

## GROWTH FUND

### A. Growth in Pupil Numbers

This element provides additional funding to schools in the following circumstances:

- Where there is an increased Published Admission Number (PAN) determined at the request of the local authority through the annual admissions process.
- Where there is a local agreement between a school and the authority for the school to take an increased number of pupils (which is outside the annual admissions process).

#### (i) 7/12th AWPU Funding

Additional funding is provided in these situations because the additional cohort of pupils starting in September is not recorded on the schools census in time to generate additional funding in the normal way. The funding provides a resource for the period September to March and assists schools to fund the consequential staff and resource implications of the additional pupils. It is allocated as a one off payment to schools agreeing to a temporary expansion, and allocated to schools expanding permanently for the number of years required for the expansion to work its way through all the year groups in the school (e.g. 7 years for a primary school). The additional funding is calculated as follows:

- a) When a school is required to appoint an additional full-time teacher as a result of the allocation of additional pupils and the planned increase in the size of the annual cohort at the school is 24 or less:

24

X AWPU (plus London fringe uplift where applicable)

X 7/12

- b) When the planned increase in the size of the annual cohort at the school is greater than 24 or when a school is allocated additional pupils but can accommodate those within existing class organisation (i.e. it is not necessary to appoint an additional full time teacher as a result of the increase):

Planned increase in the size of the annual cohort at the school

(e.g. increase in the Published Admission Number)

X AWPU (plus London fringe uplift where applicable)

X 7/12

#### Academies

Academies are funded on an academic year basis, with allocations based on the previous October's pupil count. Therefore the time lag between an academy taking extra pupils and receiving the funding for them through its budget share is not 7 months as with a maintained school but 12 months.

Therefore academies qualifying for expansion funding from the Growth Fund receive an additional allocation to cover the period April to August. This is calculated as 5/7 of the allocation for the previous September to March. (As the extra cost of this is a product of academy funding arrangements, it will be reimbursed to the authority by the DfE and will not be a charge to the Hertfordshire Schools Budget.)

## **(ii) Revenue Protection Factor**

In addition there is a protection factor which guarantees pupil funding for expanding primary schools up to 24 or multiples thereof. This means, for example, that a school expanding from 1-2 f.e. would be guaranteed funding for a minimum of 48 pupils if the actual number of pupils fell below this level. At a time of rapidly rising rolls this protection factor is only likely to be activated in exceptional situations but schools consider it an important element when agreeing to expand or not.

In the case of temporary expansions, the classes with the “bulge” cohort will be protected at the target number throughout the cohort’s time in the school. For permanent expansions the target number formula will also be applied to subsequent cohorts until the new PAN has worked its way through the school (i.e. for 7 years in the case of a primary school).

It is not intended that this factor should provide a greater degree of protection to expanding schools than they would have received if they had not expanded. Therefore, if the actual pupil numbers of the school fall to (or below) the pre expansion Published Admission Number (PAN) and it is agreed that thereafter the pre expansion PAN would apply; this protection funding would not be payable.

## **(iii) Learning Resources Allocation for Schools with One Year Bulge Classes**

In addition to allocations from the Growth Fund, expanding schools receive a capital allocation to purchase furniture and equipment for new classes. The allocation is £13k per reception class and £11k per class for older children.

Schools with one year temporary expansions (ie a one year bulge class) receive a one off capital allocation of £13k. This does not take into account the need to acquire key stage 2 learning resources when the bulge class reaches KS2. Also because it is a capital allocation, it cannot be used for revenue expenditure.

Schools taking a temporary bulge class for the first time and which need to open an additional classroom to accommodate the increase will therefore receive a one off £7k allocation from the Growth Fund. (Therefore the total allocation for the first extra class will be £20k, comprising a Growth Fund allocation of £7k and a capital allocation of £13k.). This total can be used for furniture, equipment and learning resources as the class of pupils moves through the school. As this is a new allocation, in 2015-16 the £7k allocation would be made to schools taking a bulge class for the first time and to schools where the bulge class was established in a previous year but is still working its way through the year groups in the school. It is appropriate to allocate funding for previously established bulge classes because in many cases the pupils have not yet reached KS2.

