

Appendix 2 - Worked Examples - Illustrative Impact of School Funding Formula Models 2020-21

Row Ref	Factor	9094150 Dowdales School					9092060 Thursby Primary School					9092008 Bewcastle School				
		Actual	Model A	Model B	Model C	Model D	Actual	Model A	Model B	Model C	Model D	Actual	Model A	Model B	Model C	Model D
		2019-20 School Budget Share	Impact of 0.39% Transfer to HN Block NFF Implemented in Full	Impact of 0.5% Transfer to HN Block through cap on gains	Impact of 0.5% Transfer to HN Block through reduced MFG and cap on gains	Impact of 0.5% Transfer to HN Block Through AWPU										
(a)	Age-Weighted Pupil Unit (AWPU)	4,001,462	4,161,899	4,161,899	4,161,899	4,150,877	282,940	294,271	294,271	294,271	293,492	49,446	51,426	51,426	51,426	51,290
(b)	Free School Meals	142,000	147,011	147,011	147,011	147,011	3,744	3,882	3,882	3,882	3,882	3,310	3,420	3,420	3,420	3,420
(c)	IDACI	82,005	85,145	85,145	85,145	85,145	2,340	2,445	2,445	2,445	2,445	0	0	0	0	0
(d)	EAL	6,925	7,200	7,200	7,200	7,200	0	0	0	0	0	0	0	0	0	0
(e)	Low Attainment	312,085	324,166	324,166	324,166	324,166	29,377	30,613	30,613	30,613	30,613	11,321	11,797	11,797	11,797	11,797
(f)	Mobility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Lump Sum	110,000	114,400	114,400	114,400	114,400	110,000	114,400	114,400	114,400	114,400	110,000	114,400	114,400	114,400	114,400
(h)	Sparsity	0	0	0	0	0	0	0	0	0	0	25,000	26,000	26,000	26,000	26,000
(i)	Rates	137,648	137,648	137,648	137,648	137,648	9,143	9,143	9,143	9,143	9,143	3,272	3,272	3,272	3,272	3,272
(j)	<b>Total Funding Through NFF</b>	<b>4,792,126</b>	<b>4,977,469</b>	<b>4,977,469</b>	<b>4,977,469</b>	<b>4,966,447</b>	<b>437,543</b>	<b>454,754</b>	<b>454,754</b>	<b>454,754</b>	<b>453,975</b>	<b>202,349</b>	<b>210,315</b>	<b>210,315</b>	<b>210,315</b>	<b>210,179</b>
(k)	Calculation of Minimum Funding Level (j - i)	4,654,477	4,839,821	4,839,821	4,839,821	4,828,799	428,400	445,611	445,611	445,611	444,832	199,076	207,043	207,043	207,043	206,907
(l)	Number of pupils	980	980	980	980	980	103	103	103	103	103	18	18	18	18	18
(m)	Per Pupil (k/l)	4,749	4,939	4,939	4,939	4,927	4,159	4,326	4,326	4,326	4,319	11,060	11,502	11,502	11,502	11,495
(n)	Minimum Funding Level (MFL)	4,800	5,000	5,000	5,000	5,000	3,500	3,750	3,750	3,750	3,750	3,500	3,750	3,750	3,750	3,750
(o)	<b>Funding required to meet MFL ((n-m) x l) if under MFL</b>	<b>49,523</b>	<b>60,179</b>	<b>60,179</b>	<b>60,179</b>	<b>71,201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(p)	Calculation of Funding Floor (j - g - h - i + o)	4,594,000	n/a	n/a	n/a	n/a	318,400	n/a	n/a	n/a	n/a	64,076	n/a	n/a	n/a	n/a
