

Kent County Council

Growth Funding Policy 2024-25

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 (ESFA) to ensure that they are reasonable and compliant with the nationally set Basic Need criteria. The SFF should be consulted with and agree the total size of the growth fund, as well as consulted with before any expenditure incurred.
- 1.2 The scope of this funding is for revenue associated growth costs only and does not relate to capital items. There are three established strands to Kent's Growth funding policy:
 - Strand 1 - Annual Revenue Resources Cost
 - Strand 2 - Contribution to Learning Space Set Up Costs
 - Strand 3 - New School Start Up Funding
- 1.3 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. Assistant Directors (Education) 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).
- 1.4 The DfE will provide growth allocation for each local authority is £1,550 per new primary pupil and £2,320 per new secondary pupil, plus lump sum of £76,195 for each brand new school. This is subject to Area Cost Adjustment. The guidance states that the Growth Fund can only be used to:
 - Support growth in pre-16 pupil numbers to meet basic need
 - Support additional classes needed to meet the infant class size regulation
 - Meet the revenue cost of new schools
 - Meet revenue costs, for schools, of removing or repurposing surplus places (there is no further detail on this criteria and this policy does not include a criteria to access funding on this basis).

2. Strand 1 - Annual Revenue Resources Cost

- 2.1 An LA's financial year runs from April to March and an Academy's 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 is an unfunded resource 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 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

Funding is paid on the basis of the lower of the difference between your old and new PAN and the difference between your new PAN and the number of pupil leavers in August in year 2, year 6 or year 11.

Primary School Reorganisation Funding

- 2.2 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, 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, 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 that any additional classes remain open until the pupils leave the school. See example 3 paragraph 2.7 for an illustration.
- 2.3 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 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 7% and 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.

- 2.4 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.
- 2.5 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 (Year R=20, Year 1=20 and Year 2=20 so 60 pupils in total, therefore 30 per class). 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 (Year R- 30, Year 1-20 & Year 2-20 = 70 pupils)
 - In Year 2 the schools PAN will be (Year R- 30, Year 1-30 & Year 2-20 = 80 pupils)
 - In Year 3 the schools PAN will be (Year R- 30, Year 1-30 & Year 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 Assistant Director (Education) to determine and agree the period and number of pupils a school is protected on.

- 2.6 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, unless that class is no longer needed in future years. The new class is protected on 21 pupils for the full period any additional classes remain open until the pupils leave the school.

- 2.7 In all cases, funding for bulge classes is contingent upon the opening and continued maintenance of such classes, containing a number of pupils in excess of any vacancies in alternative classes in the relevant year group.
- 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
- 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 $5/12 \times \text{AWPU}$).

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 2.6 above however all the other factors included 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 2.2 to 2.10 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 school's 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.
- 2.15 Funding will be paid at the lower of the difference between the number of pupils in your standard intake year (R/3/7) from September between the new PAN and the old PAN and the difference between the number of pupils in your standard intake year (R/3/7) from September up to the new PAN and the number of leaver pupils that left in August.

3. Strand 2 - 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 classroom. It is for those items not classified as a capital item.

Primary School Contribution to Learning Space Set Up Costs

- 3.2 A contribution of £6,000 towards the setup costs of each new learning space will be made from the Growth Fund. In general, a learning space is defined as the increase in pupil numbers divided by 30 pupils.

Example 1 - 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 $7 \times £6,000 = £42,000$.

Example 2 - 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 £6,000 as contribution towards the setup costs of the classroom.

Secondary School Learning Space Set Up Costs

- 3.3 A contribution of £6,000 towards the setup costs of each new learning space will be made from the Growth Fund. The number of learning spaces funded will be determined by the school's Assistant Director (Education).

Special School Learning Space Set Up Costs

- 3.4 A contribution of £8,000 towards the setup costs of each new learning space will be made from the Growth Fund. The number of learning spaces funded will be determined by the school's Assistant Director (Education).

4. Strand 3 - 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 £76,195 towards the setup costs prior to the opening of the school. To access this funding the new school must submit a plan of expenditure to its Assistant Director (Education) for their authorisation. In this instance it will be at the discretion of the Assistant Director (Education) to agree the amount of start-up funding paid up to the maximum of £76,195. This figure is based on the amount provided to the Local Authority from the DfE.

Secondary School and Special School Start Up Funding

- 4.3 A new Secondary School or new Special School can claim up to £76,195 towards the setup costs prior to the opening of the school. To access this funding the new school must submit a plan of expenditure to its Assistant Director (Education) for their authorisation. In this instance it will be at the discretion of the Assistant Director (Education) to agree the amount of start-up funding paid up to the maximum of £76,195. This figure is based on the amount provided to the Local Authority from the DfE.

5. Amalgamations

- 5.1 In the year of amalgamation the two predecessor schools will retain their individual lump sums 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.
- 5.3 From the second financial year after the amalgamation took place the new amalgamated school will receive one lump sum.

- 5.4 In exceptional circumstances a submission can be made to the ESFA 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 LA's growth fund as this is a national funding arrangement.

6. Budget

- 6.1 The annual budget to support this growth policy is made up from the National Funding Formula Growth allocation only.

7. Monitoring arrangements

- 7.1 Any school in receipt of growth funding will need to provide the LA evidence of expenditure in line with the conditions stated within this policy upon request. This may include, but is not limited to, the following:
- Employment of teachers or support staff
 - Purchase of classroom equipment or resources
- 7.2 The Schools Funding Forum will be provided with a report twice a year relating to expenditure of the growth funding, as well as evidence of expenditure from relevant schools and how many children the growth fund has supported.