## **B. Additional Growth Fund Allocation - Secondary Schools/Academies becoming All Through**

### **Eligibility Criteria**

This element of the Growth Fund provides additional funding for transitional costs to secondary schools/academies which convert to become all through schools/academies at the request of the County Council, in order to meet local basic need. This Growth Fund allocation will not be payable if a school/academy is in receipt of start- up funding or post opening funding from another source,

such as the Education Funding Agency.

## Allocations

This element of the Growth Fund comprises the following allocations:

- a) Allocation in the financial year prior to the opening of the new primary unit: £12,000
- b) Allocation in the Summer term prior to the opening of the new primary unit: £48,000
- c) Allocation in the period from the date of opening of the primary unit to the end of the financial year: £39,000
- d) Allocation in the following financial year: £65,000

### **C. Brand new schools/academies**

Brand new schools have a range of revenue start-up costs of which the main elements are:

**Start-up costs prior to opening (e.g. the appointment of a headteacher and other key staff for a period prior to opening, such that they can prepare the school to open to pupils).**

#### **Post opening costs**

- Resources - a brand new school will need to purchase classroom materials and resources.
- Leadership diseconomies of scale in the period after opening.

The leadership and management of the school will need to be largely in place from the date of opening, although initially the school may only have on roll, and be funded for, one year group of pupils. The cost of leadership is therefore disproportionate as a proportion of the budget share in the first years after opening.

#### **a) Growth Fund allocation for start-up costs of brand new schools and academies**

An allocation will be made to fund the start-up costs of brand new primary and secondary schools/academies, which are established in response to basic need for pupil places.

#### **b) Eligibility Criteria**

Funding will be payable to brand new schools and academies with no predecessor school, which have been established at the request of the Authority to meet basic need for pupil places. Free schools would not be eligible for this funding as they receive start-up funding from the EFA.

#### **c) Allocation Formula**

##### **Pre-opening funding:**

A one-off allocation of £150,000 for a primary school and £200,000 for a secondary school.

##### **Post-opening funding:**

The allocation formula is based on the EFA's start-up funding payable to new free schools. (The funding amounts shown would be updated periodically to reflect any changes in the level of EFA funding for new free schools.)

##### **i) Resources element**

This would be paid annually as the school builds up to full capacity, at the following rates: £250 per each new primary age place,  
£500 per each new secondary age place (excluding sixth form)

##### **ii) Leadership element**

This would be paid annually as the school builds up to full capacity. The amount paid each year to mainstream schools with pupils aged 5 to 15 would depend on how many year groups (cohorts) for pupils aged 5 to 15 (years reception to 11) are empty (i.e. cohorts that will have pupils when the school is full but do not yet have any pupils). Sixth form cohorts in secondary and all-through schools with sixth forms would not count in the calculation of leadership diseconomies funding.

The amount that would be payable each year, given the number of empty cohorts, is set out in the table below. No school would receive more leadership diseconomies funding in total than the maximum amount in the table below. (If the school/academy recruits more than one year group within a single year, it would receive less than the maximum amount below.)

<b>Empty cohorts</b>	<b>6+</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>MAXIMUM</b>
<b>(R- Y11 only)</b>							
<b>Primary</b>	£80,500	£67,500	£54,000	£40,500	£27,000	£13,500	£283,000
<b>Secondary (regardless of whether the school plans to have a sixth form)</b>	N/A	N/A	£125,000	£93,500	£62,500	£31,000	£312,000
<b>All-through</b>	£125,000	£93,500	£62,500	£54,000	£40,500	£27,000	£402,500

#### **D. Infant Class Size (ICS) Protection**

The School Admissions Regulations require that (with certain exceptions) reception/key stage 1 classes should not be larger than 30 pupils. The Growth Fund provides allocations to support schools in delivering the infant class size requirement, covering the following groups of schools:

- Primary Schools except 1.5 and 0.5 Form Entry Schools and Small Schools
- 0.5 Form Entry Schools
- 1.5 Form Entry Schools

##### **a) Primary schools except 0.5 and 1.5 form entry schools and small schools.**

This element of the infant class size factor focuses on schools with non-standard PANs or large numbers of vacancies, which may face particular challenges in complying with the infant class size requirement.

