

Local authority funding formula factors for 2019 to 2020

The full list of allowable factors in 2019 to 2020 is set out as follows:

1. Basic entitlement

A compulsory factor

This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census

- funding is allocated according to an age-weighted pupil unit (AWPU)
- there is a single rate for primary age pupils, which must be at least £2,000
- there can be different rates for KS3 and KS4, with a minimum of £3,000 for each
- local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in January 2018, rather than the October 2017 census
- we do not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2019 to 2020
- schools with reception uplift will not be financially disadvantaged in the national funding formula calculations, as the funding will remain in their baselines

2. Deprivation

A compulsory factor

Local authorities can use free school meals (FSM), the income deprivation affecting children index (IDACI), or both, to calculate the deprivation factor

- we measure eligibility for current FSM using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census
- local authorities using FSM to calculate deprivation can choose to use either current FSM, Ever6 FSM, or both
- the IDACI measure uses 6 bands, and different values can be attached to each band; different unit values can be used for primary and secondary within each band
- we will automatically set the FSM Ever6 ratio equal to the current FSM ratio for schools where the FSM Ever6 rate is recorded as lower than the current FSM rate

3. Prior attainment

An optional factor (used by Birmingham)

The prior attainment factor acts as a proxy indicator for low level, high incidence, special educational needs

- under the 2018 (No. 2) Regulations, we require a weighting of 0.64 for year 7 pupils to be applied when calculating secondary prior attainment

We have included more information in the prior attainment section of this guidance.

4. Looked-after children (LAC)

An optional factor (not used by Birmingham)

Local authorities can apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSDA903 return at 31 March 2018

- we map this data to schools using the January school census to identify the number of LAC in each school or academy
- we do not use a LAC factor in the national funding formula. Instead, we increased the pupil premium plus rate from 2018 to 2019 from £1,900 to £2,300. Local authorities currently using this factor should consider whether to do so in 2019 to 2020

5. English as an additional language (EAL)

An optional factor (used by Birmingham)

Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system

- local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit values for primary and secondary
- we have used three years in the national funding formula; local authorities should consider this when setting their local formula

6. Pupil mobility

An optional factor (used by Birmingham)

This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils)

- there is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility will attract pupil mobility funding for 2% of pupils)

7. Sparsity

An optional factor (not applicable to Birmingham)

Schools that are eligible for sparsity funding must meet two criteria

- they are located in areas where pupils would have to travel a significant distance to an alternative should the school close
- they are small schools

This factor now allows for a sparsity taper to mirror the methodology used as part of the national funding formula. We have included more information in the sparsity section of this guidance.

8. Lump sum

An optional factor (used by all local authorities)

Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary.

- local authorities should give middle schools a weighted average, based on the number of year groups in each phase
- the maximum lump sum is £175,000, even for schools that receive a London fringe uplift

We have included more information in the lump sum section of this guidance, including information for amalgamated schools.

9. Split sites

An optional factor (used by Birmingham)

The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites

- allocations must be based on objective criteria for the definition of a split site, and for how much is paid

We have included more information in the split sites section of this guidance.

10. Rates

An optional factor (used by all local authorities)

Local authorities must fund rates at their estimate of the actual cost. Local authorities can make adjustments to rates during the financial year, but this must be done outside of the funding formula

- for example, an additional allocation could be made to a school (funded by balances brought forward)
- this should be reflected in the Section 251 outturn statement, and in each school's accounts
- the effect on the school would be zero, since any rates adjustment will be offset by a change in the cost of the rates

11. Private finance initiative (PFI) contracts

An optional factor (used by Birmingham)

The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.

We have included more information in the PFI section of this guidance.

12. London fringe

An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)

The purpose of this factor is to support schools that have higher costs because they are in the London fringe area, and only part of the local authority is in this area. The multiplier is applied to the 6 pupil-led factors, the lump sum factor, and the sparsity factor.

13. Exceptional premises factors

An optional factor (not used by Birmingham)

Local authorities can apply to ESFA to use exceptional factors relating to school premises, for example, for rents, or joint-use sports facilities

- exceptional factors must relate to premises costs
- local authorities should only submit applications where the value of the factor is more than 1% of a school's budget, and applies to fewer than 5% of the schools in the authority's area
- local authorities can use exceptional premises factors used in 2018 to 2019 (for pre-existing, and newly-qualifying schools) in 2019 to 2020, if the qualification criteria are still met

14. Minimum level of per pupil funding for primary and secondary schools

An optional factor (used by Birmingham)

The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools

- where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula
- local authorities should calculate the minimum per pupil level on the basis of the school's total funding; this will be set out in the APT guidance
- local authorities who wish to reflect the NFF calculation by excluding the premises factors that have been excluded from the NFF calculation can do so through the APT and will not need to submit a disapplication

We have included the maximum rates for each phase, and more information on setting a minimum per pupil amount in the schools section of this guidance.

15. Funding floor factor

An optional factor (not used by Birmingham)

The purpose of this factor is to allow local authorities to reflect the NFF calculation of a minimum 1% per pupil increase over 2017 to 2018 baselines

- if this factor is used all schools within the local authority must be protected against a baseline, even if they were not open in 2017 to 2018
- we have published theoretical baselines for schools which have opened, merged or split since 2017 to 2018; local authorities wishing to amend these theoretical baselines, to take account of local knowledge can do so

- the local authority will need to calculate a baseline for new schools that do not have a theoretical baseline

We have included more information in the funding floor section of this guidance.