

2019-20 School Growth Funding

Consultation



**Portsmouth
CITY COUNCIL**

1. Growth Fund

Introduction

- 1.1. The 2019-20 operational guidance continues to allow local authorities to top slice the Dedicated Schools Grant (DSG) in order to create a growth fund to support mainstream schools which are required to provide extra places in order to meet basic need within the city.
- 1.2. The growth fund is intended to fund the "gap" between additional basic need pupils joining a maintained school in September and the school receiving the funding via the budget share in the following April.
- 1.3. Academy schools receive their budget share on a lagged academic year basis, therefore the growth fund funds the "gap" between the pupils joining the school in September and the school receiving their budget share in the following September. The Council is reimbursed by the Education and Skills Funding Agency (ESFA) for the additional five months funding provided to academy schools.
- 1.4. Portsmouth currently operates a growth fund for mainstream maintained and academy schools. The fund supports growth in schools where the eligibility criteria are met.
- 1.5. A review of schools expected to require growth funding in 2019-20 and future years was undertaken with the Sufficiency Participation and Resources team.
- 1.6. Whilst reviewing the growth fund for affordability, the opportunity was taken to update the proposed funding rates, the details of which are set out below.

Proposed funding changes

- 1.7. The growth funding payable to eligible schools has been reviewed. It is proposed to introduce a banded system whereby Primary and Secondary schools will have rates applied to reflect the different funding requirements of the different phases. The calculation has been revised to reflect the changes.
- 1.8. The primary academic year allocation is calculated as:

The cost of a teacher (main scale 6)	£45,155
The cost of a 0.5 FTE teaching assistant (grade 4)	£9,856
A contribution towards resources and materials	3,500

Total	£58,510
A contribution towards Free School Meals (FSM)	£2,399
Rounded up to	£60,900

- 1.10 An uplift of 1.32 has been applied to the Primary value to reflect the higher set up costs of classes at the Secondary phase. This uplift is consistent with funding allocated through the funding formula. The secondary growth fund allocation is therefore calculated as:

Primary Uplift as per above calculation	£58,510
Uplift Factor 0.32	£18,723
Total	£77,234
A contribution toward FSM	£2,518
Rounded up to	£79,800

- 1.11 The values payable for September - March and April - August are shown in the table below:

Period Covered	Maintained Schools		Academy Schools	
	Primary	Secondary	Primary	Secondary
September to March (7/12 ^{ths})	£35,525	£46,550	£35,525	£46,550
April to August (5/12 ^{ths})			£23,375	£33,250

- 1.12 The impact of the proposed increase in the growth fund allocation has been modelled, taking account of the revised funding methodology now used by the Education and Skills Funding Agency and those schools who are known to be entitled to growth funding as advised by the Head of Sufficiency, Participation and Resources in October 2018. The table below shows the impact of the proposed banded growth funding model compared to the £54,000 lump sum from prior years.

	Lump Sum of £54,000		Banded Lump Sum		
	Financial Year				
	17-18	18-19	19-20	20-21	21-22
	£	£	£	£	£
Total cost per year	308,800	344,300	481,613	643,125	692,125
Funding available	275,300	342,600	754,400	754,400	754,400
(Surplus) / Deficit	33,500	1,700	(272,788)	(111,275)	(62,275)

Criteria changes

1.13 It is not proposed to change the eligibility criteria that schools must satisfy in order to receive funding from the growth fund.

1.14 A copy of the proposed 2019-20 Growth fund can be found in Appendix 1.

Date of Implementation

1.15 It is proposed to implement the revised rates from the start of the Autumn Term 2019 (4 September 2019).

Responding to the Consultation

2.1 A consultation response is attached at Appendix 2 for schools to complete.

2.2 The responses to this consultation will be reported to both the Cabinet Member for Education and Schools Forum meetings in May 2019.

2.3 The consultation will close on **Friday 25th March 2019**.

2.4 Please send your completed response forms to: -

schoolsfinancialsupport@portsmouthcc.gov.uk

Centrally held funds to support Primary and Secondary Schools in 2019-20

Exceptional Growth Fund

Applies to: Maintained schools and Academies

Increasing Published Admission Number

Funding additional to the budget share will be allocated to schools that experience a planned increase in the Published Admission Number (PAN). The criteria (see below) to determine whether a school is eligible for funding for growth was agreed at schools forum in May 2019.

Criteria

Growth funding will be allocated to schools who meet the following criteria:

- *Funding will only be allocated when the growth (either permanently or as a bulge class) meets the basic need requirement of the local authority and the school is increasing both its Published Admission Number (PAN) and its planned intake of pupils in the current financial year (1 April to 31 March).*
- *And - The Head of Sufficiency, Participation and Resources formally approves to increase the capacity of a school.*
- *1 And - The planned growth in pupil numbers is a multiple of a complete half form entry, where a half form entry is equal to 15 pupils.*

What the growth fund covers

The additional pupils joining a school in September will be included in the October census. The census data is used to calculate the funding for the following financial year; which maintained schools receive from April. Therefore the growth fund finances the "gap" for maintained schools from September to March.

