



Schools Forum

6th November 2019

Report from the Strategic Director of Children and Young People

Split Site Funding & Growth Funding

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
No. of Appendices:	0
Background Papers:	Prior reports to Schools Forum
Contact Officer(s): (Name, Title, Contact Details)	Andrew Ward, Head of Finance - CYP, 0208 937 6462 Dena Aly, Senior Finance Analyst - CYP, 0208 937 2179

1. Purpose of the Report

- 1.1. To explain the funding criteria and allocation of split site funding in response to previous requests.
- 1.2. To provide an analysis of future growth funding requirements in comparison with current growth funding allocations.
- 1.3. To clearly set out the methodology for funding academies through the rising rolls mechanism.

2. Recommendation

- 2.1. Schools Forum is asked to note this report.

3. Summary

- 3.1. The DfE requires Local Authorities and their School Forums to set clear and objective criteria for allocating funding to schools, and the particular factors within the funding formula. These must be used for all maintained schools and academies within the borough. This report provides an explanation on how these funding mechanisms operate.

4. Split Site Factor

4.1. Each Local Authority formula can include a factor to provide additional funding to schools that operate on more than one site. This is done in recognition of the additional cost burden for schools operating on multiple sites.

4.2. The DfE guidance states that there should be criteria for receiving this extra funding. The criteria should be:

- Clear and transparent;
- Incorporate clear and objective trigger points;
- Have a clear formula for allocating additional funding.

4.3. All schools and academies that meet the criteria are eligible for split site funding.

4.4. Schools sharing facilities, federated schools and schools with remote sixth forms or remote early years provision are not eligible for split site funding.

4.5. The current criteria and funding allocation were reviewed by Schools Forum in June 2016 and agreed in September 2016. The criteria are:

- The sites are more than half a mile apart, separated by public roads.
- It is necessary for staff to move between the sites in order to teach on both sites in support of the principle of a whole school policy and to maintain the integrity of the delivery of the National Curriculum.
- Each site is occupied by a large proportion of the school (more than one year group).

4.6. The current allocation is made up of a lump sum of £151,847, plus £113.70 per pupil. Where schools partially meet the criteria, this is considered by Schools Forum and they may attract a reduced lump sum of £50,000.

4.7. The below table shows the number of schools receiving split site funding:

Table 1: Split site funding allocations in 2019/20

	2019-20 Total Schools Budget £	Lump Sum £	Per pupil funding £	Split Site funding £	Split Site funding as a % of total funding
Alperton Community School	8,104,695	151,847	143,035	294,882	3.64%
Islamia Primary School	2,277,639	50,000	47,754	97,754	4.29%
Kingsbury High School	10,419,728	151,847	188,856	340,703	3.27%
Leopold Primary School	4,133,771	151,847	85,957	237,804	5.75%
Roe Green Infant School	2,445,291	151,847	50,824	202,671	8.29%

5. Growth Funding – Current Mechanism

- 5.1 Growth funding exists to support schools through the funding lag they experience when their pupil numbers are rising. Funding is based on the previous October census which means a delay in matching funding of 7 or 12 months for maintained schools and academies respectively. However, growth funding comes at a cost to the whole Schools Block, which is itself subject to the same funding lags. It can therefore be seen as a way of spreading the cost of pupil growth across a sector, as the funding would otherwise be distributed via the funding formula.
- 5.2 In February 2018, Schools Forum approved a revised methodology for allocating growth in the secondary sector, and to retain the existing methodology for primary schools.
- 5.3 In January 2019, a paper was presented to clarify the mechanisms for funding growth in schools from 2019/20 onwards.
- 5.4 For secondary schools that expand in response to the basic need to accommodate pupils, by 30 places or more, a pupil number variation will be applied in the first year of growth, based on the number of planned places. This increases the funding formula received. Increases in actual pupil numbers in subsequent years will then be funded by the rising rolls mechanism.
- 5.5 The threshold for triggering a rising rolls allocation is a 1.75% increase for primary schools, and an absolute value of 15 pupils per secondary school.
- 5.6 Schools budgets are set based on October census data in the previous financial year. Rising rolls calculations then compare this to the in-year January and October census data.
- 5.7 For example, 2019-20 schools' budgets are based on October 2018 pupil numbers. The 2019-20 rising rolls payments are based on:
- April 2019 to August 2019 payment: funds difference between October 2018 and January 2019 pupil numbers.
 - September 2019 to March 2020 payment: funds the difference between October 2018 and October 2019 pupil numbers.
- 5.8 Following a review of the above methodology, clarification of the calculations for Academies is provided below. This more accurately reflects the timing of Academy schools' financial year. The section below provides an illustrated example of the requirement for a different rising rolls calculation for academies.

