

Report to: Schools Forum

Subject: Mayfield School - proposed all through 4-16 school and request for exceptional funding

Date of meeting: 17 July 2013

Report by: Director of Children's Services

Written by: Finance Manager

1. Purpose

- 1.1 The proposal for an all-through school at Mayfield was presented to the last Schools Forum where an initial allocation of funding was approved. The purpose of this report is to provide the Schools Forum with an updated financial “business case” seeking additional funding for exceptional costs associated with this change.

2. Recommendation

2.1 It is recommended that the Schools Members:

- (a) Approve the additional Growth Fund criteria set out in paragraph 4.9, subject to the required endorsement by the Education Funding Agency.
- (b) Subject to recommendation (a), agree an additional allocation of £150,900 to Mayfield School from the Growth Fund towards the initial set-up costs of the new 'all-through' school. The total allocation to Mayfield School will amount to £186,900.
- (c) Agree to increase the budget for the Growth Fund by £186,900.
- (d) Agree that in developing the funding formula for 2014-15, that the Council apply for approval to vary Mayfield's pupil numbers, in order to reflect the change in pupils numbers from September 2014 at the start of the new academic year.

3. Background

Proposal to change the age range of Mayfield School from 11-16 to an all through 4-16 school

- 3.1 The decision to provide an all-through school at Mayfield has been made by the City Council and, at its meeting in May 2013, the Forum agreed an initial funding allocation of £36,000 to meet immediate development funding requirements.
- 3.2 It was also agreed in principle to support exceptional costs associated with the change subject to the availability of carry forward funding and agreement of the business case being presented at this Forum meeting.
- 3.3 As outlined elsewhere on this agenda the funding carried forward from 2012/13 amounts to £2.4m and the business case is presented below identifying the exceptional cost requirements.

Commissioning of primary school places

- 3.5 Portsmouth City Council is seeking to commission additional school places in the primary sector in order to meet increasing demand and ensure that the Council is able to fulfil its statutory duty of providing sufficient local school places for every child of school age whose parents / carers wish them to have one.
- 3.6 The pressure on primary school places is a city wide issue, although it is particularly acute in the wards of Nelson, Hilsea and Copnor. Without the provision of additional places there will not be sufficient places available from September 2013 or beyond for the foreseeable future. The Council is therefore expanding the capacity of a number of primary schools over the next three years in order to meet current and future demand. Establishing Primary provision at Mayfield School forms an important part of this plan.
- 3.7 A capital investment of £1.8m has been approved by the Council to develop primary provision at Mayfield School through the reconfiguration and refurbishment of existing space within the school. The planned works are scheduled to be undertaken in two phases commencing with the infant (Key Stage 1) provision, followed by the junior provision (Key Stage 2).

4. Financial support for the school expansion

Business Case

- 4.1 Historically Mayfield School has been in a financial deficit position and has implemented a deficit recovery plan. At 31 March 2012 the school had a deficit revenue balance of £55,996. By 31 March 2013 the school had turned this to a surplus revenue balance of £7,908. Therefore, although the school is successfully balancing its budget, it is unable to fund the investment required to establish the 'all through' school without financial support,
- 4.2 The first intake of the new infant classes (60 pupils) is expected in September 2014. Currently, under the new funding arrangements, the school would not receive funding for these classes until April 2015, and this would not be backdated to the previous September. This position will be replicated each year until 2020 with the final in-take year delivering the final capacity level. However, recent guidance from the DfE suggests that this funding approach will be altered in the 2014/15 financing regulations and further details are set out later in this report.
- 4.3 A detailed business case identifying the potential set-up expenditure that the school requires in the first two years is detailed below. The school are not requesting additional support towards the running costs as these will be met through the schools budget share.
- 4.4 The spending proposals presented by the school for establishing the new age ranges are as follows :
- A Head of Infants Section from January 1st 2014 is required to lead the development of the new provision.
Prior to the appointment of the Head of the Infants Section, an additional Assistant Head teacher to provide additional development capacity within the school's Leadership Team
 - Secretarial and administrative support which will initially include responding to parental queries and taking parents on tours of the facilities.
 - Publicity and promotions to make the local community aware of the changes that are happening, including organising an Open Evening.
 - Supply cover to release some staffing resource to support the development and staff advertising.
 - Consultancy fees for the school to commission an outstanding KS1 Head teacher to advise on the key issues around establishing outstanding infant provision and recruiting the right candidate for the Head of Infants Section post.

