



Education  
Funding  
Agency

# **Estimating your academy funding allocation**

**A guide for schools opening as  
academies**

**January 2015**

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## Introduction

The Education Funding Agency (EFA) has produced this guide to help schools which are planning to open as academies, to understand their funding.

Before a school opens as an academy, the EFA provides details of their revenue funding, known as the general annual grant (GAG), in a draft funding allocation pack (FAP).

This document explains how you can estimate your GAG before receiving your draft FAP. It includes links to online data and has examples for each of the main elements of the GAG.

For free schools, studio schools and UTCs, we have published financial templates on GOV.UK to allow you to calculate indicative allocations based on information about your school:

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

## General annual grant (GAG)

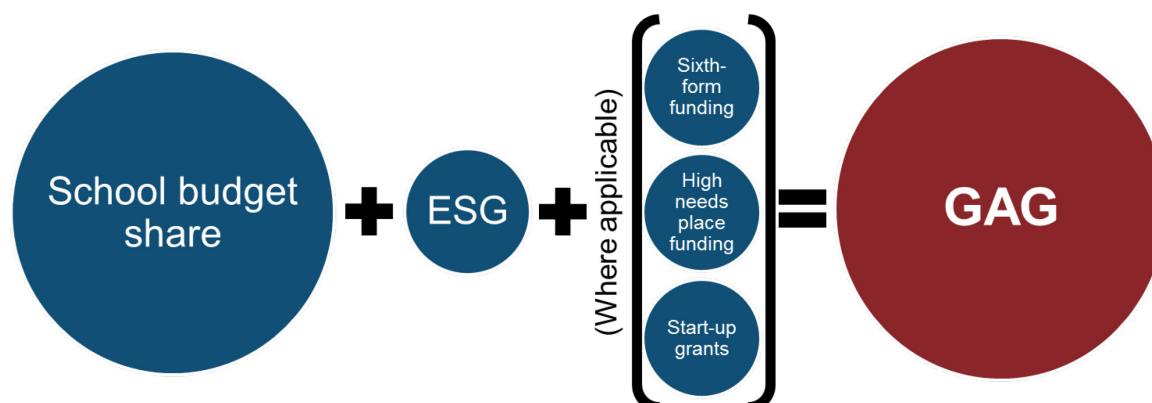
GAG funding is for academies to meet their day-to-day running costs.

The two principal elements are:

- pre-16 school budget share (SBS)
- education services grant (ESG)

Other elements are only applicable to certain academies:

- sixth-form funding – for academies with a sixth-form
- high needs place funding – for special and alternative provision academies or academies with a special unit or resourced provision
- start-up grants – for full sponsored academies only



## Funding outside the GAG

As an academy you will receive other funding that is not part of your GAG. This includes:

- early years funding - paid by the local authority (LA) according to local formula
- [rates](#) - paid on invoice by the EFA
- [pupil premium](#) - paid in four instalments by either the LA or EFA depending on the date of opening
- [PE and sport premium](#) for primary schools - paid by the EFA in the autumn term
- [universal infant free school meals](#) - paid in instalments by the EFA
- [high needs top-up](#) - paid by the LA
- [devolved formula capital](#) - paid in one instalment by either the LA or EFA depending on the date of opening

