

## **Schools Forum**

**6th July 2015**

### **Growth Fund Update**

#### **Introduction**

1. The purpose of this paper is to provide a further update to the Forum on the position regarding the primary admissions round for September 2015 relating to 2015/16 budget and to seek views on funding treatment in future years.
2. Decisions around the criteria, budget and use of the Growth Fund are the responsibility of the Schools Forum.

#### **Background / Discussion**

3. At the last meeting it was reported that there had been an unforeseen demand for reception School places commencing September 2015 in Central and North Stockton and Thornaby. This equated to 120 pupils with no allocation for September. However in Yarm, Eaglescliffe and Ingleby Barwick there had been a decrease in demand for places.
4. Contact was made with specific Heads and Chairs of Schools / Academies who may be able to take additional Reception children into their Schools. Approval was given by all relevant Heads and Chairs by the end of Easter to offer these additional places and this was completed before National Offer Day on 16 April 2015. The only change since this is that instead of 30 places being created at Harrow Gate Academy these have now been allocated between Harrow Gate (10) and Hardwick Green (20) Academies.
5. As these pupils are not funded in schools current revenue budgets, at the last meeting, the Forum agreed “that Growth Funding is provided to each school / academy based on the merits of the position in each, reflecting their individual local needs and associated necessary additional costs for the increased intake / capacity. Funding would only be paid out where it is above the increase in PAN x the AWPU value where it has been evidenced as an essential additional cost to the school to meet the needs of the increased intake”.
6. It should also be noted that due to the differences in commencement of financial years between academies and maintained schools (and thus the timing from which the previous Octobers pupil numbers are funded)

that the LA will be required to fund Academies also for the period April to August 2016.

### **Projected Spend 2015/16**

7. Following discussions with schools / academies and, in consultation with the Chair of the Forum, funding commitments relating to 2015/16 financial year total £256k. This is a pressure on the Schools Budget which, at present, is proposed to be funded from the one off surplus carried forward from last financial year as referenced in the Schools Budget Outturn report also on today's agenda. There is also an ongoing commitment rolling over to the summer term of 2016/17 relating to Academies which is £37k.

### **Future Years**

8. So far, the funding arrangements have been resolved relating to 2015/16 but there are on-going implications which also need to be considered. Whilst the actual numbers of children will drive through to increased funds for maintained schools in 2016/17 in many cases this will not be sufficient to continue to fund the increased costs. For example, in circumstances where the PAN is increasing from 30 to 40 and thus an additional 10 pupils, the school would receive AWPU funding of £25,660 through the usual school budget formula but this would not be sufficient to cover the costs of employing an additional teacher and a TA for a year.
9. There are a couple of options for dealing with this which are discussed as follows assuming that this is a one off situation rather than a trend :-
  - a. Do not provide any further additional funding other than that which schools / academies would receive through their schools formula funding allocation for actual numbers on roll. However schools could argue that their School having provided a solution for the Authority for September 2015 will be unfairly disadvantaged in funding terms if they were reliant solely on formula funding in future years.
  - b. Provide funding based on the difference between what a school would receive in their funding formula and those costs needed in each case. This would in effect fund the gap identified and discussed in para 8.
    - i. There is a strong argument that this should be applied for at least the summer term in order that maintained schools experience the same treatment as academies through to the end of the current academic year. The costs for this term are estimated to be £68k.

- ii. The annual cost is estimated to be £200k which would be a pressure on the overall Schools Budget. If this principle is accepted and agreed then there is an argument that it should be a commitment for the next 6 years until the children have completed their time at the Primary School /Academy. Funding would have to be found within each years DSG settlement to accommodate this.

10. If this is a trend then the normal arrangements associated with Growth Fund criteria and funding will apply and be in addition to the circumstances set out in the para's above.

11. Given the extraordinary circumstances relating to this years primary admissions it is felt appropriate that if the situation warrants that the position be reviewed and where necessary reports be brought back to the Schools Forum for further consideration.

### **Recommendations**

12. The views of the Schools Forum are sought on the options set out in this paper.

Lynda Brown  
Head of Education, Early Years and Complex Needs

David New  
Senior Finance Manager