



BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

Subject	BCP GROWTH FUNDING POLICY 2020-21
Meeting Date	25 th September
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Status	Public
Classification	For decision by school members only
Executive Summary	This report contains a summary of the 2019-20 growth funding payments, and options for the 2020-21 growth funding policy. It also forecasts the cost of both implicit and explicit growth funded under the proposed policy.
Recommendations	Schools Forum are recommended to agree the proposals put forward within this report.
Reasons for Recommendations	The LA must have in place a policy for funding growth for the 2020-21 financial year, and this should be agreed with the Schools Forum, who must also agree a budget for the 2020-21 explicit growth fund. The growth policy should be agreed no later than the January 2020 Schools Forum meeting.

Background



1. The Growth Fund – An introduction

1.1. The local authority is required to produce criteria through which growth funding is allocated, that must be agreed by the Schools Forum.

1.2. Growth funding can be allocated for the following:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

DfE guidance states that whilst the growth fund is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

BCP Council are responsible for funding such basic need growth, for all new and existing maintained schools and academies in their area.

The Council should fund all schools on the same criteria.

1.3. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need. 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.

1.4. Growth funding is within the LAs schools block (SB) NFF allocation. From 2019-20, this funding is allocated to the LA using a formulaic method based on lagged growth data. The amount allocated in 2019-20 was £1.806m. A lower allocation is expected for 2020-21 due to no forecast further growth in primary pupils, accompanied by similar levels of growth in secondary.

1.5. Any funding allocated for growth is budgeted from the SB, and as such a larger growth fund results in lower funding remaining in the SB for distribution through the formula.

2. Current position for 2019-20

2.1. Existing growth policies for three different BCP areas: Schools in Bournemouth, Christchurch and Poole will continue to receive growth funding under the legacy LA policies of Bournemouth, Dorset and Poole respectively, with the following caveat:



“The principles of Bournemouth and Dorset legacy policies to be applied to any Poole school that does not realise expected pupil growth.”

The legacy policies can be found in Appendix 2.

2.2. The legacy Bournemouth policy for temporary (bulge)/ permanent expansion states that:

“A lump sum will be paid to the school for each additional class created.”

This means that where a school has been asked to make provision for bulge classes, revenue growth funding will be provided regardless of the pupil numbers that materialise. However, there will remain an expectation that the school will be required to open an additional class at any point within the duration that bulge class would theoretically remain with the school.

2.3. Appendix 2 provides a breakdown of the growth payments made through this fund for 2019-20.

3. Planned growth within 2020-21 financial year

3.1. For 2020-21, some of the existing growth in schools will continue; Table 1 below sets out expected growth that has been requested by the local authority to meet basic need requirements. Appendix 2 provides a breakdown of forecast growth required over the next 7 years.

School	Academic Year growth added	Future FYs in place for	Description
Avonbourne Girls	2020-21	2020-21	3 FE bulge classes
Avonbourne Boys	2020-21	2020-21	2 FE bulge classes
Avonbourne (Avonwood)	2014-15	2020-21, 2021-22	Diseconomy of scale & resources funding for new primary phase
St. Peters (Primary)	2014-15	2020-21, 2021-22	Diseconomy of scale & resources funding for new primary phase
Bournemouth School	2019-20	2019-20 to 2024-25	1 FE permanent expansion
Bournemouth School for Girls	2019-20	2019-20 to 2024-25	14 places permanent expansion
Highcliffe St. Marks	2014-15	2020-21	1 FE permanent expansion
Carter	2019-20	2019-20 to 2024-25	2 FE permanent expansion



Community			
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2020 – 21 Growth Funding Policy Options

4. Existing Growth

4.1. For 2020-21 the following options have been considered:

- (i) **OPTION 1:** fund existing growth according to the arrangements in place for 2019-20. This was under the arrangements of Section 2 above.

There will still be some differences across BCP schools depending on legacy arrangements. In particular the legacy Dorset policy funds permanent expansion growth implicitly through all pupil led factors not just Basic Entitlement as per the legacy Bournemouth and Poole, but considers a form of entry to be 25 pupils for both temporary and permanent growth, rather than 30, as per legacy Bournemouth and Poole

or

- (ii) **OPTION 2:** fund existing growth under the to-be-determined 2020-21 agreed policy.

