

Kent County Council

Growth Funding Policy 2018-19

1. Overview Growth Funding

- 1.1 Annually the Schools' Funding Forum (SFF) agree the Local Authorities (LA) policy for funding pupil growth in schools (the term schools used throughout this document includes academies). All LA Growth Policies are scrutinised and agreed with the Education Skills and Funding Agency to ensure that they are reasonable and compliant with the nationally set Basic Need criteria.
- 1.2 The scope of this funding is for revenue associated growth costs only and does not relate to capital expenditure items. There are three strands to Kent's Growth Funding Policy:
- Annual Revenue Resources Cost
 - Contribution to Learning Space Set Up Costs
 - New School Start Up Funding

In all instances schools can only access Growth funding where the expansion is for Basic Need. The DfE define Basic Need as new pupil places which are requested by the LA because there are insufficient places available for pupils in the area. Area Education Officers (AEOs) determine if schools meet eligibility for the DfE Basic Need criteria. For the avoidance of any doubt growth in pupil numbers will not be funded where the increase in pupil numbers is within an existing Planned Admission Number (PAN).

2. Annual Revenue Resources Cost

- 2.1 The LA school financial year runs from April to March and an Academy financial year runs from September to August. In both instances funding is predicated on the previous October pupil census count, this funding system is known as lagged pupil funding. A consequence of this system is that an increase in pupils, for example from September would not be funded for a LA school for the period September to March (7 months) and for an Academy for the period September to August (12 months). This element of Growth funding recognises that there are unfunded resources needed to support these pupils. Annual Revenue Resource Costs are funded in one of two ways, either under the heading Reorganisation funding or Rising Roll funding.

Reorganisation Funding – Protected Pupil funding

2.2 This includes:

- a) Permanent expansion – an increase over time to all year groups in the school
- b) Bulge year/ bulge years (not a permanent expansion)
- c) A new school

Primary School Reorganisation Funding

2.3 Reorganisation protection in Primary Schools is split into three different types and in all cases is based on a guaranteed number of funded pupils. The three groups are:

- 1) Where the increase in pupils triggers enough funding that will meet the cost of the resource needed to support the additional intake, see example 1 in paragraph 2.5 for an illustration.
- 2) Where the increase in PAN will take a longer period of time to fill up and provide the necessary level of resources needed to cover the costs of the additional intake, see example 2 in paragraph 2.6 for an illustration.
- 3) Where the initial year group intake is in school year groups 1 to 6 and not year R. Protection is provided for the full period until the pupils leave in year 6. See example 3 in paragraph 2.7 for an illustration.

2.4 Growth funding will only be triggered where the increase to the PAN is over a certain threshold, for a primary school it will be 20% and for a Secondary school it will be 10%. For example, if a primary school was increasing its PAN from 30 to 45 this would trigger funding as it is an increase of 15 pupils / 50%. However if a Primary school was increasing its PAN from 28 to 30 this would not trigger funding as it is an increase of 2 pupils equates to 7% and is below the 20% threshold. The rationale for applying a threshold is that the additional number of pupils would not constitute an increase in additional resources.

2.5 Example 1 - Where the increase in the PAN is 30, the extra pupils will fully fund the additional class. In this instance protection will be provided in the year of admission only.

2.6 Example 2 - There are a wide range of PANs in the primary school phase. Sometimes where a school increases its PAN the initial change creates a situation where in the short term the schools finds that it has an un-economical PAN. The best way to explain this is by looking at a primary school that has its PAN increased from 20 to 30 pupils. The Primary school has to comply with Infant Class Size legislation (cannot exceed more than 30 pupils in an infant class). Before the increase to the schools PAN, there

would have been two classes for pupils in Years R to 2 (Yr R- 20, Yr 1-20 & Yr 2-20 = 60 pupils / 30 per class = 2 classes). However the change in the PAN would force the class structure of the school to change as follows:

- In Year 1 the schools PAN will be (Yr R- 30, Yr 1-20 & Yr 2-20 = 70 pupils)
- In Year 2 the schools PAN will be (Yr R- 30, Yr 1-30 & Yr 2-20 = 80 pupils)
- In Year 3 the schools PAN will be (Yr R- 30, Yr 1-30 & Yr 2-30 = 90 pupils)

From Year 1 the school would have to run 3 classes in order to comply with Infant Class Size legislation, however they would not have an efficient number of pupils on roll to meet the additional cost of the new class until Year 3. In this instance the school would be protected on 90 pupils for the first three years until the new PAN had worked its way through. Where a school does not meet the criteria in example 1 then it will be at the discretion of the AEO to determine and agree the period and number of pupils a school is protected on.

- 2.7 Example 3 – A Primary School with a PAN of 30 pupils agrees to increase its intake to 60 pupils in year group 3. In the initial year of the expansion the school will receive protection on 30 pupils. In the following years when the pupils move into year groups 4, 5 and 6, protection will be provided on 51 (30+21) pupils. The new class is protected on 21 pupils for the duration of period that the pupils are at the school. We have chosen 21 as we believe this number provides adequate funding to meet the costs of the additional class.

- 2.8 Protection will be calculated by multiplying the number of protected pupils by the basic entitlement (AWPU).

