**SCHOOLS FORUM MEETING – 17th SEPTEMBER 2014**

**Updated Schools Funding Contingency Procedures**

**Growth in PAN allocation Contingency Procedure**

**Introduction**

The purpose of this note is to recommend, subject to any comments Schools Forum may have, an updated procedure to be adopted in accessing additional funding where the Local Authority requests a maintained or academy primary or secondary school to increase its PAN and this results in additional pupil numbers over and above those funded at the previous count. This procedure is being revised following the discussion on this item at the last schools forum in respect of the need to ensure that the limited resources are used where needed most, that is they are not distributed to schools who can afford the additional costs through their retained or predicted in year surpluses.

**Background**

The original strict obligations if such a fund is created remain unchanged. The purpose of this amendment is ensuring best use of funds. In brief obligations are:

* ensuring that such a fund is ring fenced to be used on growth funding only.
* that Schools Forum approves the creation of such a fund.
* the fund is available for the benefit of both recoupment academies and maintained schools.
* any funds remaining at the end of the financial year must be added to the following years DSG and re-allocated to academies and maintained schools through the local formula.
* criteria to access the fund are produced and approved by the School Forum.
* the basis of payment clearly defined.

**Criteria to be met**

In order for the contingency to be accessed then it is proposed that the following five criteria are met:

1. The increase in PAN must have been requested by the Local Authority as part of its strategic place planning role.
2. The increase in pupil numbers must materialise and must take pupil numbers in excess of those funded at the previous October count.
3. Where the increase in pupil numbers is 5 or less then no adjustment will be made.
4. In agreeing to fund any increase in pupil numbers then for clarity the first 5 pupils will be deemed to be funded by the school and will be excluded from the calculation for re-imbursement.
5. Schools must be able to demonstrate that they are unable to fund the request themselves. Where the school is maintained reference will be made to the school budget plan, where the school is an academy evidence such as system management accounts showing the projected outturn position and reserves position will be required as a minimum.

**Rate of re-imbursement**

Again this is unchanged from the procedure agreed at the Schools Forum on the 17th March 2014. It is repeated below for information:

The rate of re-imbursement proposed is to use the 2014-15 MFG per pupil value for the individual school multiplied by the materialised number of pupils in excess of the funded pupil numbers at the previous October count. Pro-rata adjustments will be applied where relevant. For clarity where re-imbursement is agreed then the first 5 pupils of the increase will be excluded from the re-imbursement calculation in accordance with point 3 above.

**Effective Date**

The proposed effective date is the 17th September 2014.

**Recommendation**

We would request Schools Forum to approve the above revised procedure in respect of the eligibility criteria to access this new growth fund.

We would also recommend that this procedure is reviewed in 12 months at the latest.

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