Academies are funded through the same local formula as maintained schools but receive their funding on an academic year basis, rather than the financial year basis of maintained schools.

Therefore academies will not receive their formula funding based on the October census until the following September. The growth fund for academies finances the "gap" from September up to the following August. The additional 5 months funding for academies is paid by the Local Authority and reimbursed by the Education and Skills Funding Agency.

1. It is acknowledged that some form entries may be below the full form number of 30 pupils e.g. 28 pupils. In these instances numbers will be rounded to the nearest eligible entry level.

Methodology

The allocation from the growth fund to schools who meet the above criteria will be as follows:

The annual payment for approved growth for a full form entry of 30 pupils will be equal to a lump sum of £60,900 for Primary Schools and Academies and £79,800 for Secondary Schools and Academies.

Where a growth payment has been approved for a maintained or academy school the amount paid will be as follows:

Period September to March - maintained schools and academies

Payments for the period September to March will equate to 7/12ths of the annual amount as follows:

- £35,525 - Primary schools and academies
- £46,550 - Secondary schools and academies

Period April to August - academies only

Payments to academies for the period April to August will equate to 5/12ths of the annual amount as follows:

- £25,375 - Primary academies
- £33,250 - Secondary academies

Funding will be pro-rated for part form or multiples of full form entry, for example:

- The total sum above will be multiplied by 0.5 for a part form entry of 15 pupils
- For an increase of one and a half form entry (45 pupils) the total sum will be multiplied by 1.5
- Entry numbers falling under the half form or full form levels will be rounded to the nearest eligible entry level. Where form entries are less than 50% of the half form entry numbers these entries will not be eligible for growth funding.

A payment will be made for each year the school is growing until the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Head of Sufficiency, Participation and Resources
- The Growth Fund criteria changes due to affordability
- There is a change in the funding formula as directed from the Education and Skills Funding Agency.

No allocation will be made to a school or academy where the school or academy:

- *Has surplus places and then takes additional children up to the PAN*
- *Admits over PAN at their own choice*
- *Admits extra pupils where those pupils have a reasonable alternative school place*

- Increases the PAN of one year by reducing the PAN of another (e.g. increasing the PAN in year 7 by reducing the PAN in year 10)
- Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be low on an individual school basis.

Funding will not be allocated from this fund to a school which has received additional funding in the year, through its budget share as a result of an agreed variation in its pupil numbers.

***Example**

The maintained/academy primary school has been requested by the Local Authority to increase the PAN from a one and a half form entry (45 pupils) to a two form entry (60 pupils) from September 2019; this was approved by the Head of Sufficiency, Participation and Resources in October 2018.

Whilst the increase was agreed in 2018-19, the payment will be made in financial year 2019-20 as this is the year that the changes will come into effect.

The Increase in PAN is for half a form entry of 15 pupils therefore the payment will be pro-rated by 0.5.

For example the calculation would be: 7/12ths of £60,900 lump sum (£60,900/12*7) = £35,525

£35,525 x 0.5 = **£17,763 payment to the school.**

For an academy school they will receive an additional payment to cover the period April 2020 to August 2020, which would be calculated.

5/12ths of £60,900 lump sum (£60,900/12*5) = £25,375

£25,375 x 0.5 = **£12,687 payment to the school.**

*Example calculated using primary school rate

Payment method

Where a maintained or academy school meets the criteria and the growth is known at the point of setting the budget for the financial year, payment will be made within 30 days of the beginning of the financial year which runs 1 April to 31 March.

Where growth is identified during the financial year funding will be paid within 30 days of the receipt of the following notification:

- Maintained and Academy schools - PAN increases
Written approval to change the Published Admissions Number (PAN), by the Head of Sufficiency, Participation and Resources
- Maintained and Academy - Bulge classes:
The receipt by the Children's Finance team of the written confirmation from Head of Sufficiency, Participation and Resources that the Bulge class has materialised.

Applies to: Maintained schools and Academies

Increasing Age Range

Where a school is amending its age range to include a new phase, 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 'Increasing Published Admission Number' 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.

2. Questions: - Please mark your choice and provide any further comments you may have.

Funding Formula Proposals			
1	Do you agree with the proposal to introduce the banded growth funding lump sum for Primary and Secondary schools?	Y	N
Please add any further comments			
2	Do you agree with the revised growth funding value for Primary schools?	Y	N
Please add any further comments			
3	Do you agree with the revised growth funding value for Secondary schools?	Y	N
Please add any further comments			
4	Do you agree with the application of the uplift for Secondary schools in recognition of the higher cost of setting up new classes in these schools?	Y	N
Please add any further comments			
5	Do you have any further comments? If so, please add them here.	Y	N