

Report to Schools Forum Funding Group

Title:	Growth Fund – Start-Up Grant
Date:	29 November 2016
Author:	Jonathan Carter
Contact officer:	Jonathan Carter 01296 383932 jacarter@Buckscc.gov.uk
Schools affected:	All new schools

Background

As set out in a separate paper to this Schools Forum meeting, the growth fund can be used to support the lead-in costs of new schools e.g. to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. These funds are agreed from a top-slice of Dedicated Schools Grant (DSG) , which is available to all schools.

Schools Forum has to agree the DSG top-slice for growth fund and the conditions for its use, including start-up funding.

Green Ridge Academy is due to open in September and a decision regarding the funding available for start-up between now and then is needed.

The LA is seeking to formalise the arrangements for providing start-up funding for any new school. The business case for this school is appended to this report to illustrate the funding potentially needed for a new school before it opens and to help Schools Forum agree the best way to fairly support schools like this in the future.



INVESTOR IN PEOPLE



DFE requirement

Please find below extracts from the DFE regulation

Finances (pre- and post-opening funding) – the academy presumption guidance at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501328/Free_school_presumption_guidance_18_february.pdf contains the following text:

23. Local authorities are also required to meet the revenue costs of the new provision. They must make provision in their growth funds to support increases in pupil numbers relating to basic need. This relates to the per-pupil revenue funding in addition to all funding for pre-opening development costs and post-opening funding required to address diseconomies of scale until a school reaches full capacity. This is because the new free school will be funded on a recoupment basis. School funding arrangements allow local authorities to retain funding centrally to cover these costs. This is detailed in the revenue funding guide for local authorities.

24. Local authorities are expected to work with selected proposers to agree a reasonable and mutually acceptable funding allocation for the local authority to cover pre- and post-opening costs.

25. The department will provide a one-off payment of £25,000 to the successful proposer for the legal costs associated with establishing a new free school through this route. Upon opening, the school will be funded by the Education Funding Agency on the same basis as other academies and free schools in the same local authority area.

LA funding may be expected to cover

- Headteacher salary and on-costs for the term before opening;
- Admin support for the head (e.g. office equipment/stationery/telephone costs);
- Salary costs for staff such as a deputy, PA/finance officer, caretaker, for some of the time before opening if not a full term;
- Costs of supplying the school with ICT MI and finance software, and financial costs of preparing budgets;
- Costs of recruiting staff – not just the head but other teaching, admin and support staff for 1 September, including DBS checks;
- Marketing and advertising costs – including admissions-related literature
- Sponsor work on interviewing, work done on an education brief/staffing structure and admissions before the head is in place - for which we would typically expect a sponsor to charge for some head office HR/finance/education “expertise/project management” time.
- Books and equipment

Options

Option A

To agree a set rate for all new schools of £200,000 for primary mainstream schools, historically this has been around the level of funding given to the last two new schools.

To date we have not had a new secondary maintained school, from evidence provided by the DFE they have provided £300,000 of start-up funding.

Option B

For the forum to agree on a case by case basis as it has in the past.

Recommendation

The Schools Forum Funding Group (SFFG) has considered this matter in detail and recommend Option B, to the Schools Forum i.e. the case by case basis.

The SFFG further recommends that to support new schools in their planning assumptions, that there should be a minimum allocation of £150K for new primary schools and £250K for new secondary schools.

The draft budget proposals for growth fund include an estimate for this, whether option A or B is agreed. This figure will vary year on year depending on the number of eligible schools and the specific circumstances. We do not have any specific guidance on growth fund in 2018/19 under a national fairer funding model so this may change in future.

Conclusion

We are seeking Schools Forum guidance and approval on the above process with immediate effect and for School Forum to nominate representatives to review these cases as they arrive, assuming Option B is agreed.