

## Appendix 3

### Growth Fund and New Schools Funding Criteria 2021/22 – To Be Approved By Schools Forum November 2020

#### 1.0 Introduction

1.1 The following guidance provides details of the methodology for the local distribution for growth and new schools funding during the 2021/22 financial year to be discussed and approved by Schools Forum at the meeting held in November 2020.

1.2 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 legislation. (Please note: The growth fund is not used for this purpose within Cambridgeshire due to the overall cost.)
- meet the cost of new schools. (Pre-opening and diseconomies funding as prescribed in the New Schools Funding Policy.)

The Growth Fund may not be used to support schools in financial difficulty.

1.3 The Growth Fund will need to be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet basic need in both maintained schools and Academies. Any growth or expansion due to parental preference/popularity will not be eligible to be funded from the growth fund.

1.4 Local Authorities (LAs) are required to propose the criteria on which any growth funding is to be allocated to Schools Forum for approval. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. The LA will also need to consult Schools Forum on the total sum to be retained and must update Schools Forum on the use of the funding. It is essential that the use of the Growth Fund is entirely transparent and solely for the purposes of supporting growth in pupil numbers.

1.5 Further guidance states that the growth fund should not be used to support schools which are undergoing reorganisations to change the age range and /or admitting additional year groups. In these instances LAs should request a variation to pupil numbers to reflect the change in all relevant formula factors and not just a marginal cost or Age Weighted Pupil Units (AWPU) only allocation.

#### 2.0 Falling Rolls Fund

2.1 LAs may also create a small fund to support schools with falling rolls where local planning data show that the surplus places will be needed in the near future. However as there is a mandatory requirement that *“Support is available only for schools judged Good or Outstanding at their last Ofsted inspection”*, Forum have previously taken the view that it was not appropriate to apply such a factor.

2.2 Based on previous analysis only one Cambridgeshire school would meet the criteria for falling rolls funding. This will be kept under review on receipt of revised October census information and forecast data, but at this time there is insufficient supporting evidence to justify creating a Falling Rolls Fund in 2021/22.

### 3.0 Growth Fund Process And Criteria 2020/21

3.1 Schools requesting growth funding will be required to submit an application to their named Education Officer. Details of the application process and deadlines will be circulated in January/February alongside the updated schools budget information. A panel of Local Authority officers and Head Teacher representatives will review applications as part of the Growth Fund Panel.

3.2 The criteria below will be applied in 2021/22 where a school is growing or expanding to meet basic need in their area:

- Where the predicted numbers for a Primary School (excluding nursery classes) for the following September show an increase, due to basic need, requiring the running of additional classes or significant restructure they may be able to access additional funding.
- Where the predicted numbers within the LA's planning area as agreed with the DfE (for the purposes of calculating its basic need funding allocation) for a Secondary School for the following September show an increase (excluding Post-16), requiring the School to run one or more additional classes and/or undertake a significant restructure they may be able to access additional funding.
- Where schools have chosen to admit above their Published Admissions Number (PAN) to meet parental preference from outside of their agreed planning area and **not** basic need they will not be eligible to receive funding from the Growth Fund in recognition that the LA could have secured places for the children concerned at other schools.
- Where schools take the decision to extend their admission arrangements to give priority to children attending or in the catchment area of an out-of-county or out-of-area school, they will not be eligible to receive Growth Funding for the pupils concerned.
- In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the forecast numbers do not represent the need for an additional class, schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet the request.
- Where the LA has not specifically requested a school to operate an additional class, the school will be required to provide evidence that an additional class or tutor group and/or significant restructure would be required to meet basic need. (Views will also be sought from relevant officers in the Education Directorate and Finance.)
- A class is defined as "additional" if it requires a change in the school's current or historical class organisation or number of classes. In Primary schools this may result in mixed year teaching where numbers dictate and this is seen as the most prudent option for the organisation of the school as a whole.
- Schools that have historically operated mixed-age classes or have a PAN in a multiple of less than 20 would be normally expected to operate some mixed-age

classes. (The Growth Fund cannot be used to reduce class sizes.)