4.2. The LA propose that existing growth continues to be funded under Option 1. Appendix 2a provides forecast growth if existing growth continues to be funded under this policy, while Appendix 2b provides forecast growth if existing growth is funded under the proposals for Option 2.

5. New schools to meet basic need

5.1. The LA recommend post start-up and diseconomy of scale funding for new/ growing schools as follows:

Part 1: Diseconomy of scale funding

Empty Cohorts	6	5	4	3	2	1	MAX
Primary	£80,500	£67,500	£54,000	£40,500	£27,000	£13,500	£283,000
Secondary			£125,000	£93,500	£62,500	£31,000	£312,000
All through primary	£140,500	£117,811	£94,248	£70,686	£47,124	£23,562	£493,931
All through secondary			£185,000	£138,380	£92,500	£45,880	£461,760

Part 2: Resource Funding: £7,500 per FE added annually.

5.2. This funding is in-line with the legacy Bournemouth mechanism.

This policy only applies to free schools and academies that have been opened to meet basic need through the presumption route where the LA seeks bids for the establishment and operation of a new Academy.



The above would apply when a school has been asked to extend its age range to meet basic need range and there are empty cohorts in the school.

- 5.3. In addition to the funding discussed above, a new or growing school will also receive implicit growth funding by adjusting pupil numbers to those forecast to be on-roll as per the following October census, pro-rated for the period Sep – Mar. This is a statutory requirement.

6. Temporary Expansions (Bulge Classes)

- 6.1. The LA will provide Basic Entitlement (BE) funding for the relevant phase for any additional places prorated for the period September to March. This is on the basis that an additional FE will be funded at 30 places.

- 6.2. Regarding any retrospective adjustments to the funding, once the bulge has passed through the school:

The proposed policy does not apply any adjustment based on the actual number of pupils that end up on-roll in the class, or any other pupil number measure.

With no adjustment in place, a secondary school taking a single bulge class into year 7 school will receive additional funding of $30 \times £3,823 \times 7/12 = £66,898$, above the funding the school would have been due to receive under funding formula arrangements.

This policy is proposed since there is an expectation that a school may prepare for a bulge class in terms of teacher recruitment etc. before pupil numbers being admitted are known, and it would not be appropriate to unfairly penalise a school for this, particularly as they are working with the LA to assist with sufficient provision of school places. This is no change from the 2019-20 policy.

7. Permanent Expansions

- 7.1. It is not expected in the foreseeable future for a permanently expanding school to reduce their PAN to pre-expansion levels. The LA propose that it is appropriate to provide growth funding by considering all formula factors, not just Basic Entitlement. This is achieved by taking an average prevalence rate across all pupils-led factors by increasing pupil numbers accordingly. Each FE will be based on 30 pupils, funded for the period Sep – Mar. Such funding will be provided through implicit growth in the formula, rather than the explicit growth fund.

- 7.2. This is a change from the 2019-20 policy for non-Christchurch schools. The change is from funding growth at a per pupil Basic Entitlement rate only to funding at an average per -pupil, pupil-led factors formula funding rate. This is as per the legacy Dorset approach.

- 7.3. For a 1 FE permanent expansion into Year 7, the difference would be an increase of approximately £22,000 per annum. This is based on £66,898 under



the 2019-20 policy increasing to £87,500 based on a £5,000 minimum per pupils funding level under the proposed 2020-21 policy.

8. For temporary and permanent expansions, and new/ growing schools, academies will receive additional funding for the period Apr – Aug in recognition that their funding is lagged by a full year. This is not an additional charge against the growth fund because funding recouped by the ESFA is reduced accordingly.

9. Funding to meet infant class size legislation

9.1. This is funding to support the opening of KS 1 classes where overall pupils numbers exceed a multiple of 30, by a minimum number of pupils. For example, if a school with a PAN of 90 admits 66 pupils and as a result must open a 3th class rather than only 2 classes of 33 in each, funding could be provided to support this.

9.2. The proposal is to not provide funding through this route. Previously the LA considered this a significant issue only to small schools, with all relevant BCP schools of sufficient size to be able to manage the issue without needing extra funding.