Eligible schools are:

- Schools with high levels of vacancies - defined as where the total reception and KS1 number (i.e. three year groups) on roll at the October census prior to the start of the financial year is less than 80% of the PAN multiplied by 3.
- Schools with non-standard PANs - defined as those with a PAN of 21 to 22 or 51 to 52.

Schools eligible for the separate 1.5 fe or 0.5 fe elements of ICS funding are not also eligible for this element. Schools with fewer than 90 pupils on roll do not qualify for ICS

funding as it would be assumed their class size issues are the product of being small schools.

The allocation formula is as follows:

Calculate the difference between the number of classes required (Reception & KS1 pupil numbers/30 and rounded up) and the number of classes notionally funded (Reception & KS1 pupil numbers/24).

Where the number of classes required exceeds the number of classes notionally funded, take the difference between the two and multiply by £40,000; which is the approximate cost of a teacher on the pay grade MPS6.

Example:

	<b>R/KS1 pupil number</b>	<b>Classes required</b>	<b>Classes funded (Pupil Numbers divided by 24)</b>	<b>Additional class required</b>	<b>Additional funding at £40,000 per Additional Class</b>
<b>School A</b>	91	4	3.79	0.21	£8,333
<b>School B</b>	151	6	6.29	0	£0

## **b) Small Schools**

Schools with 90 or fewer pupils are not eligible for ICS funding. Small schools will not have more than 30 pupils in a year group and there is a general expectation (for example, by parents) that they will vertically group classes, depending on numbers, which gives small schools more flexibility in this area.

## **c) 0.5 Form Entry Schools**

The definition of a 0.5 form entry school is a school with Reception pupil numbers between 10 and 17 (inclusive) and Key Stage 1 numbers of between 20 and 34 (inclusive). The position of a 0.5 form entry (FE) school is similar to that of a 1.5 form entry (FE) school, in that each is 15 pupils short of full reception class.

The funding formula for 1.5 FE schools is also applied to 0.5 FE schools. Funding is allocated using a ghost pupil approach based on Reception pupil numbers only. Under this formula the school attracts funding based on the number of ghost pupils, which is the difference between the number of reception pupils and 30. Funding is allocated at £576 per ghost pupil, based on the number of ghosts implied by the pupil numbers from the October 2014 census.

Example:

<b>Reception Pupil Number</b>	<b>30 less reception pupil number (ghost pupils)</b>	<b>Funding at £576 per ghost pupil School C</b>
15	15	£8,638

#### **d) 1.5 Form Entry Schools**

These schools face the practical difficulty that while it is possible to identify 3 mixed age classes in Key Stage 1, it is difficult to provide a sustainable class structure for the Reception year group.

Funding is allocated using a ghost pupil approach based on Reception pupil numbers only. The number of ghosts is the difference between the number of Reception pupils and the next multiple of 30 (i.e. 45 Reception pupils = 15 ghosts). Funding is allocated at £576 per ghost pupil, based on the number of ghosts implied by the pupil numbers from the October 2014 census.

The definition of a 1.5 FE entry school for Infant Class Size funding purposes is a school with between 30 and 50 (exclusive) reception pupils and between 72 and 92 (inclusive) KS1 pupils.

October 2014 pupil numbers will be used to calculate the ICS funding in 2015-16.

#### Interaction of Infant Class Size Protection and Expansion Funding

It is not intended that a school should separately attract both Growth in Pupil Numbers funding and ICS protection funding. Therefore schools eligible for funding through the Growth in Pupil Numbers element of the Growth Fund will not also receive ICS funding.