(q)	2019-20 Funding Floor Rate (p/l)	4,688	n/a	n/a	n/a	n/a	3,091	n/a	n/a	n/a	n/a	3,560	n/a	n/a	n/a	n/a
(r)	2017-18 Funding Floor Rate	4,680	n/a	n/a	n/a	n/a	3,020	n/a	n/a	n/a	n/a	715	n/a	n/a	n/a	n/a
(s)	Funding Floor Change (q/r - 1)	0.16%	n/a	n/a	n/a	n/a	2.35%	n/a	n/a	n/a	n/a	397.75%	n/a	n/a	n/a	n/a
(t)	<b>Funding required to meet Funding Floor</b>	<b>38,568</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(u)	Calculation of MFG/Capping Factor (j - g - h - i + o + t)	4,632,568	4,785,600	4,785,600	4,785,600	4,785,600	318,400	331,211	331,211	331,211	330,432	64,076	66,643	66,643	66,643	66,507
(v)	2020-21 Minimum Funding Guarantee Rate (u/l)	4,727	4,883	4,883	4,883	4,883	3,091	3,216	3,216	3,216	3,208	3,560	3,702	3,702	3,702	3,695
(w)	2019-20 Minimum Funding Guarantee Rate	4,723	4,723	4,723	4,723	4,723	3,105	3,105	3,105	3,105	3,105	1,286	1,441	1,441	1,441	1,441
(x)	MFG Change (v/w - 1)	0.10%	3.40%	3.40%	3.40%	3.40%	-0.43%	3.58%	3.58%	3.58%	3.33%	176.76%	156.94%	156.94%	156.94%	156.41%
(y)	MFG Level	0.00%	1.84%	1.84%	1.50%	1.84%	0.00%	1.84%	1.84%	1.50%	1.84%	0.00%	1.84%	1.84%	1.50%	1.84%
(z)	Capping Factor Level or alternative gains cap for small schools)	2.07%	0.00%	43.93%	52.15%	0.00%	2.07%	0.00%	43.93%	52.15%	0.00%	35.35%	0.00%	43.93%	52.15%	0.00%
(aa)	<b>Funding required to meet MFG (((w x y + w) - v) x l) or Funding Reduction required if Gains greater than cap ((z - x) x w x l)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,372</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-32,740</b>	<b>0</b>	<b>-29,311</b>	<b>-27,179</b>	<b>0</b>
(ab)	Total Funding Through NFF (j)	4,792,126	4,977,469	4,977,469	4,977,469	4,966,447	437,543	454,754	454,754	454,754	453,975	202,349	210,315	210,315	210,315	210,179
(ac)	Funding required to meet MFL (o)	49,523	60,179	60,179	60,179	71,201	0	0	0	0	0	0	0	0	0	0
(ad)	Funding required to meet Funding Floor (t)	38,568	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ae)	Funding required to meet MFG/Funding reduction required Gains Cap (aa)	0	0	0	0	0	1,372	0	0	0	0	-32,740	0	-29,311	-27,179	0
(af)	<b>Total Funding 2019-20</b>	<b>4,880,216</b>	<b>5,037,648</b>	<b>5,037,648</b>	<b>5,037,648</b>	<b>5,037,648</b>	<b>438,915</b>	<b>454,754</b>	<b>454,754</b>	<b>454,754</b>	<b>453,975</b>	<b>169,609</b>	<b>210,315</b>	<b>181,004</b>	<b>183,136</b>	<b>210,179</b>