- Should additional pupils be admitted following successful appeals, the expectation is that the school would be able to accommodate these without the need to reorganise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Funding will be allocated based on the requirement for additional support / classes / forms of entry.
- Allocations will be calculated at the following rates:

<i>Phase</i>	<i>Academic Year</i>	<i>Financial Year (7/12ths)</i>
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (1FE)	£65,000 + £4,000	£37,917 + £4,000

- Please note: Pro-rata allocations will be made where 0.5 Full time equivalent (fte) is deemed appropriate. The allocations include a £4,000 (pro-rata) allowance towards the cost of resourcing a new classroom. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.
- Initial growth funding requests will be evaluated using Admissions data and demographic forecasts to aid schools with budget setting. Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October Census data.
- In instances where growth funding is allocated based on forecasts and numbers do not materialise the school will be required to provide evidence as to how the funding has been used to increase capacity. If sufficient evidence is not provided the LA reserve the right to clawback a proportion or all of the funding. The authority may also adjust future years growth fund applications accordingly.
- No funding adjustments will be made in respect of “missing” pupils in Key Stage 1.

### 3.2

#### Other Considerations

- The level of revenue balances for maintained schools and academies will be requested and considered as part of the application process. Any school with a revenue balance deemed as excessive would not be permitted to claim the full value of the additional growth funding. These instances will be reviewed on a case-by-case basis.
- Given that the funding formula now allocates an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- Where schools are in areas of high growth, support may be provided to allow schools to maintain class structures where there is uncertainty over timescales for the completion and occupation of new housing developments. As these arise, they

will be addressed on an individual basis and will be funded using estimates of the number of places required to meet demand from the local planning area as determined by the LA.

- Where the LA supports a school's decision to extend its age range, additional support will be made available subject to meeting the criteria in 3.2 above.
- All maintained schools funding is only guaranteed for the financial year to which it relates. Future years funding will be assessed annually during the budget setting process.
- Where the LA has requested maintained schools to run an additional class and numbers do not materialise funding to recognise the difference will be provided to compensate for the 5/12<sup>th</sup> period April to August. This will be calculated on the basis of 5/12<sup>th</sup> of the academic year growth fund allocation less the basic entitlement received for pupils in the additional class based on the October census.

3.3 Academies will take account of the additional guidance in Appendix A and be subject to the same criteria as above with the following additions and amendments:

- Where an academy is expanding due to parental preference rather than basic need the academy can bid directly to the Education and Skills Funding Agency (ESFA), rather than being funded from the LA Growth Fund.
- Any funding allocated would be for the full academic year as original funding is based on the previous October Census. This would be subject to confirmation of actual funded numbers from the ESFA and would be calculated on receipt of the October Census at the start of the new academic year.

DfE additional guidance states:

*“Where academies are funded on estimates, however, there is no need for them to access the growth fund for this purpose. This is because they will receive additional funding through a pupil number adjustment for actual numbers. We will identify academies funded on estimates in the January edition of the APT. Around 90% of former non-recoupment academies are funded on estimates.”*

## 4.0 New School Funding Criteria 2021/22

- 4.1 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. 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. For academies an allocation of funding is recouped from each LA and following formula replication by the EFSA an annual grant allocated.
- 4.2 There is an increasing requirement from the DfE/ESFA to guarantee / underwrite pupil numbers for new schools planned to be opened in future years. Although this is effectively the approach already applied for new schools it does increase the risk should actual pupil numbers not reflect the current forecasts.
- 4.3 Pre-opening costs and diseconomies funding in respect of new basic need academies is

also payable from the Growth Fund. Details of the current amounts payable can be found in the New Schools Funding Policy ([Appendix B](#)), which is also subject to approval on an annual basis.

