

# **Schools Funding Formula**

**Supplementary Budget Share Guidance Notes  
For  
The Growth Fund  
and Schools Specific Contingency**

**For**

**Primary and Secondary  
Schools**

**2020-21**



**Portsmouth  
CITY COUNCIL**

# **Primary and Secondary Schools**

## **Supplementary Budget Share Guidance Notes For The Growth Fund and Schools Specific Contingency**

### **Contents**

1	Centrally held funds to support Primary and Secondary Schools in 2020-21 .....	3
1.1	Exceptional Growth Fund.....	3
2	School Specific Contingency .....	8

# 1 Centrally held funds to support Primary and Secondary Schools in 2020-21

## 1.1 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 January 2020 for implementation from April 2020.

#### 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 Deputy Director of Education formally approves to increase the capacity of a school.*
- *<sup>1</sup>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.*

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.

#### 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.

## **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 £144,000 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
- £84,000 - 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
- £60,000 - 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 that the school is growing until the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Deputy Director of Education
- 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 2020; this was approved by the Deputy Director of Education in October 2019.

Whilst the increase was agreed in 2019-20, the payment will be made in financial year 2020-21 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

$£35,525 \times 0.5 = \mathbf{£17,763}$  payment to the school.

For an academy school they will receive an additional payment to cover the period April 2021 to August 2021, which would be calculated.

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

$£25,375 \times 0.5 = \mathbf{£12,687}$  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 Deputy Director of Education
- Maintained and Academy - Bulge classes:  
The receipt by the Children's Finance team of the written confirmation from Deputy Director of Education that the Bulge class has materialised.

**Applies to:** Maintained schools and Academies

### **Increasing Age Range**

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 '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 School Specific Contingency

**Applies to:** Maintained Primary and Secondary Schools only

### **Purpose of the fund**

The School and Early Years Finance (England) Regulations, permit the creation of a 'schools specific contingency' via the de-delegation of funding through the schools revenue funding formula. The contingency fund supports only Primary and Secondary maintained schools.

The purpose of the fund is to support maintained Primary and Secondary schools that have incurred expenditure, which it would be unreasonable to expect them to meet from the schools' budget share. This may include:

- schools in financial difficulty
- new, amalgamating or closing schools
- the writing-off of deficits of schools which are discontinued, excluding any associated costs or overheads
- other expenditure where the circumstances were unforeseen when initially determining the schools budget share.

Section 4 of the Scheme for Financing Schools continues to apply in respect of schools that are or are likely to be facing a deficit balance.

### **Criteria for accessing the fund**

The fund is only available to maintained Primary and Secondary Schools in Portsmouth

Where as a result of exceptional expenditure or loss of income a school is experiencing financial difficulty, or has incurred other expenditure which it would be unreasonable to expect the school to meet from its budget share, then financial support will be considered for eligible schools where the following criteria are met:

- The costs or loss of income **must** have had a disproportionate effect on the schools budget.
- The costs or loss of income:
  - arose as a consequence of decisions by bodies outside of the control of the school or its governing body;
  - are exceptional in nature;
  - could not have been foreseen by the school or governing body.
  - The governing body has taken steps to mitigate the impact, where possible.
  - Additional costs for new, amalgamating or closing schools.



### **Criteria for new maintained schools:**

Funding of costs in respect of the initial set-up of new maintained schools will be considered where a business case has been submitted by the school which sets out the expected costs to be incurred; and the following conditions 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.
- Any funding allocated would be to support the following areas of expenditure:
  - Initial leadership team capacity
  - Initial 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

One-off funding will be allocated based on the business case submitted, up to a maximum funding allocation of £445 multiplied by the total number of additional places anticipated to be created in the school.

### **Criteria for amalgamating schools:**

Where two or more schools amalgamate, an amount equivalent to the closing balances of the previously maintained schools will be allocated to the new school.

### **Criteria for closing schools:**

In the case of closing maintained schools, which are not amalgamating or converting to academy status under the Academies Act 2010, the contingency may fund additional costs where the school has insufficient balances and the costs are eligible to be funded from the Dedicated Schools Grant.

Where a maintained school is discontinued, any remaining deficits balances may be charged against the contingency. Where it is necessary to use the contingency for this purpose it will be reported to the Schools Forum at the next scheduled meeting.

### **Decision Making Process**

Where a school believes that their circumstances warrant support from the 'schools contingency fund', then the governing body should submit a request to the Finance Manager for Children, Families and Education.

The submission will be reviewed by the Deputy Director of Education and the Finance Manager for Children, Families and Education. The level of the schools revenue and capital balances will also be considered as part of the review of any submission.

Any application which the Deputy Director of Education and the Finance Manager for Children Families and Education assess as meeting the above criteria, will be presented to the Schools Forum at the October and February meetings to make the final decision as to whether to provide financial support from the fund.