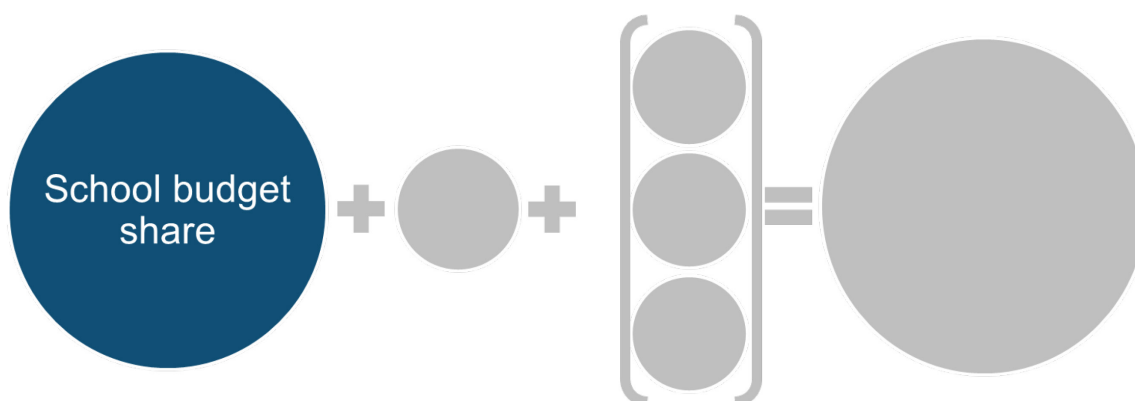
New academies do not receive separate funding for the costs of insurance. They can opt-in to the Department for Education's (DfE) [risk protection arrangements \(RPA\)](#) for academy trusts. This is an alternative to insurance where losses that arise are covered by UK government funds. The cost of joining the scheme is £25 per pupil, per year. If you opt-in, this will be deducted from your GAG allocation.

## Funding for new academies opening before 1 April 2015

Funding for the 2014 to 2015 academic year will be the same as your predecessor school for the 2014 to 2015 financial year.

Funding is proportioned until the end of the academic year, 31 August 2015. It does not include funding for rates, insurance and early years funding that your local authority (LA) would have paid.

### Estimating your pre-16 school budget share (SBS)



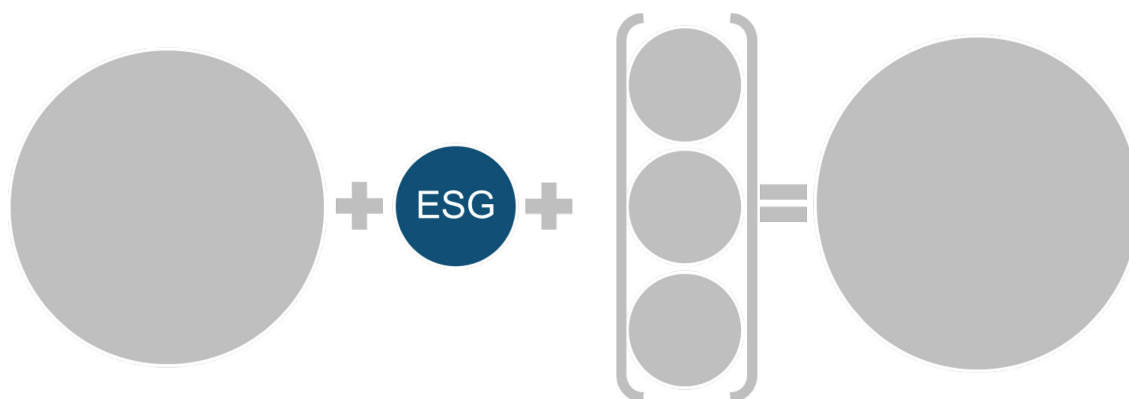
#### Example

1. Open the [2014 to 2015 funding for schools and academies at provider level](#) file.
2. Select the row for your predecessor school, checking the local authority name (column B), LA estab number (column C) and school name (column D).

A	B	C	D	Y
LA Code	Local Authority Name	LAESTAB	School Name	Total Schools Block Allocation (Post MFG)
815	North Yorkshire	8150000	White Rose Primary School	£1,394,000

3. Note the *Total Schools Block Allocation (Post MFG)* (column Y).
  - £1,394,000
4. Proportion the SBS by dividing this figure by 365 to give a per day amount then multiply this by the number of days from the academy opening date until the end of the 2014 to 2015 academic year, 31 August 2015. See Appendix 1 for more information on the number of days used in this calculation.
  - If the school converts on 1 November 2014 they will be open for 304 days of the academic year. This means that their SBS from 1 November 2014 to 31 August 2015 is calculated as follows:
    - i. per day amount =  $\text{£}1,394,000 / 365 = \text{£}3,819.18$
    - ii. proportioned allocation =  $\text{£}3,819.18 \times 304 = \text{£}1,161,030$