This is summarised in the following table:

	2013/14	2014/15	Total
Head of Infant Section L12	61,400	61,400	122,800
Secretarial Support 25hrs/wk	11,500	11,500	23,000
Supply Cover	5,100	1,700	6,800
Publicity & Promotions	15,000	-	15,000
Advertising - recruitment	4,000	4,000	8,000
Consultancy	10,000	-	10,000
	<u>107,000</u>	<u>78,600</u>	<u>185,600</u>

- 4.4 Prior to 2013/14 the School Funding Formula incorporated a “new school factor” together with an additional funding factor for “initial equipment”. Neither of these factors had been previously used in practice in this situation. Their application is open to interpretation but, in the case of Mayfield, they could have provided funding ranging from £79,000 to £300,000 over the next seven year period.

Funding Proposals

- 4.5 The recent funding reform guidance for 2014-15 from the DfE, has introduced the ability for Local Authorities to request approval to vary the pupil numbers used for specific schools where:
- there has been, or is going to be, a reorganisation or
 - a school has changed, or is going to change, its age range either by adding or losing year groups.

A weighted average of pupil numbers will therefore be used in these instances, taking into account the changes in pupil numbers from the new academic year.

- 4.6 Therefore it is proposed that in developing the funding formula for 2014-15 that the Council will apply for the approval to vary Mayfield's pupil numbers, in order to reflect the change in pupils numbers from September 2014 at the start of the new academic year. This will alleviate the financial pressure that was previously anticipated where there would have been a 7/12ths funding gap as each new intake of pupils in each year group.
- 4.7 Whilst the proposals outlined above address the funding requirements once the 'all-through' school becomes operational, the costs during the initial set-up period still require additional funding support.

4.8 As the increase in age range of Mayfield school will result in an overall growth in the number school places. It is proposed that the additional financial support for the initial set-up costs be allocated from the 'Growth Fund'. In order to be able to allocate funding from the 'Growth Fund' it will be necessary to amend the criteria originally agreed by Schools Forum in December 2012. Any changes agreed by Schools Forum will also need to be submitted the Education Funding Agency for approval.

4.9 The proposed additional criteria for the 'Growth Fund' are set out below:

Where a school is amending its age range funding may be allocated from the 'Growth Fund' up to a maximum of £280,000, with the specific approval of schools forum, where the following criteria are met:

- *The increased school places are required in order to meet basic need within the area and have been agreed with the Local Authority.*
- *The increased places relate to pre-16 pupils.*
- *The new school places are not within the schools current phase.*
- *A business case has been submitted by the school which sets out the expected set-up costs to be incurred.*
- *Any funding allocated would be to support the following areas of expenditure:*
 - *additional leadership team capacity*
 - *additional secretarial support*
 - *publicity, promotion and advertising of the new school*
 - *consultancy*
 - *curriculum costs*
 - *recruitment costs*
 - *other revenue costs related to set-up of the new school*

If the above criteria are met, the funding would be allocated from the 'growth fund' in full to the school in a single funding period. The funding allocation would be calculated as £445 multiplied by the total number of additional places anticipated to be created in the school as a result of the change in the schools age range up to the maximum permitted.

Where a school is eligible for an allocation from the growth fund based on both the 'sustained and significant' and the 'increased age range' criteria, then the school will only be eligible for an allocation from one of these mechanisms within the financial year.

4.10 At the Schools Forum meeting on 1st May, an initial allocation of £36,000 was approved to Mayfield. Based on the business case at Appendix A, an additional allocation of £150,000 would be required in order to provide a total allocation of £186,900 to Mayfield School from the Growth Fund in accordance with the proposed criteria.

4.11 In order to fund the allocation from the Growth Fund, it is recommended that the Growth Fund provision be increased by £186,900 with an allocation from the 2012/13 carry forward balance.