

NEW SCHOOL FUNDING CRITERIA 2018/19

To: Cambridgeshire Schools Forum
Date: 13th December 2017
From: Martin Wade - Strategic Finance Business Partner

1.0 INTRODUCTION

- 1.1 The approach for revenue funding for new schools follows guidance provided by the Education & Skills Funding Agency (ESFA) and requires approval by Cambridgeshire Schools Forum due to the elements funded directly from the Growth Fund.
- 1.2 The methodology is subject to annual amendments to reflect both national and local policy changes. The proposals below reflect the approach to be applied to the 2018/19 financial/ academic year.

2.0 FUNDING FOR NEW PRIMARY AND SECONDARY SCHOOLS

- 2.1 Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, explaining the rationale underpinning the estimates.
- 2.2 Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.
- 2.3 From 2017 to 2018, the main funding formula allocation for all mainstream free schools is now recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the Authority Proforma Tool (APT).
- 2.4 There is no change to the funding of new schools and as such the local authority (LA) will still be responsible for providing pre-opening costs and post-opening diseconomies of scale funding, from the centrally retained Growth Fund, where they are created to meet basic need. Current amounts can be seen in **Appendices A and B**.
- 2.5 The ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.
- 2.6 In the limited number of circumstances under which new maintained schools are established and opened (those which received approval under the 2006 Education Act competition arrangements and, where agreed in response to evidence of need, Voluntary Aided schools) will be funded directly by the LA as per the local funding arrangements and funding formula. Pathfinder Primary School (Northstowe) and Trumpington Community College both opened as maintained schools under this provision and are now in the process of converting to academies. The only other school currently approved to open as a maintained school is the Northstowe Secondary School. This will open as a Foundation school in September 2019. Academy schools will receive a combination of LA and ESFA funding.
- 2.7 Equally, where alternative models of delivery are approved, such as expansion to all-through provision on an existing site, or a second campus to an existing school these will

be reviewed on a case-by-case basis to ascertain whether pre-opening and post-opening funding is required as per the amounts applied to new schools.

2.8 The table below shows the key areas of funding and the appropriate funding body:

Funding:	Maintained School (Basic Need):	Academy (Basic Need):	Free School:	Detail:
Local Formula Funding	LA	ESFA	ESFA	Based on LA local formula. Funding recouped from LA and allocated by ESFA (some factors based on county averages in initial years)
16-19 Formula Funding	ESFA	ESFA	ESFA	Based on National 16-19 Formula
Pupil Premium	LA	ESFA	ESFA	Based on National Pupil Premium funding rates
Diseconomies Funding	LA	LA	ESFA	Funding to recognise costs whilst the school fills to capacity (Appendix B)
Pre-opening revenue	LA	LA	ESFA	Funding prior to opening to support costs (Appendix A)
High Needs Pupil Top-Up Funding	Home LA	Home LA	Home LA	Top-Up funding for pupils with Education Health and Care Plans (EHCP) or statements of special educational need (SEN)

2.9 Final revenue funding amounts for new schools will vary depending on numerous factors. As the majority of the funding for new academies will come directly from the ESFA the final amount to be received will be based on ESFA calculations.

3.0 FUNDING FOR NEW SPECIAL SCHOOLS

3.1 All Special Schools are funded on the Place-Plus methodology. This provides schools with £10,000 per commissioned place as agreed with the ESFA for Pre and Post-16 numbers. It is the responsibility of the home LA to then provide Top-Up funding based on the individual needs of the learners in line with their Education Health and Care Plan (EHCP).

3.2 Once the number of places for each academic year have been agreed this provides a minimum core budget for the school and as such there is no diseconomies funding for Special Schools. For maintained schools place funding will be made directly from the LA, whereas for academies it will be paid via the ESFA. The Top-Up funding is based on participation and as such will only be payable directly by the pupil's home LA for the period of time each pupil is in attendance.

