



Guidance

Guide to national funding formula

Updated 20 July 2020

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The [schools national funding formula \(NFF\)](#) is the way the government decides how much core funding to allocate for mainstream, state-funded schools in England.

See the [national funding formula for schools and high needs](#) for more information.

Calculating funding

The schools NFF calculates an allocation for each school, using the school's pupil numbers and characteristics from the previous October school census (or agreed pupil numbers from that year). These school-level allocations are added up to create a total allocation for each local authority. Local authorities then set their own local formulae with more up to date pupil numbers to distribute their total allocation between all the schools in their area. Schools receive their budget allocation based on their local authority's formula.

This means that while the NFF determines how much money each local authority receives, it is the local authorities' own formulae that determine how much each school finally receives.

Because the final allocation that a school receives may be higher, or lower, than its NFF allocation, we sometimes refer to the NFF figures as 'notional' allocations. We intend to move towards a system that allocates funding using the same formula for all schools, rather than having local authorities set their own formulae.

Funding per pupil

The majority of funding that goes through the schools NFF is 'pupil-led'. This funding is calculated based on the number of pupils in the school and their characteristics. All schools get a basic amount for each pupil (with different amounts for different ages), and extra funding for pupils with additional needs.

Schools also receive 'school-led' funding, based on the characteristics of the school itself. This includes a lump sum for every school, and extra funding for schools with certain characteristics, such as a school that operates across more than one site, or a school that is small and remote.

Absolute levels of funding per pupil are calculated using both pupil-led and school-led funding - the total funding for both pupils and the school.

Changes in funding per pupil are calculated using changes in pupil-led funding only - the funding that changes from year to year with pupil numbers.

Funding for 2021 to 2022

For 2021 to 2022, every school will attract at least 2% more funding per pupil for their pupil-led funding in the NFF. Many schools will attract significantly more.

However, a school may see a decrease in their total funding if they have fewer pupils than before. This is because most funding is allocated on a per pupil basis.

The NFF allocations for 2021 to 2022 are calculated using pupil numbers from the October 2019 census (or agreed pupil numbers from last year). This was the most recent data available when the allocations were calculated. Schools' final allocations for 2021 to 2022 as determined by their local authority will be based on pupil numbers from the October 2020 school census.

Funding for nursery classes and sixth form

The schools NFF only allocates funding for 5 to 16 year olds (pupils in reception through to year 11) in mainstream, state-funded schools. There are separate national funding formulae for early years funding and post-16 funding. A school with a nursery class or a sixth form will therefore attract funding through both the schools NFF and the early years or post-16 formula.

Additional funding that schools may receive, such as the Pupil Premium or PE and Sport Premium, are distributed separately to the schools NFF.

Children with special educational needs and disabilities (SEND)

A separate high needs national funding formula is used to calculate the high needs budget local authorities receive. Local authorities use this budget to provide for pupils with SEND in special and independent settings, as well as to top up funding for pupils with SEND who attend mainstream schools.

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