## Estimating your education services grant (ESG)

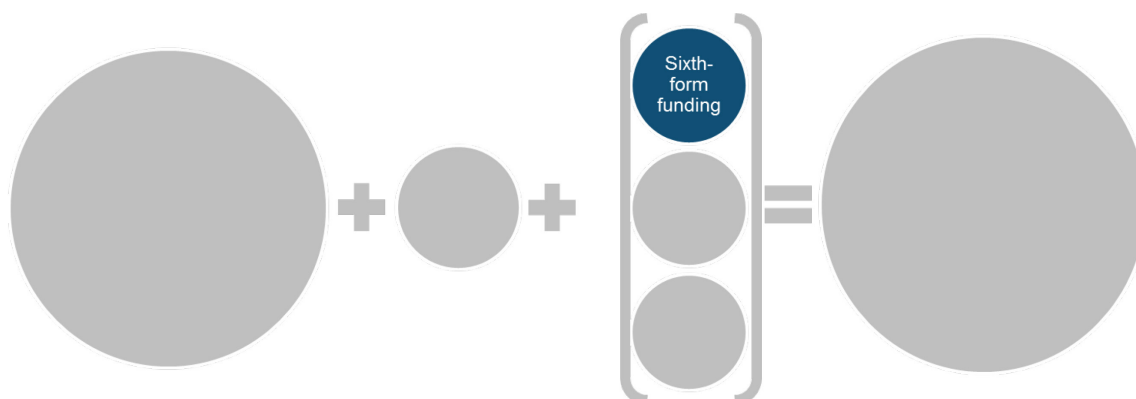


For the 2014 to 2015 academic year, academies are paid ESG at £140 per pupil, £595 per special place and £525 per AP place.

### Example

1. A school with 763 full time equivalent nursery to year 13 pupils would be allocated ESG as follows:
  - $763 \times £140 = £106,820$
2. Proportion the ESG by dividing this figure by 365 to give a per day figure, then multiply this by the number of days from the academy opening date until the end of the 2014 to 2015 academic year, 31 August 2015. See Appendix 1 for more information on the number of days used in this calculation.
  - If the school converts on 1 March 2015 they will be open for 184 days of the academic year. This means that their ESG from 1 March 2014 to 31 August 2015 is calculated as follows:
    - i. per day amount =  $£106,820 / 365 = £292.66$
    - ii. proportioned allocation =  $£292.66 \times 184 = £53,849$

## Estimating your sixth-form funding



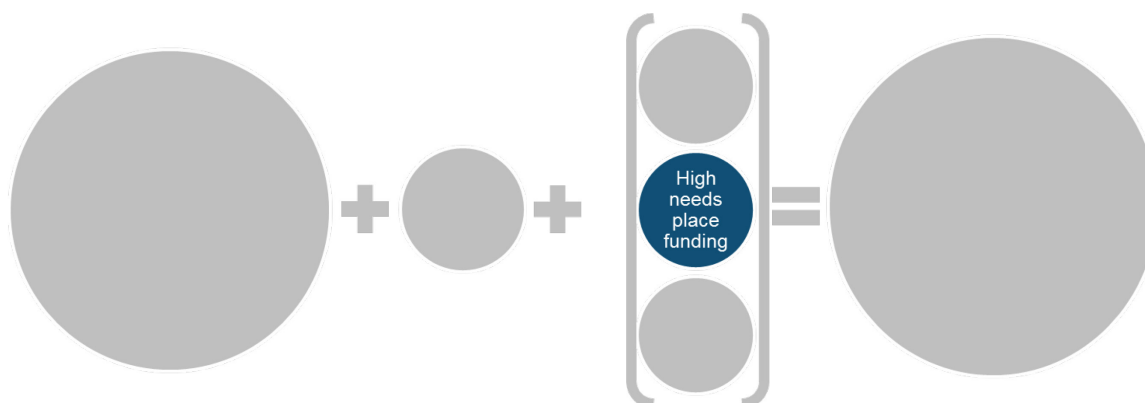
### Example

1. Open the [16 to 19 allocation data: 2014 to 2015 academic year](#) file.
2. Select the row for your predecessor school, checking the local authority (column B) and institution name (column D).