10. Minor Variation to pupil numbers

10.1. In addition to section 9 above, the LA could fund growth for:

- Infant class sizes exceeding an agreed threshold due to exempt pupils,
- KS 2 classes exceeding a threshold
- Secondary places required where growth is not able to be contained within PAN.
- Other growth/ pupil number variations that have been requested by the local authority.

10.2. The proposal is not to fund minor variations to pupil numbers.

11. Falling Rolls Fund - The LA are not proposing to implement a falling rolls fund for 2020-21, which is no change from 2019-20

12. Growth will only be funded where the LA has requested such growth in writing, and such growth arrangements have been accepted by the school or academy in writing.

Recommendations

13. The Schools Forum are recommended to agree the proposals in sections 4.2, 5.1, 6.2, 7.1, 9.2, 10.2, 11.

Legal Implications



14. Growth funding policy and explicit growth budget for 2020-21 to be established in-line with the School and Early Years Finance (England) Regulations 2018 (No. 10).

15. Schools forum have a statutory responsibility to agree a growth fund.

Financial Implications

16. The growth fund is ringfenced for the funding purposes outlined above.

School Name	2019-20 ACT.	2020-21 EST.	2021-22 EST.	2022-23 EST.	2023-24 EST.
Existing growth under 2019-20 policy, new growth from 2020-21 under new 2020-21 policy	£822,961	£669,836	£244,412	£365,708	£365,708
Existing growth under 2020-21 policy, new growth from 2020-21 under new 2020-21 policy	822,961	766,382	329,133	450,429	450,429
Funding released if existing growth remained funded at 2019-20 levels	£0	£96,546	£84,721	£84,721	£84,721

Background Papers

17. Agenda Item 6: Growth Funding 2019-20, BCP Shadow Schools Forum, 8 January 2019.

<https://democracy.bcpCouncil.gov.uk/documents/g167/Public%20reports%20pack%2008th-Jan-2019%2016.00%20BCP%20Schools%20Forum.pdf?T=10>



APPENDIX 1 - COMPARISON OF EXISTING POLICIES BETWEEN LAs

In all cases the growth must have been at the request of the LA (basic need) and not a school's decision only.

Bournemouth and Poole Growth Policies are quite similar, however the Dorset policy, whilst also having similarities, also has considerable differences. Table 1 below provides a summary of the similarities/ differences across the existing 3 LA's

TABLE 1: A comparison of existing Growth Fund policies across Bournemouth, Dorset and Poole (B, D & P)

	Bournemouth	Dorset	Poole
<i>Growth paid for:</i>			
Permanent increase to PAN	Y	Y	Y
Expanding School across national curriculum year groups	Y	Y	Y
New School	Y	Set- up only	Set up Only
Bulge Classes (temporary increase to PAN)	Y (first year only)	Y (including future years)	Y (first year only)
Fund when Infant Class Size exceeded	N	Y	N
<i>Class Funding:</i>	For Bulge class, Permanent Increase		
Pupil count 1 FE based on	30	25	Actual NOR Change

FUNDING OF GROWTH ACROSS LEGACY LAs

Permanent or temporary (bulge) expansion

This is funding provided to a school to support additional costs incurred to the school of setting up an additional class, that are not yet funded through the local funding formula due to the lagged nature of funding. Accompanying Capital Basic Need funding may or may not be provided depending on whether a physical expansion of the school to accommodate a bulge is required. A permanent expansion will almost always be accompanied by Basic Need funding.

TABLE 2: A comparison of how a temporary expansion/ bulge class is funded across legacy LAs

	Bournemouth	Dorset	Poole
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Permanent Increase to PAN	Number of FE x 30 x relevant BE [#] x 7/12	Number of FE x 25 x (relevant BE + other factors where affordable) x 7/12 Plus £1,000 Management Allowance + £1800 class set-up per FE each year (new schools receive double this i.e. £3600 class set up per year). Any MFG* allocations included with the schools ISB [^] are deducted from this sum.	Lower of: <ul style="list-style-type: none"> NOR entry year minus old PAN in entry year Overall school change) x relevant BE x 7/12
Temporary PAN Increase (Bulge)	As above, but for 1 st year only	As above, but for 1 st year only, + £360 class set- up costs per year. Ghost funding is provided to guarantee 25 place funding per FE as bulge progresses through school. MFG allocations are taken into account as above.	As above, but for 1 st year only

[#]BE is the Basic Entitlement per pupil for the Key stage/ phase in which the growth has occurred, and additional factors are those pupil-led factors funded through the Local School Funding Formula.

