funding. From April 2018, pre-16 place funding rates at SEN units in mainstream schools has changed. From April 2018, pre-16 places at special units occupied by pupils recorded on the school census as sole or dual (main) will be funded at £6,000. Pupils in these places will also attract funding through the mainstream school formula.

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

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

You can estimate your high needs place funding by calculating a daily allocation and multiplying the number of remaining days in the 2017 to 2018 academic year. To illustrate, for a mainstream school with 10 special unoccupied places and 5 occupied places that converts on 1 June 2018:

Factor	Calculation	Description
Total special unoccupied place allocation	$10 \times £10,000 = £100,000$	The number of special unoccupied places multiplied by the rate per place
Total special occupied place allocation	$5 \times £6,000 = £30,000$	The number of special occupied places multiplied by the rate per place
Special unoccupied place funding per day	$\frac{£100,000}{365} = £273.97$	The yearly special unoccupied place funding allocation divided by the number of days in the year. This gives a daily funding rate.

Special occupied place funding per day	$\frac{£30,000}{365} = £82.19$	The yearly special occupied place funding allocation divided by the number of days in the year. This gives a daily funding rate.
Prorated special unoccupied place funding	$£273.97 \times 92 = £25,205.24$	This is the special unoccupied funding per day amount multiplied by the number of days the school is open (1 April 2018 to the end of the 2017 to 2018 academic year, 31 August 2018). See annex 1 for more information on the number of days used in this calculation.
Prorated special occupied place funding	$£82.19 \times 92 = £7,561.48$	This is the special occupied funding per day amount multiplied by the number of days the school is open (1 April 2018 to the end of the 2017 to 2018 academic year, 31 August 2018). See annex 1 for more information on the number of days used in this calculation.
Total prorated high needs place funding	$£25,205.24 + £7,561.48 = £32,766.72$	This is the total amount of high needs place funding the school will receive for the period 1 April 2018 to 31 August 2018.

Estimating your start-up grant

Start-up grants (SUG) are only paid to full sponsored academies opening with numbers on roll (NOR) less than 90% of capacity. The minimum value threshold is £10,000. The maximum values are:

- primary: £50,000
- small secondary, capacity up to 250 pupils: £60,100
- medium secondary, capacity 251-999 pupils: between £60,100 and £80,200
- large secondary, capacity of 1,000 or more pupils: £80,200

You can estimate your SUG by using the [sponsored academy funding: ready reckoner](#) using the following instructions:

1. Open the sponsored academy funding: ready reckoner
2. Enter your school capacity in cell D13
3. Enter the number of pupils on roll (NOR) in cell D14
4. An indicative allocation will show in cell D26

General annual grant (GAG): special and alternative provision (AP) academies

Special and AP academies receive high needs place funding. In the 2017 to 2018 academic year we will use the figures published in the [high needs allocated place numbers](#) document to calculate this place funding.

Special academies and post-16 provision are funded for pre- and post-16 provision on the same place funded basis.

- £10,000 per special place
- £10,000 per alternative provision pre-16 place

Post-16 learners at AP academies will be funded according to the national 16-19 funding methodology.

Element 3 “top-up” funding should continue to be provided by your local authority at the rate agreed prior to conversion.

More information on [high needs funding arrangements for 2017 to 2018](#) is available.

Estimating your high needs place funding for special schools and AP academies

You can estimate your high needs funding by calculating a daily allocation and multiplying the number of remaining days in the 2017 to 2018 academic year. To illustrate, a special school with 40 high needs places that converted on 1 June 2018 would estimate their funding using the following method:

Factor	Calculation	Description
Total high needs funding allocated	40 x £10,000 = £400,000	The number of high needs places multiplied by the rate per place
High needs place funding per day	£400,000/365 = £1,095.89	The yearly high needs funding allocation divided by the number of days in the year.
Prorated high needs place funding	£1,095.89 x 92 = £100,821.88	This is the high needs funding per day amount multiplied by the number of days the school is open for (1 June 2018 to the end of the 2017 to 2018 academic year, 31 August 2018). See annex 1 for more information on the number of days used in this calculation.

Estimating your start-up grant (SUG)

SUG is paid to full sponsored academies only. Special and AP academies with up to 100 places receive a flat rate allocation of £25,000 in the first year of opening. Special and AP academies with 100 or more places would be allocated £25,000 plus £250 per place over 100 places.

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

Special and AP academies do not receive a formulaic allocation for leadership capacity as their GAG is allocated per place rather than per pupil. This already takes account of staff diseconomies of scale, recognising that pupil numbers in such provision can fluctuate widely throughout the year.

Annex 1

The table below shows the number of days remaining in the 2017 to 2018 academic year for academies opening up to 31 August 2018.

Academy opening date

Days remaining

1 April 2018	153
1 May 2018	123
1 June 2018	92
1 July 2018	62
1 August 2018	31

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