

# Milton Keynes Council Schools Growth Fund Criteria 2018/19

## Funding Criteria

**This document sets out the funding criteria for new or growing schools in Milton Keynes.**

### 1 Introduction

- 1.1 Under the current School and Early Years Funding Regulations 2017, Local Authorities (LA) can set up a growth fund from the Dedicated Schools Grant (DSG). The purpose of the growth fund is to support maintained schools and academies which are required to provide extra places in order to meet basic need and to meet the costs of new schools. It cannot be used for general growth in pupil numbers at a school due to a schools popularity. The growth fund is ring-fenced so that it can only be used for the purpose of supporting growth in pre-16 pupil numbers to meet basic need.
- 1.2 The growth fund criteria are subject to annual amendments to reflect both local and national policy changes and are also subject to approval annually at the Schools Forum. Schools in receipt of lump sum pre-opening funding or revenue set up allowance funding will be required to submit a report to the Schools Forum on how the funding has been used and there will be no clawback mechanism for unspent funds. This will be reported to the March Schools Forum, following the September the school opened, or expanded.
- 1.3 The criteria and funding for 2018/19 as agreed by the Schools Forum at its meeting on 5 October 2017 are set out below. This criteria will be applied to any new additional growth commissioned by the LA agreed from this date. All previous funding arrangements (as included in the annex to the School Budget Planning 2017/18 paper at 12 January 2017 meeting of the Schools Forum) will continue to be honoured based on the criteria in place at the time the growth was agreed. The changes to the calculation of growth protection funding which will now be payable at the AWPU rate, will apply to all schemes entitled to this funding from 2018/19.

### 2 Growth Fund Criteria – New Schools

#### 2.1 Pre-Opening Funding New Schools

The pre-opening funding is intended to cover revenue costs prior to the opening of the new school and include costs such as staffing and recruitment costs and other materials. Funding will be in the form of a lump sum payment of £50,000 for a new primary school and £100,000 for a new secondary school. This will be payable in the month of April, prior to the school opening in September.

## 2.2 Diseconomies of Scale and Protection Funding

The school will be funded through the funding formula for the number of places commissioned by the LA. This will be reviewed on an annual basis whilst the school is growing to full capacity. This is funded by adjusting the school's pupil numbers in the school funding formula and paid to the school via the school budget share (or annual grant for academies). These estimates will be adjusted each year to take account of the actual pupil numbers in the previous funding period. To allow the school to grow to size over a period of time, funding protection is provided for two full years (should the school not reach the number of funded places at the next October census). This funding protection criteria applies in the case of secondary schools, where the initial intake is one year group into Year 7. The criteria for intakes across more than one year group would be set outside of this criteria.

## 2.3 Revenue Set Up Allowance Funding

A revenue set up allowance will be payable for new schools. This will be paid annually and over five equal annual instalments. Funding will be £250 per primary pupil and £500 per secondary pupil and based on the total number of pupils that the school will have once fully opened.

# 3 Growth Fund Criteria – Major Expansion onto Second Site

## 3.1 Pre-Opening Funding New Schools

Pre-opening funding will only be payable to growing schools when the expansion is onto a second site. This funding is intended to cover revenue costs prior to the opening of the second site and include costs such as staffing and recruitment costs and other materials. Funding will be in the form of a lump sum payment of £25,000 for a primary school expansion onto a second site and £50,000 for a secondary school expansion onto a second site. This will be payable in the month of April, prior to the second site opening in September.

## 3.2 Diseconomies of Scale Funding and Protection Funding

The school will be funded through the funding formula for the number of places commissioned by the LA at the second site. This will be reviewed on an annual basis whilst the school is growing to full capacity. This is funded by adjusting the school's pupil numbers in the school funding formula and paid to the school via the school budget share (or annual grant for academies). These estimates will be adjusted each year to take account of the actual pupil numbers in the previous funding period. To allow the school to grow to size over a period of time, funding protection is provided for two full years for the places commissioned at the second site (should the school not reach the number of funded places at the next October census). This funding protection criteria applies in the case of secondary schools, where the initial intake is one year group into Year 7. The criteria for intakes across more than one year group would be set outside of this criteria.

## 3.3 Revenue Set Up Allowance Funding

A revenue set up allowance will be payable for schools expanding onto a second site. This will be paid annually and over five equal annual instalments. Funding will be £250 per primary pupil and £500 per secondary pupil and based on the total number of pupils that the school will have once fully opened.

#### **4 Growth Fund Criteria – Growing Schools**

##### **4.1 Pre-Opening Funding Growing Schools**

No pre-opening funding will be payable to growing schools (unless there is a major expansion onto a second site – section 3).

##### **4.2 Diseconomies of Scale and Protection Funding**

The school will be funded through the school funding formula for the additional commissioned places as agreed with the LA. This is funded by adjusting the school's pupil numbers in the school funding formula and seen in the school budget share (or annual grant for academies).

To allow the school to grow to size over a period of time, funding protection is provided for two full years. For example 30 additional places agreed from September 2018 will be fully funded until August 2020. The initial year of growth will be applied through adjusting pupil numbers in the school funding formula funding. If, at the following October census date, the school did not manage to fill all of the additionally commissioned places, then the difference will be protected through funding from the growth fund, with the exception of the first five places. This will be calculated at the Average Weighted Pupil Unit (AWPU) rate and paid to the school in the monthly school budget share.

##### **4.3 Revenue Set Up Allowance Funding**

A revenue set up allowance will be payable for growing schools. This will be paid annually and over five equal annual instalments or the life of the expansion (whichever is shorter) based on the number of places grown. The rate which is payable will be dependent on the overall size of the growth comparable to their existing PAN.

- At least 30% growth - £250 per place (Primary) / £500 per place (Secondary)
- 20% to 29% growth - £200 per place (Primary) / £400 per place (Secondary)
- 10% to 19% growth - £150 per place (Primary) / £300 per place (Secondary)
- Less than 10% growth - £100 per place (Primary) / £200 per place (Secondary)

#### **5 Growth Fund Criteria – Early Years Settings**

5.1 There will be no longer be any early years growth funding payable to new and growing settings.