*MFG is the Minimum Funding Guarantee that protects schools against significant losses to per pupil funding year on year as a result of formula/ pupil characteristic changes.

[^]ISB is the Individual School Budget allocation from the Schools Block determined through the local funding formula.

New/ Growing School where year groups are increasing each year

This is funding to support either a new school that has opened and does not yet have all year groups in place, or a school that has expanded into a new phase that also does not yet have all year groups in place

TABLE 3 : Legacy Bournemouth funded as follows:

Empty Cohorts	6	5	4	3	2	1	MAX
Primary	£80,500	£67,500	£54,000	£40,500	£27,000	£13,500	£283,000
Secondary			£125,000	£93,500	£62,500	£31,000	£312,000
All through primary	£140,500	£117,811	£94,248	£70,686	£47,124	£23,562	£493,931
All through secondary			£185,00	£138,38	£92,500	£45,880	£461,76



The amounts in this table are as per the diseconomy of scale funding that the DfE paid out to new and growing free schools at the time this payment was established in 2014. The funding is prorated for the portions of the relevant financial year the empty classes are present.

In addition, new/ growing schools attract £250 per primary place added and £500 per secondary place added, to cover the provision of pupil resources.

Legacy Dorset provides £1,000 management allowance each year plus £3,600 class set-up costs per year per FE. Dorset also provided pre-opening start up funding for new schools but no Christchurch schools would qualify in 2019-20 under this policy. An example of how this policy has worked historically is provided below:

Legacy Dorset Policy: Pre-opening Funding

Dorset provides pre-opening funding for new schools that covers a share of Head Teacher salary, a management allowance, administration support funding, a caretaking allowance, a premises allowance and a per capital sum. This per capital sum is currently £120 per mainstream child in the school, as if the school were full.

As an example, Twynham Primary received the following through pre-opening start-up funding:

Purpose	Method	Funding £
Head Teacher's Salary	Differentiated by size and phase of school	28,925
Management Allowance	As per the policy (see above)	1,000
Administration Support	Calculated at Grade 5 NJC point 15	6,902
Caretaking allowance	Equivalent to 2/12 th of a caretaker at Grade 7 NJC point 21 plus on costs and inflation covering the period July and August.	4,057
Premises Allowance	Hire of of rooms for interviews, parents' evenings etc.	665
Per Capita Sum	£120 per mainstream place as if full	25,200
Total		66,739

Legacy Poole does not have a specific policy for this as only 1 new school has been opened. In this case Poole provided £100,000 one off start-up allowance with significant resources (for example, all furniture and ICT) paid from the Capital Programme.

Minor variation to numbers

Bournemouth and Poole do not provide funding through this route. Dorset's 2018-19 policy is as below:

Legacy Dorset Policy: Minor Variation to Numbers



There are occasions when, rather than meeting the full costs of setting up an additional class, it is more efficient to amend the present arrangements using 'ghost funding'. These would normally be:

- (i) Breach of infant class size legislation (class of 30) for a non-exempt pupil
Provide ghost funding of pupils to fund an additional teacher = £35k (5/12ths of class cost) less breached pupils' AWPU. This situation should not occur and will only be paid in exceptional circumstances.
- (ii) Infant class size of 32 or more due to exempt pupils Pay AWPU from when the additional children join the school until generated through census to allow early employment of TA to give additional support for oversized class – once children are on census that extra funding will come into the school budget through AWPU and grant will cease.
- (iii) Key Stage 2 class size of 34 or more (actual or reserved places) Pay AWPU from when places are required/reserved to allow early employment of TA to give additional support for oversized class. Once children are on census that extra funding will come in through the delegated school budget in AWPU and grant will cease/reduce accordingly.
- (iv) Secondary places required where growth is not able to be contained within PAN (actual or reserved places). Pay AWPU from when places are required/reserved to allow structure to be put in place to accommodate the pupils. Once the expected pupils are on the census, that extra funding will come into the school's delegated budget through the AWPU and grant will cease/reduce accordingly).