#### Calculation of Funding - Actual 2019-20 School Allocations

Once the AWPU calculation has been applied the remaining funding formulas are calculated to arrive at a total School Funding allocation (j). After this the formula is checked to ensure that it meets the Minimum Funding Levels of £3,500 per primary pupil and £4,800 per secondary pupil and if applicable additional funding is allocated to meet this level (o). For 2019-20 the funding formula allowed for at least 1% per pupil increase in respect of each school between its 2017-18 and 2019-20 baseline (known as the Funding Floor) and if applicable additional funding is allocated to meet this floor (t). Finally, the capping and scaling is applied through the Minimum Funding Guarantee and Capping Factor against 2018-19 baselines. For 2019-20 the MFG was set to 0% and the cap at 2.07% (y and z).

#### Model A - Impact of Transferring 0.39% to High Needs Block

The national funding formula is applied to arrive at a total School Funding allocation (j). After this the formula is checked to ensure that it meets the Minimum Funding Levels of £3,750 per primary pupil and £5,000 per secondary pupil and if applicable additional funding is allocated to meet this level (o). For 2020-21 the national funding formula allows for at least a 1.84% per pupil increase in respect of each school between its 2019-20 and 2020-21 baselines and if applicable additional funding is allocated to meet this level (y). Under the national funding formula there is no gains caps, therefore, all schools receive the full funding due to them through the formula.

#### Model B - Impact of Transferring 0.5% to High Needs Block managed through MFG 1.84% and Capping gains at 43.93%

The national funding formula is applied to arrive at a total School Funding allocation (j). After this the formula is checked to ensure that it meets the Minimum Funding Levels of £3,750 per primary pupil and £5,000 per secondary pupil and if applicable additional funding is allocated to meet this level (o). To ensure that the funding formula does not exceed the Schools Block funding available the MFG has been set to 1.84% and if applicable additional funding is allocated to meet this level (y) and the cap on gains set to 43.93% and if applicable funding is reduced to this level (z).

#### Model C - Impact of Transferring 0.5% to High Needs Block managed through MFG 1.5% and Capping gains at 52.15%

The national funding formula is applied to arrive at a total School Funding allocation (j). After this the formula is checked to ensure that it meets the Minimum Funding Levels of £3,750 per primary pupil and £5,000 per secondary pupil and if applicable additional funding is allocated to meet this level (o). To ensure that the funding formula does not exceed the Schools Block funding available the MFG has been set to 1.5% and if applicable additional funding is allocated to meet this level (y) and the cap on gains set to 52.15% and if applicable funding is reduced to this level (z).

#### Model D - Impact of Transferring 0.5% to High Needs Block through reduce AWPU values

The AWPU values are reduced and the remaining national funding formulas are calculated to arrive at a total School Funding allocation (j). After this the formula is checked to ensure that it meets the Minimum Funding Levels of £3,750 per primary pupil and £5,000 per secondary pupil and if applicable additional funding is allocated to meet this level (o). For 2020-21 the national funding formula allows for at least a 1.84% per pupil increase in respect of each school between its 2019-20 and 2020-21 baselines and if applicable additional funding is allocated to meet this level (y). Under the national funding formula there is no gains caps, therefore, all schools receive the full funding due to them through the formula.

#### Dowdales School

The funding for this school increases by the same amount under Models A -D compared to Actual 2019-20. This is because it is receiving additional funding through the MFL so the uplifted per pupil amount for the purposes of calculating the MFG (v) is at the same level and higher than the MFG threshold in all 4 models and below the capping levels set for Models B and C.

#### Thursby Primary School

The funding for this school remains the same under Models A to C but reduces under Model D. This is because in all 4 models the schools per pupil funding through the formula (m) is above the MFL (n) and the per pupil amount for the purposes of calculating the MFG (v) is also above the MFG threshold and below the capping level for all 4 models. The school receives less funding under Model D as the impact of reducing the AWPU value does not drop the per pupil funding amount below the MFL or MFG thresholds and therefore the school does not receive any additional funding through these factors.

#### Bewcastle School

The funding for this school is different under all 4 models. This is because under all 4 models the schools per pupil funding through the formula (m) is above the MFL (n) and the per pupil amount for the purposes of calculating the MFG (v) is also above the MFG threshold for all 4 models. However, for Models B and C the increase between the per pupil funding from one year to the next for calculating the Capping (x) is above the capping level (z) which is set at 49.93% for Model B and 52.15% for Model C and therefore the funding reduction under Model B is greater than under Model C. Under Model D there is no capping level therefore the school receives all its gains, however, due to the reduction in AWPU values the gains are lower than that received under Model A.