## FUND FOR SMALL SECONDARY SCHOOLS IN AREAS OF DEMOGRAPHIC GROWTH

Hertfordshire operates a Fund to support small secondary schools and academies with surplus places which will be needed in the near future. .

The eligibility criteria and formula for determining allocations from the Fund are based on the assessment that 550 pupils (years 7-11) is the minimum long-term viable size for a school.

The Fund has the following eligibility criteria:

- (i) The school/academy has fewer than 550 pupils (excluding sixth form) in the October census prior to the start of the financial year.
- (ii) The number of places offered by the school across year groups 7 to 11, if full, is greater than 550.
- (iii) The authority has forecast that at least 110 places will be required from the school in year 7 (year 9 for upper schools) by Autumn Term 2018; otherwise there will be an absolute shortfall of capacity in the relevant planning area.
- (iv) The school is Good or Outstanding. The date at which Ofsted category data will be taken will be 31st August prior to the start of the financial year to which funding relates, except that a school which becomes Good or Outstanding during the subsequent Autumn term prior to the start of the financial year shall also be eligible.

Formula for Allocation:

The allocation formula takes account of the size of the school but also incorporates a ceiling on allocations. It also takes into account any MFG protection funding the school receives in its budget share to avoid duplicating it.

The formula for determining an allocation to eligible schools is:

- (i) KS3 calculation:  $330 - \text{actual number of KS3 pupils on roll} \times \text{KS3 AWPU} \times 50\%$
- (ii) KS4 calculation:  $220 - \text{actual number of KS4 pupils on roll} \times \text{KS4 AWPU} \times 50\%$
- (iii) Sum of the result of lines i and ii capped at £250,000
- (iv) Deduct any MFG protection funded received by the school - the MFG protection figure taken into account in calculating allocations from the Fund is the MFG protection calculated by the Authority and notified to the DfE via the Authority Proforma Tool (APT).
- (v) Equals the allocation from the Fund.

This Fund does not cover schools or academies which have newly opened in the last five years.

## **FUND FOR PRIMARY SCHOOLS WITH FALLING PUPIL ROLLS IN AREAS OF DEMOGRAPHIC GROWTH**

Hertfordshire will operate a fund for primary schools which have experienced a substantial short term fall in pupil numbers but where the surplus places will be needed in the near future.

### **a) Eligibility Criteria**

The Fund has the following eligibility criteria:

- i) The school has had a reduction in its pupil numbers (excluding nursery pupils) of both more than 20% AND more than 30 pupils, between the October 2012 census and the October 2014 census.
- ii) The Authority has forecast that:
  - by Autumn Term 2018 the school's pupil numbers (excluding nursery) will have increased by at least 20% above the October 2014 census AND
  - by Autumn Term 2019, the school's pupil numbers (excluding nursery) will have returned to, or exceeded, the October 2012 census number.
- iii) The school is Good or Outstanding. (This is a DfE requirement for eligibility for the Fund.) The date at which Ofsted category data will be taken will be 31st August prior to the start of the financial year to which funding relates, except that a school which becomes Good or Outstanding during the subsequent Autumn Term prior to the start of the financial year shall also be eligible.

### **b) Allocation Formula**

The allocation formula is as follows:

The decrease in the number of pupils on roll between October 2012 and October 2014 – 30, x primary AWPU x 50%

Example:

A primary school had 400 pupils on roll in October 2012 and 300 in October 2014, a decrease of 100 pupils in the number on roll. It is forecast to have 380 pupils on roll by the Autumn Term 2018 and 420 pupils on roll by the Autumn Term 2019. The school would be eligible for an allocation from the Fund and this would be calculated as follows (using the 2014-15 primary AWPU for illustrative purposes):

$(100-30) \text{ pupils} \times £2632.32 \times 50\% = £92,131$  allocation from the Fund.