A	B	C	D		R
Regi on	Local Authority (LA)	LA No.	Institution Name		Total Funding Allocation
YH	Leeds	383	KING GEORGE ACADEMY		£753,698

3. Note the Total Funding Allocation (column R):
  - £753,698
4. Proportion the sixth-form funding by dividing this figure by 365 to give a per day figure, then multiply this by the number of days from the academy opening date until the end of the 2014 to 2015 academic year, 31 August 2015. See Appendix 1 for more information on the number of days used in this calculation.
5. Example:
  - if the school converts on 1 January 2015 they will be open for 243 days of the academic year. This means that their sixth-form funding from 1 January 2014 to 31 August 2015 is calculated as follows:
    - i. per day amount =  $£753,698 / 365 = £2,064.93$
    - ii. proportioned allocation =  $£2,064.93 \times 243 = £501,777$

## Estimating your high needs place funding



Special schools, pupil referral units becoming alternative provision (AP) academies, and special units in mainstream schools receive high needs place funding.

High needs places are funded for the 2014 to 2015 academic year as follows:

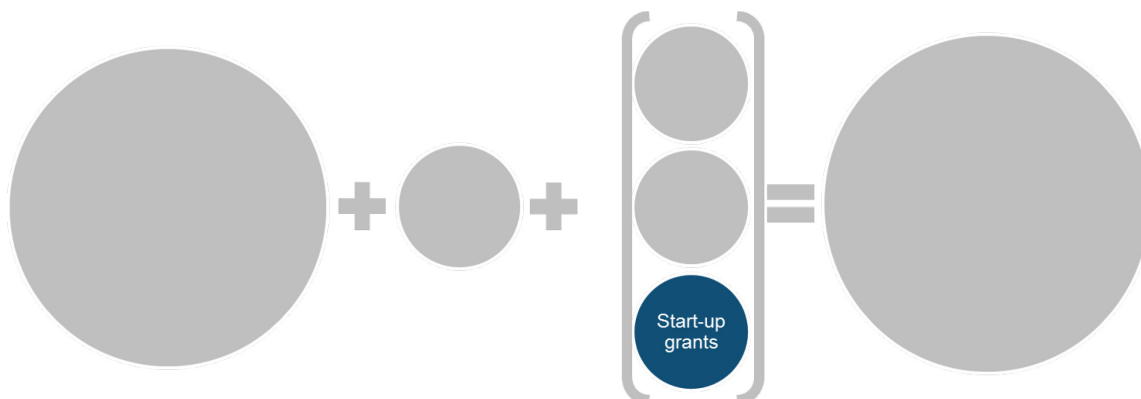
- £10,000 per special place
- £8,000 per AP place

### Example

1. A special school with 20 high needs places would be allocated high needs funding as follows:
  - $20 \times £10,000 = £200,000$
2. Proportion the high needs place funding by multiplying this figure by the number of days from the academy opening date until the end of the 2014 to 2015 academic year, 31 August 2015, then divide by the number of days in the academic year. See Appendix 1 for more information on the number of days used in this calculation.
3. Example:
  - if the school converts on 1 February 2015 they will be open for 212 days of the academic year. This means that their high needs place funding from 1 February 2015 to 31 August 2015 is calculated as follows:
    - $£200,000 \times 212/365 = £116,164$



## Estimating your start-up grant



Start-up grants (SUG) are only paid for 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

### To make an estimate

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.