APPENDIX 2 – ACTUAL AND PROJECTED GROWTH

This is growth through implicit and explicit growth that must be agreed with the schools forum; it does not include statutory implicit growth for new and growing schools, where the age range is changing.

a – Existing growth continues to be funded to its conclusion under the 2019-20 policy. New growth from Sep 2020 is funded under the 2020-21 policy

School Name	Description	Cost to both Explicit and Implicit Growth				
		2019-20 ACT.	2020-21 EST.	2021-22 EST.	2022-23 EST.	2023-24 EST.
		£	£	£	£	£
Avonbourne (Primary)	All through expansion from Sep 14	48,380	24,818	6,250	-	-
Jewell	Growing academy from Sep 13	6,250	-	-	-	-
Kingsleigh	Increased FE	47,576	-	-	-	-
St Peters	All through expansion from Sep 14	48,380	24,818	6,250	-	-
Avonbourne (Secondary)	Increase 3FE Y7 from Sep 2019	200,693	200,693	-	-	-
Harewood	Increase 2FE Y7 from Sep 2019	133,796	133,796	-	-	-
Bournemouth School	Increase 1FE Y7 from Sep 2019	66,898	66,898	66,898	66,898	66,898
BSG	Increase 0.5FE Y7 from Sep 2019	31,219	31,219	31,219	31,219	31,219
Carter	Increase 2FE Y7 from Sep 2019	133,796	133,796	133,796	133,796	133,796
Twynham Prim	Set Up for new school Y_R Sep 2013	4,600	-	-	-	-
Highcliffe St. Marks	Set Up for 1FE expansion YR Sep 2014	2,800	2,800	-	-	-
Avonwood (Primary)	Bulge Sep 19	47,576	-	-	-	-
Highcliffe St. Marks <i>[Implicit]</i>	1FE expansion Y_R Sep 2014	51,000	51,000	-	-	-



Year 7 Bulges	2FE* (schools not yet identified)	-	-	-	133,796	133,796
Total		£822,961	£669,836	£244,412	£365,708	£365,708

b – Existing growth is funded from 2020-21 under the 2020-21 policy to its conclusion. New growth from Sep 2020 is funded under the 2020-21 policy.

School Name	Description	Cost to both Explicit and Implicit Growth				
		2019-20 ACT.	2020-21 EST.	2021-22 EST.	2022-23 EST.	2023-24 EST.
		£	£	£	£	£
Avonbourne (Primary)	All through expansion from Sep 14	48,380	24,818	6,250	-	-
Jewell	Growing academy from Sep 13	6,250	-	-	-	-
Kingsleigh	Increased FE	47,576	-	-	-	-
St Peters	All through expansion from Sep 14	48,380	24,818	6,250	-	-
Avonbourne (Secondary)	Increase 3FE Y7 from Sep 2019	200,693	200,693	-	-	-
Harewood	Increase 2FE Y7 from Sep 2019	133,796	133,796	-	-	-
Bournemouth School [Implicit]	Increase 1FE Y7 from Sep 2019	66,898	87,500	87,500	87,500	87,500
BSG [Implicit]	Increase 0.5FE Y7 from Sep 2019	31,219	40,833	40,833	40,833	40,833
Carter [Implicit]	Increase 2FE Y7 from Sep 2019	133,796	188,300	188,300	188,300	188,300
Twynham Prim	Set Up for new school Y_R Sep 2013	4,600	-	-	-	-
Highcliffe St. Marks	Set Up for 1FE expansion YR Sep 2014	2,800	-	-	-	-
Avonwood (Primary)	Bulge Sep 19	47,576	-	-	-	-
Highcliffe St. Marks [Implicit]	1FE expansion Y_R Sep 2014	51,000	65,625			



Year 7 Bulges	2FE* (schools not yet identified)				133,796	133,796
Total		822,961	766,382	329,133	450,429	450,429