**Medway Council Growth Funding Policy**

**Version Update: May 2022**

**1. Overview**

* 1. This funding policy is for revenue associated reorganisations only and does not relate to capital items.
  2. Schools (the term schools used throughout this document includes academies) can access the funding and eligibility where there is a basic need requirement. The DfE define Basic Need as new pupil places which are requested by the local authority because there are insufficient places available for pupils in the area.
  3. Medway Council’s place planning team will determine if a school meets the eligibility criteria.
  4. Reorganisation funding and rising roll funding will be paid on an academic year basis and will be calculated on the growth in numbers from September less the preceding October’s school census count.

**2. Reorganisation Funding – Protected Pupil Funding**

* 1. Funding paid to schools for protected pupil funding includes:

a) Permanent expansion – an increase over time to all year groups in the school

b) Bulge year/ bulge classes (i.e. not a permanent expansion)

c) A new opening school

* 1. Reorganisation protection in primary and secondary schools can be split into two different types. One, where the increase in pupils triggers sufficient funding to meet the cost of the resource needed to support the additional pupil intake and two, where the increase in PAN will take a longer period of time to fill up and therefore provide the necessary level of resources needed to cover the costs of the additional pupil intake.

Example: Where the PAN increase is 30, the extra pupils will fully fund the cost of the additional class. In this instance protection will be provided in the year of admission only.

* 1. Growth funding will only be triggered where the increase to the PAN is over a certain threshold, for a primary school it will be 20% and for a secondary school it will be 10%. The rational for applying a threshold is that the additional number of pupils would not constitute an increase in additional resources.

Example: if a primary school was increasing its PAN from 30 to 45 this would trigger funding as it is an increase of 50%.

Example: if a primary school was increasing its PAN from 28 to 30 this would not trigger funding as it is an increase of 7% and below the 20% threshold.

* 1. For a new school protection will be applied in the same way as 2.2 above, however all of the other factors including in the delegated formula budget (including any Minimum Funding Guarantee (MFG)) will be included in the calculation.
  2. Schools can be asked to increase/reduce their PAN permanently or for a defined period i.e. one year, two years etc. In relation to where a school is requested to increase/decrease their PAN permanently, protection will paid for a maximum period (see below), and this will only include protection for the individual year group in the year the expansion takes place.

Infant 3 years maximum support.

Junior 4 years maximum support.

Primary 7 years maximum support.

Secondary 5 years maximum support.

2.6 Support would cease as soon as capacity is reached or if a change is made back to the original PAN or PAN reduction.

2.7 Permanent PAN increases/reductions will be paid through the funding formula, whilst temporary funding will be paid from the growth fund.

2.8 In both cases increases and reductions to PAN must be with the agreement of both the Local Authority and the Schools Forum to qualify for this funding.

**3. Reorganisation Funding – Set-up lump sum funding**

3.1 A one off lump sum of £55,000 will be payable to cover costs incurred prior to opening of a new school and is provided to set up costs. This payment is opening payable to opening a new school.

3.2 A one off lump sum of £6,000 will be payable to any school opening a new form of entry at the request of the local authority to meet the basic need pupil requirements. This £6,000 will be paid upon receipt of an invoice in the first year for one class only - unless the school is opening more than one form of entry - and is provided to cover set up costs such as equipment of the new class.

3.3 Where a school changes the PAN and moves from an infant or Junior school to a primary school; and there is an overall drop in pupil numbers in years one or two; a one off lump sum of £55,000 will be payable to help retain staff to cover the shortfall in funding capped at two years.

**4. Amalgamations**

4.1 In the year of amalgamation the two predecessor schools will retain their individual lump sums (As part of the funding formula) until the end of the financial year (March for a maintained school and August for an academy.)

4.2 In the financial year following the amalgamation the newly amalgamated school will receive 85% of the collective lump sums for the two predecessor schools i.e. The school will receive 2 X £83,000 = £166,000 X 85% = £141,100. The lump sum will be matched to the lump sum as part of the funding formula.

4.3 From the second financial year after the amalgamation took place the new amalgamated school will receive one lump of £83,000 once again matched to the lump sum as part of the funding formula.

4.4 The protected lump sum will automatically be funded from the Schools Block DSG and will not be a charged against the LAs growth fund as this is a national funding arrangement.

**5. Budget**

5.1 The growth funding budget will be set annually to support this policy.

School forum Approval: 18.05.22

Review Date: May 2023.