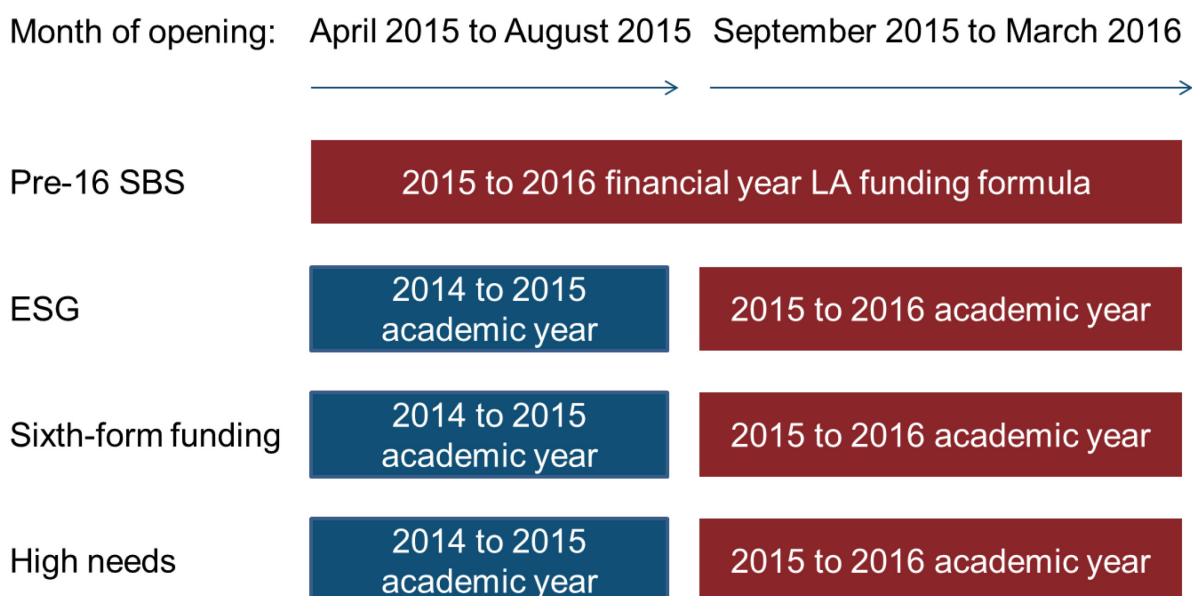
INDICATIVE diseconomies funding			
<b>Section A: School size and capacity</b>			
A	School capacity	1,000	Please enter school capacity as provided by Local Authority (LA) Please enter NOR based on pupil census data or sponsor provided forecast data.
B	Number on Roll (NOR) first year	750	
C	Capacity (%)	75%	Capacity (C) = B/A (rounded to the nearest whole percentage)
D	Percentage points below 90%	15	Percentage points below 90% (D) = 90%-C (this will be limited to a maximum of 20%)
<b>Section B: INDICATIVE allocation</b>			
E	Maximum amount (£)	£80,200	Maximum amount based on school size (rounded to nearest £100) See notes below.
F	£ per % below 90%	£4,000	Proportional amount of grant per percentage point below 90% (F) = (E/20) (rounded to nearest £100)
G	Indicative allocation (£)	£60,000	Indicative allocation (G) = F * D

## Funding for new academies opening from 1 April 2015

The 2015 to 2016 financial year local authority (LA) funding formula will form the basis of the school budget share (SBS) until the end of August 2016.

Education Services Grant (ESG), sixth-form funding, high needs place funding and start-up grants are all based on the 2014 to 2015 academic year.

Academies will receive new SBS, ESG, sixth form and high needs place funding allocations from September 2015.



## Estimating your pre-16 school budget share (SBS)

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

To estimate your funding as an academy, you must use the 2015 to 2016 financial year funding statement that the LA will send to your predecessor school in Spring 2015.

Proportion the SBS by dividing this figure by 366 (the number of days in the 2015 to 2016 financial year) 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 2014 to 2015 academic year, 31 August 2015. See Appendix 1 for more information on the number of days used in this calculation.

### Example

1. Excluding rates, insurance and early years funding, the maintained school predecessor was allocated £3,495,000 by the LA.
2. If the school converts on 1 June 2015 they will be open for 92 days of the academic year. This means that their SBS from 1 June 2015 to 31 August 2015 is calculated as follows:
  - Per day amount =  $\text{£}3,495,000 / 366 = \text{£}9,549.18$
  - Proportioned allocation =  $\text{£}9,549.18 \times 92 = \text{£}878,524.59$

## Estimating your other GAG funding

For ESG, sixth-form funding, high needs place funding and start up grants, please see the examples for academies opening before 1 April 2015.

## Appendix 1

This table shows the number of days remaining in the 2014 to 2015 academic year for academies opening up to August 2015.

<b>Academy opening date</b>	<b>Days remaining</b>
1 November 2014	304
1 December 2014	274
1 January 2015	243
1 February 2015	212
1 March 2015	184
1 April 2015	153
1 May 2015	123
1 June 2015	92
1 July 2015	62
1 August 2015	31



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