Example - a school increases its PAN from 30 pupils to 60 pupils.

LA School - Protection for the period **September to March** (i.e. the first 7 months) = 30 additional places x basic entitlement rate per pupil x 7/12

LA School - Protection for the period **April to August** (i.e. the next 5 months) = 60 planned pupils less the actual number of pupils on roll in year R as at October census. For the purpose of this example the school has 55 pupils in Yr R. The school will be protected on 5 pupils for the period April to August (at 5/12 x AWPU).

Academy - Protection for the period **September to August** (12 months) = 30 additional places x basic entitlement rate.

- 2.9 For a new school protection will be applied in the same way as the example in paragraph 2.6 above however all of the other factors including in the

delegated formula budget (including any Minimum Funding Guarantee (MFG)) will be included in the calculation.

- 2.10 Schools can be requested to increase their PAN permanently or for a defined period i.e. one year, two years etc. In relation to where a school is requested to increase their PAN permanently, protection will be paid for a maximum period of three years, and this will only include protection for the individual year group in the year the expansion takes place.

Secondary School Reorganisation Funding

- 2.11 The principles contained within paragraphs 2.3 to 2.11 will be applied to secondary school reorganisations. In respect of paragraph 2.3 (3), the relevant secondary year groups are year groups 8, 9, 10 and 11.

Rising Roll

- 2.12 Rising roll will only apply to a permanent expansion that meets the Basic Need criteria. It will start from the period following the final year of reorganisation funding and will run until the schools final year of expansion.
- 2.13 Rising roll is a helpful and necessary continuation of growth funding for growing schools however it only funds on actual numbers and not a protected number. It is necessary as lagged number funding means that a LA school for 7 months (September to March) and an academy for 12 months (September to August) will be expected to meet the resources to support an increase in pupil numbers however funding will not follow until the following year.
- 2.14 In cases where rising roll funding is triggered as above, the number of eligible pupils will be multiplied by the relevant AWPU rates, and then multiplied by 7/12ths (September to March) for a LA school and 12/12 (September to August) for an academy.

3. Contribution to Learning Space Set Up Costs

- 3.1 The purpose of learning space set up funding is a contribution towards the necessary equipment needed to furnish a class room, it for those items not classified as a capital item.

Primary School Contribution to Learning Space Set Up Costs

- 3.2 A contributions of £6,000 towards the setup costs of each new learning space. In general a learning space is defined as the increase in pupil numbers divided by 30 pupils.

Example

School has a permanent increase in its PAN from 30 to 60. Over the period of the expansion the school will have to open 7 additional classes, therefore they will receive $7 \times £6,000 = £42,000$.

School has a bulge year (one year only) increase in its PAN from 30 to 45. If the school has to open a class then they will receive only one £6,000.

Secondary School and Special School Learning Space Set Up Costs

- 3.3 A contribution of £6,000 towards the setup costs of each new learning space. The number of learning spaces funded will be determined by the AEO.

New School Set Up Funding

- 4.1 The purpose of this element of growth funding is to recognise revenue setup costs prior to the opening of the school.

Primary School Start Up Funding

- 4.2 A new Primary School can claim up to £50,000 towards the setup costs prior to the opening of the school. The amount of £50,000 has been based on the typical costs associated with a setup of a new primary school, see appendix 1 for breakdown. To access this funding the new school must submit a plan of expenditure to its AEO for their authorisation. The plan of expenditure may not mirror exactly the typical costs detailed in appendix 1, but instead detail other reasonable expenditure. In this instance it will be at the discretion of the AEO to agree the amount of start-up funding paid up to the maximum of £50,000

Secondary and Special School Start Up Funding

- 4.3 A new Secondary or new Special School can claim up to £143,000 towards the setup costs prior to the opening of the school. The amount of £143,000 has been based on the typical costs associated with a setup of a new Secondary or Special School, see appendix 1 for breakdown. To access this funding the new school must submit a plan of expenditure to its AEO for their authorisation. The plan of expenditure may not mirror exactly the typical costs detailed in appendix 1, but instead detail other reasonable expenditure. In this instance it will be at the discretion of the AEO to agree the amount of Start-Up funding paid up to the maximum of £143,000

5. Amalgamations

- 5.1 In the year of amalgamation the two predecessor schools will retain their individual lump sums (currently £120k) until the end of the financial year. Due to the different financial years this will be different for a maintained school and

an academy. For a maintained school it is March and for an academy it is August.

- 5.2 In the financial year following the amalgamation the newly amalgamated school will receive 85% of the collective lump sums for the two predecessor schools. The school will receive $2 \times £120k = £240k \times 85\% = £204k$.
- 5.3 From the second financial year after the amalgamation took place the new amalgamated school will receive one lump of £120k.
- 5.4 In exceptional circumstances a submission can be made to the Education Funding Agency (EFA) to request for an extended period of protection beyond the standard period.
- 5.5 The protected lump sum will automatically be funded from the Schools Block DSG and will not be a charged against the LAs growth fund as this is a national funding arrangement.

6. Budget

- 6.1 In 2017-18 the Growth Budget was £7.5m. The proposal is to increase this budget to support this growth policy by a further £2m for the 2018-19 financial year.