

## APPENDIX ONE:

The Local Authority analysed several models to understand the financial impact to Manchester of a move to NFF (using 2021/22 data):

- **Model G:** Current LFF model
- **Model N1:** Complete and direct move to NFF
- **Model N2:** 10% transition of LFF to NFF
- **Model N2A:** Model N2 except FSM values at NFF rates and a higher cap.

The table below outlines the number of schools and whether they will be funded under LFF, MFG, or Capping under the various models outlined above.

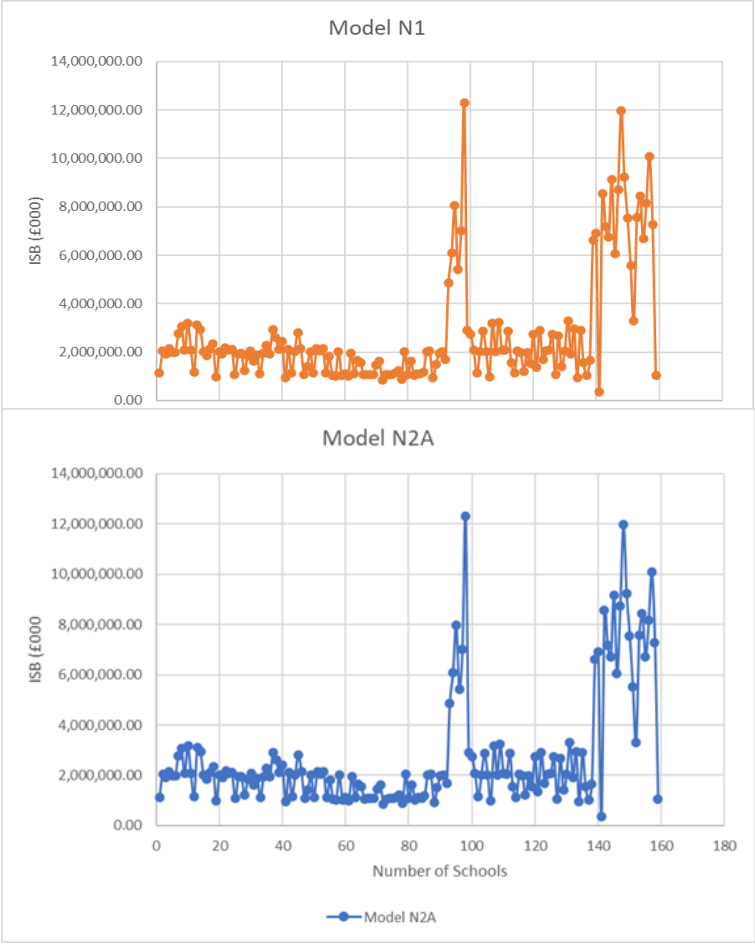
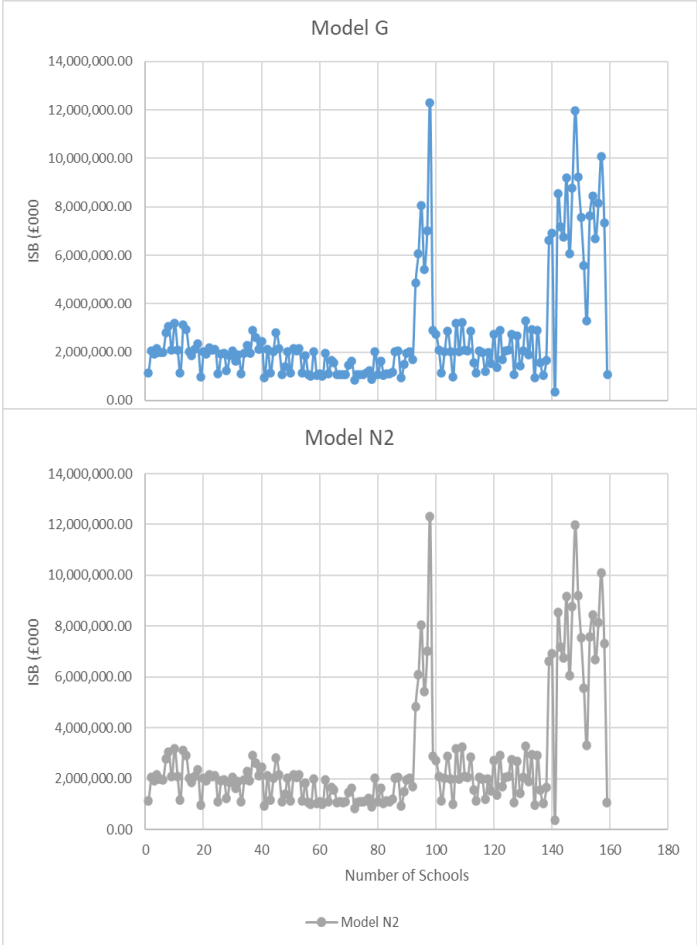
	Model G	Model N1	Model N2	Model N2A
<b>MFG</b>	124	150	131	49
<b>Cap</b>	15	7	10	107
<b>LFF</b>	28	10	26	11

The following table provides a funding comparison under various models of key funding factors, including Age Weighted Pupil Unit (AWPU), MFG, Capping, and Additional Need.

**2021/22 DSG SB Quantum:** £456,200,384.00

2021/22	Model G LFF	Model N1 NFF values exactly	Model N2 10% move towards NFF	Model N2A Model N2 with FSM @ NFF & Larger Cap
<b>Total Allocated</b>	456,200,384.00	455,652,663.94	456,058,714.28	456,200,412.26
<b>Unallocated</b>	0.00	547,720.06	141,669.72	-28.26
<b>Average ISB Funding Per Pupil</b>	£5,392.23	£5,386.49	£5,390.67	£5,392.84
MFG	8,769,117.81	15,876,720.70	9,386,621.88	3,281,545.36
Capping	-677,487.84	-492,988.33	-610,397.18	-6,505,497.08
AWPU Total	325,644,377.28	300,749,732.03	323,154,912.76	323,154,912.76
Additional Need Total	91,491,294.11	113,581,508.64	93,700,315.57	105,914,743.84
Lump sum	25,730,000.00	19,661,373.66	25,123,137.37	25,123,137.37
<b>AWPU, Additional Need, &amp; Lump Sum*</b>	<b>442,865,671.40</b>	<b>433,992,614.32</b>	<b>441,978,365.69</b>	<b>454,192,793.96</b>

The below graphs illustrate individual schools' budgets (ISBs) under each model. Via operation of the MFG, during the transition, school funding levels are protected at nearly the same levels across all models.



## GLOSSARY

Term	Definition
National Funding Formula (NFF)	A single, national formula to be used by the government to allocate the core funding for all mainstream schools in England.
Local Funding Formula (LFF)	Individual school funding formulas curated by local authorities (LAs), tailored to best meets the needs of their locality.
Minimum Funding Guarantee (MFG)	MFG protects schools from excessive year-on-year changes (arising from changes in pupil characteristics) in per-pupil funding in cash terms.
Capping	LAs have the provision to “cap” gains in school funding arising from changes to formula factors, to ensure affordability. The cap is set at a fixed percentage, which must be equal to or higher than the MFG, and ensures schools do not see greater than a fixed and uniform levels of gains year-on-year.
Age Weighted Pupil Unit (AWPU)	AWPU is the rate of basic minimum entitlement funding received by each mainstream school per pupil on roll, regardless of whether the child is eligible for additional funding via deprivation or special need characteristics.
Individual School Budgets (ISB)	The budget share disseminated to schools annually.