

Schools Forum

11th December 2012

School Growth Fund

Introduction

- 1 In March, the Department for Education (DfE) stated that maintained schools facing significant pupil number growth could be supported through de-delegated contingency funding, but that local authorities would not be able to top-slice to build a contingency budget for this purpose. As autonomous institutions, Academies would be expected to manage pupil growth from within their own budgets in the first instance but could work with the Education Funding Agency (EFA) if exceptional budget pressures arose.
- 2 Following representation to the DfE, the final published guidance at the end of June recognised the risk of uncoordinated growth provision and introduced an alternative arrangement. LAs are able to create a growth fund from the Dedicated Schools Grant (DSG) in advance of allocating school budget shares.
- 3 As reported to the last Forum meeting, there was strong support for the principle of a Growth Fund based on responses received to the recent Consultation on New School Funding Reform. It was agreed that a further paper would be provided to consider how the Growth Fund could operate in practice.
- 4 The growth fund will be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet basic need for the benefit of both maintained schools and Academies. **This refers to places required to meet need in terms of planned admission arrangements as previously agreed in advance by the LA.** Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula.
- 5 The LA is required to propose the criteria on which any growth funding is to be allocated to Schools Forum for approval. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. The LA will also need to consult Schools Forum on the total sum to be top-sliced from each phase and must regularly update Schools Forum on the use of the funding. It is essential that the use of the growth fund is entirely transparent and solely for the purposes of supporting growth in pupil numbers.

Summary of Key Points

- 6 Recommendation that Schools Forum agree the proposed criteria for establishing a centrally retained Growth Fund to support predicted in year increases in school places.
- 7 A central Growth Fund of approximately £150k in 2013/14 (subject to annual review) is proposed to implement the programme.

Background / Discussion

PROPOSED CRITERIA FOR ACCESSING GROWTH FUNDING

- 8 Under the new funding methodology schools budgets' will be based on the pupil numbers from the previous October, which in some cases could be significantly lower than the actual number from the start of the next academic year.
- 9 Where the predicted numbers for a **Primary** School (excluding nursery classes) for the following September show an increase of more than **15** pupils in one year group or **10%** of their total roll they **may be** able to access additional funding.
- 10 Schools will then need to provide evidence of the additional staffing that would be required to meet increasing numbers. (Views will also be sought from the School Admissions Team, Education Improvement Service and Schools Finance Team).
- 11 The actual level of growth funding to be received would be based on the difference between the October data used for budget setting purposes and the predicted numbers based on Admissions data and demographic forecasts in the Summer Term. Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October census data.
- 12 The funding would be based on 7/12ths of the Basic Entitlement per Pupil to cover the period September to March.
- 13 Given that the new formula will allocate an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- 14 On receipt of the actual Autumn Term pupil numbers a review would be undertaken to clarify the actual position. If it was found that a school in receipt of the funding has not had to provide additional staffing, the funding will be clawed back.
- 15 As this is the first year of operating this arrangement we would wish to include a clause for unanticipated exception circumstances.

Primary Growth Funding Example

October Census 2012	195 pupils
Predicted September 2013 Numbers (Based on Admissions data and Demographer's Forecasts)	216 pupils
Predicted Increase	21 pupils
Predicted Increase %	10.8%
Basic Entitlement per Pupil (estimated)	£2,575
Estimated Additional Funding (7/12ths – Sept 13 to March 14)	£31,544

FUTURE YEARS

- 16 All funding is only guaranteed for the financial year to which it relates. Future years funding will be assessed annually during the production of the budgets.

REQUIRED TOPSLICE

- 17 At this stage it is difficult to quantify the level of growth funding that will be required for the 2013/14 financial year. However, based on very early estimates it is recommended that £150,000 is centrally retained for this purpose in the Primary phase. The position will be reviewed for 2014/15.
- 18 Given capacity in the Secondary sector it is proposed that no funding is centrally retained for 2013/14 and the position reviewed in 2014/15.

Recommendation

- 15 Members of Schools Forum are to consider and approve the above criteria for funding growth.

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