3.4 Details of the pre-opening funding for Special Schools can be seen in **Appendix A**.

4.0 NEW SCHOOLS PUPIL NUMBERS FOR 2018/19

- 4.1 The table at **Appendix C** below shows proposed numbers for new school funding for the 2018/19 financial year. Please note: All of these figures are to be confirmed on receipt of the October 2017 census and forecast data.
- 4.2 Following implementation of the national funding reforms the revised Dedicated Schools Grant (DSG) funding allocations do now include an element of implicit growth towards the cost of these new school places. However there is still a lag in funding due to the use of the October census data which results in a subsidisation of new school places by existing schools.
- 4.3 As part of the further reforms we would support a national approach to funding new schools which a) results in a consistent approach wherever new schools are opening in the country and b) removes the impact on existing school budgets.

5.0 ACTIONS

- 5.1 ***Schools Forum are asked to approve the proposed approach for new schools for funding pre-opening as set out in Appendix A and post-opening diseconomies funding as set out in Appendix B to be applied in 2018/19.***

Appendix A

Pre-Opening Funding for New Schools

The pre-opening funding is intended to cover all revenue costs up to the opening of the school. Capital costs to secure and develop the school's site, and ICT to support the curriculum, are funded separately for the LA's five year rolling programme of capital investment. Books and other curriculum materials may be purchased before opening, using an advance of the post-opening diseconomies funding.

The pre-opening funding is to cover:

- project management (support to coordinate all work leading to the development of the school);
- staff recruitment (including the head teacher/principal);
- salary costs (which often include the head teacher/principal, finance/business manager and administrative support in advance of opening);
- office costs;
- administration of admissions (including applications and appeals) – (excluding Special Schools)

Primary Schools - funding is calculated on the basis of 1 term prior to the date of opening.

Secondary Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

Special Schools - funding is calculated on the basis of 2 terms prior to the date of opening.

In all instances the funding can be accessed earlier, but the total amount to be received remains as detailed below.

Primary	£50,000
Secondary	£150,000
Special	£130,000

Appendix B

Post-Opening Diseconomies Funding

Resources –

Paid annually as the school builds up to capacity –

- £125 for each new mainstream place created in the primary phase (years R to 6)
- £500 for each new mainstream place created in the secondary phase (years 7 to 13)

New places will be calculated annually based on the increases in roll from year to year.

Leadership –

Paid annually based on the number of year-groups that the school will ultimately have. The amount paid to mainstream schools with pupils aged 4 – 15 each year is set out below:

Year	1	2	3	4	5	6	Total
Primary	£40,250	£33,750	£27,000	£20,250	£13,500	£6,250	£141,500
Secondary			£125,000	£93,500	£62,500	£31,000	£312,000

Please note: *Diseconomies funding for all-through schools serving the 4-15 age range will be considered as and when the situation arises*

Appendix C – Proposed Pupil Number Adjustments for New Schools – to be finalised.

School	Year Opened	Guaranteed Number as per 18/19 APT - April to Aug (5/12ths)	Guaranteed Number as per 18/19 APT - Sept to Mar (7/12ths)	Total Guaranteed Number as per 18/19 APT	Comments
The Shade Primary School	Sep-13	180.00	213.00	199.25	TBC
Chesterton Primary	Sep-13	150.00	180.00	167.50	TBC
Isle of Ely Primary	Sep-14	240.00	300.00	275.00	TBC
University of Cambridge Primary	Sep-15	300.00	390.00	352.50	TBC
Trumpington Community College	Sep-15	270.00	360.00	322.50	TBC
Godmanchester Bridge Academy	Sep-16	60.00	90.00	77.50	TBC
Ermine Street Primary	Sep-16	90.00	120.00	107.50	TBC
Pathfinder Primary	Sep-17	60.00	90.00	77.50	TBC
Trumpington Park Primary	Sep-17	90.00	150.00	125.00	TBC
Littleport Secondary	Sep-17	120.00	240.00	190.00	TBC
Wintringham Park	Sep-18	0	60	35	New school on temporary accommodation due to open Sept 18
Hardwick Primary School	n/a	620.00	680.00	655.00	School is split site. Cambourne campus does not yet have all cohorts. Disapplication request required.