HERTFORDSHIRE COUNTY COUNCIL
SCHOOLS FORUM

17 January 2018

AGENDA ITEM

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GROWTH FUND REVENUE PROTECTION FACTOR

Report of the Operations Director, Education

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1. Purpose

1.1 To advise the Forum of a request from a school regarding the adequacy of the Revenue Protection Factor element of the Growth Fund.

1.2 To provide for Forum's consideration alternative criteria for this element of the Growth Fund that would provide increased funding, along with the financial implications of proceeding with the change.

2. Summary

2.1 This paper sets out:

- The school's challenge regarding the adequacy of current revenue protection;
- The current Revenue Protection Funding criteria and possible amendment to the Growth Fund that would increase protection funding and;
- The financial impact of approving this change to the Growth Fund.

3. Recommendations:

3.1 The Forum is asked to decide whether to make no change to the Revenue Protection Factor element of the Growth Fund or approve the alternative criteria.

4. Background

4.1 A 2fe primary school, that currently has two existing bulge classes, has refused to support a proposal to permanently expand on the basis that it considers the level of on-going protection funding to be insufficient; putting the school in a worse position than had it not expanded.

4.2 It has drawn this conclusion from its experience with its current reception cohort, which includes a bulge class. The bulge class is not full and the school will receive 73 AWPUs (an average of 24 AWPUs per class) to fund three classes. Without this

bulge class, it is likely the school would have been full at 2fe and received 60 AWPUs to fund two classes.

4.3 The Revenue Protection Factor guarantees pupil funding for expanding primary schools up to 24 or multiples thereof, ie., 48 pupils 1-2 fe or 72 for 2-3 fe. With 73 pupils on roll, the school is therefore not entitled to any revenue protection factor, despite receiving only 13 additional AWPUs above the schools substantive Published Admission Number of 60. The school consider that this level of funding will impact on staffing, its ability to care for and support its children, the wider quality of provision across the school for all children and ultimately may impact on standards.

4.4. Conversely, there are schools currently in receipt of revenue protection funding in multiple year groups where the schools organise in straight year groups and are not causing the local authority financial concern. This correlates with the outcome of the summer 2015 Growth Fund review which concluded that 24 AWPUs was an appropriate to fund a class.

4.5 In light of the uncertainty relating to the future of the Growth Fund from April 2019, a change to the criteria now could not give the school the reassurance it is seeking on future funding for the longer term in any event.

4.6 It is not intended that the Growth Fund should provide a greater degree of protection to expanding schools than they would have received if they had not expanded; however, in light of the school's challenge, Forum is asked to consider whether the criteria should be amended as follows:

(ii) Revenue Protection Factor

In addition there is a protection factor which guarantees pupil funding for expanding primary schools up to 24 for each additional class. This means, for example, that a school expanding from 1-2 f.e. would be guaranteed funding for a minimum of 54 pupils if the actual number of pupils fell below this level.
(All remaining text in this section to remain as shown in the current Growth Fund)

4.7 The table below shows the financial impact of introducing the new criteria compared with the current criteria; this would be from April 2019, by which point the operation of the growth fund may have profoundly changed in any event as set out above.

Modelled comparison of costs for revenue protection factor

School Type	Current	Enhanced	Difference
Maintained	410,245	817,539	+407,294
Academy	143,050	250,338	+107,288
Total	553,295	1,067,877	+514,582

5. Conclusions:

5.1 The Forum is asked to decide whether to make no change to the Revenue Protection Factor element of the Growth Fund or approve the alternative criteria.