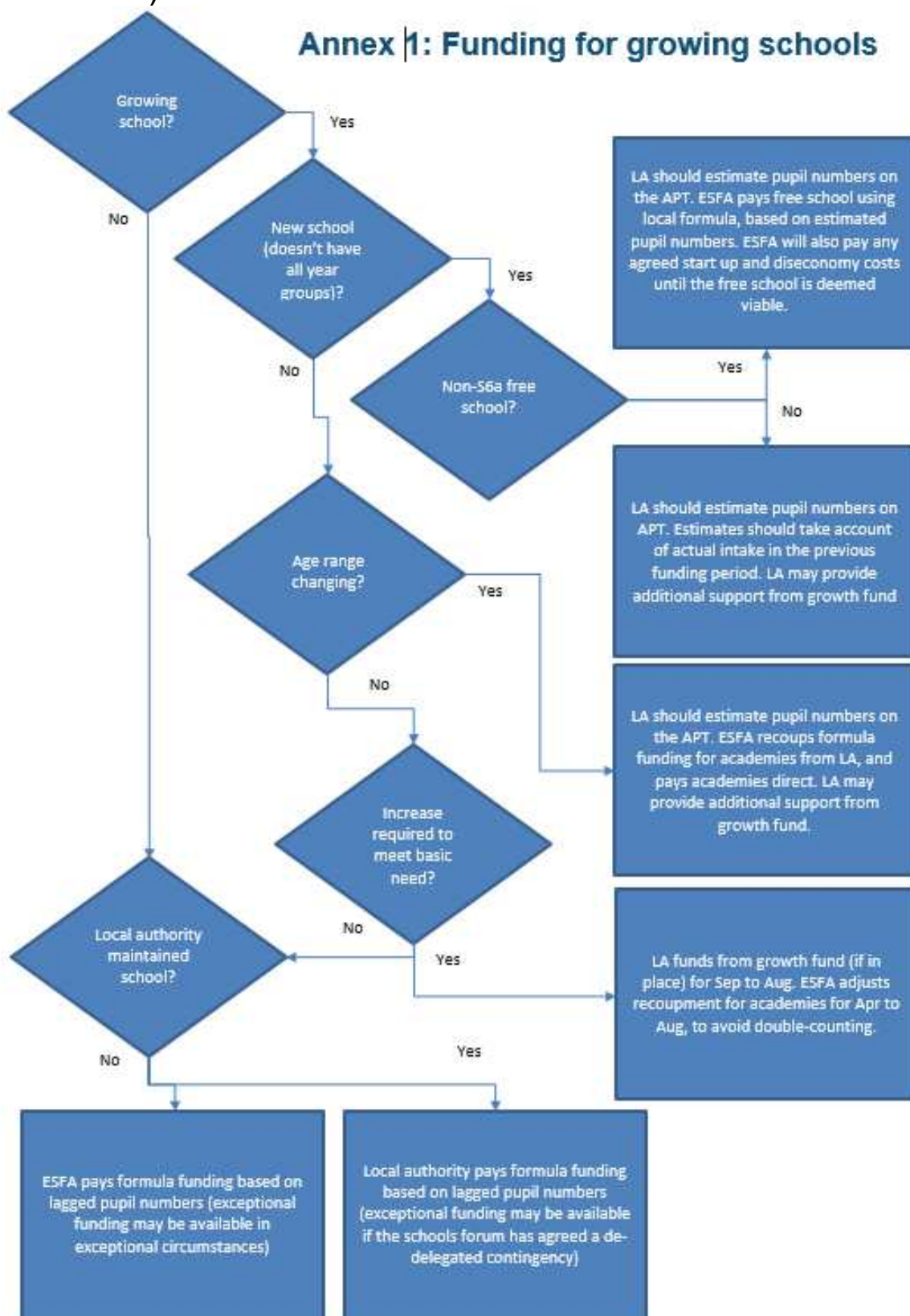
- 4.4 This funding must be made available to new basic need academies on the same basis as maintained schools, including those funded on estimates – the only exception is that the ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.

## 5.0 Amendments To Funding Criteria

- 5.1 It is possible to amend the above Growth Fund criteria during the year where this becomes necessary; however the revised criteria must be submitted to the ESFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

## Appendix A – Funding Flow Chart For Growing Schools (From Efsa Guidance)

### Annex 1: Funding for growing schools



## Appendix B – New School Funding

### 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;

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

### 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