6 Rising Rolls Calculation for Academies- Illustrated Example

- 6.1 A school has increased by 50 pupils in the September 2019 intake, with the below pupil numbers

Table 2: Illustrated Example- Actual Pupil Numbers

	October 2018	October 2019
Pupil Numbers	500	550

6.2 A maintained school will receive the formula funding for the additional 50 pupils from April 2019, whereas an academy will not receive theirs until September 2019. This is demonstrated in Table 3 below.

Table 3: Illustrated Example- Funded Pupil Numbers

	Academy	Maintained School
September 19 to March 20	500 (Oct 18)	500 (Oct 18)
April 20 to August 20	500 (Oct 18)	550 (Oct 19)

6.3 **September to March payment:** The above table shows that both maintained schools and academies are funded on the same census data at this point. Therefore, both will require the same rising rolls calculation (difference between October 18 and October 19).

6.4 **April to August:** This payment funds schools for any pupil number increases shown in the January 2020 census. If we assume that January 2020, the pupil numbers are 555, rising rolls payments are as follows:

- At this stage, maintained schools are funded on the October 19 census (for 550 pupils), therefore do not trigger rising rolls (550-500 is below the threshold).
- At this stage, academies are still funded on the October 18 census (for 500 pupils), therefore they should receive payment for the additional 55 pupils (555- 500).

7 Growth Funding- DSG Growth Budget

7.1 The total growth budget in 2019/20 totals £1.4m. This was set in line with the growth experienced in 2018/19, however increased growth is expected in the secondary phase from 2020/21 onwards.

7.2 The growth budget funds rising rolls payments as well as the Choice and Fair Access Interview Service (CAFAI) provisions. The total cost of the CAFAI provision in 2019/20 is £780k.

7.3 Using the estimated 2020/21 pupil numbers in the School Place Planning Strategy, the number of secondary phase pupils eligible for rising rolls funding in 2020/21 is estimated at 436 (compared to 240 in 2018/19, the last year for which there is complete data):

Table 4: Estimated number of pupils receiving rising rolls payments in 2020/21

	Secondary
Pupil number change in 1819 (between October 17 and October 18)	225
Funded via rising rolls**	240
Estimated pupil number increase in 2021 (Schools Place Planning Strategy)	409
Estimated number of pupils receiving rising rolls payments in 2020/21	436

**Taken from Sept 18 to march 19 rising payment calculations. this excludes any increases already funded via pupil number variations

7.4 If we apply these estimates to the current rising rolls funding rates, the cost of rising rolls alone is estimated at £2.3m.

Table 5: Total estimated cost of rising rolls in 2020/21 (at 2019/20 funding rates)

	Secondary
Estimated number of pupils receiving rising rolls payments in 2020/21	436
Current (average) annual rate per pupil	5,248
Total Estimated Cost	£2,289,527

7.5 If £2m was allocated to the growth budget in 2020/21 (i.e. an additional 600k from the Schools Block), this would leave £1.2m available for rising rolls. According to the estimated £2.7m rising rolls cost, this will result in a £1.5m overspend on the growth fund

7.6 The above calculation is based on the 2019/20 per pupil funding rates, as this is how rising rolls payments are currently allocated. If these rates were to decrease to a level that is affordable within the £1.4m growth budget, it is estimated that they would need to reduce to the below:

Table 6: Estimated affordable rising rolls funding rates in 2020/21

	Primary	Secondary	Total
Estimated number of pupils receiving rising rolls payments in 2020/21	135	436	571
Affordable rate per pupil	1,752	2,278	
Total Estimated Cost	£236,102	£993,898	£1,230,000

7.7 The above calculations assume there is no change to the CAFAI provision. Any reductions to this provision would mean more funding is available for rising rolls.

7.8 In summary the options for addressing this funding gap are listed below;

- 7.8.1 Allocate some of the increased Schools block income to the growth fund budget (£600k has been illustrated above)
- 7.8.2 Reducing the rates paid per pupil (as illustrated above)
- 7.8.3 Top slicing the current secondary school funding formula and transfer funds to the growth budget,
- 7.8.4 Raising the threshold trigger for rising rolls funding up from 1.75%.
- 7.8.5 Reallocate the growth fund into the secondary phase mainstream funding formula and ask schools to accommodate the funding lag from within their own individual budgets.

8 Financial Implications

8.1 The financial implications have been detailed in the body of this paper.

9 Legal Implications

9.1 There are no legal implications for this report.

10 Equality Implications

10.1 Not applicable.

11 Consultation with Ward Members and Stakeholders

11.1 Not applicable.

12 Human Resources/Property Implications (if appropriate)

12.1 Not applicable.

Report sign off:

Gail Tolley

Strategic Director of Children and Young People