

Item 9

TITLE OF REPORT: New Growth Funding Procedure

Purpose of the Report

The purpose of this report is to bring to Schools Forum the draft updated Growth Fund Procedure.

Background

The Growth Fund is a portion of the Dedicated Schools Grant (DSG) Schools Block which enables local authorities (LAs) to support schools with significant in-year pupil growth which is not otherwise immediately recognised by the lagged funding system.

Prior to the National Funding Formula (NFF) the DfE did not provide discrete growth fund allocations to LAs; Coventry therefore set aside a portion of the overall Schools Block funding settlement to meet the calculated requirement for growth. This has meant that the Growth Fund was able to increase/decrease to meet the required demand - subject to the overall affordability of the Schools Block. Since the NFF (17/18 and 18/19) the DfE have provided growth allocations equal to LA's spend in the previous year.

For 2019/20 the DfE has provided Growth Fund allocations on a formulaic basis for the first time. This means that the level of growth funding Gateshead receives will be directly linked to the increasing number of pupils one year to the next on a middle super output area.

It is a requirement of Department for Education (DfE), that if a local authority wants to hold a central growth fund then they must have a DfE approved growth fund procedure. The current Growth Fund procedure was approved by Schools Forum in September 2015. Since that time the fund has been utilised by two growing primary schools.

With the closure of Thomas Hepburn and the holding of funding removed from Thomas Hepburn's budget for the displaced pupils in Growth Fund, the criteria and process need to be updated to reflect this situation.

There also could be additional demands on the Growth fund as most secondary schools in Gateshead may admit additional year 7 pupils.

Proposal

It is proposed that Schools Forum members review the updated draft Growth Fund procedure (appendix 1) and recommend any changes to be made. If Schools Forum members consider the updated procedure fit for purpose, they may wish to approve the updated Growth Fund procedure to enable the procedure to be sent to the DfE for approval.

Recommendations

It is recommended that Schools Forum

- Reviews the attached draft updated Growth Fund procedure
- Recommends any changes to be made
- If the draft procedure is fit for purpose Schools Forum should approve the procedure and this will enable the procedure to be sent to the DfE for compliance checking.

For the following reasons:

- To comply with Schools and Early Years (England) Regulations 2018 (No.2)
- To ensure the updated procedure is fit for purpose

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Appendix 1

GROWTH FUND PROCEDURE

INTRODUCTION

GROWTH FUND INTRODUCTION

From 2019/20 the Dedicated Schools Grant contains a formula for growth funding in schools by comparing October 2017 pupil numbers and October 2018 pupil numbers at middle supper output level to calculate the growth in pupil numbers. Local authorities are able to either use some or all of this growth funding or add additional funding from the schools block to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority. This can include pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty. As the growth fund is within the schools block it is only available for pupils aged 5-15 in mainstream schools. It cannot be used to support growth for under-5 or post-16 pupils.

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 mainstream maintained schools and Academies. Any funds remaining at the end of the financial year can be rolled forward into the following year's growth fund.

Any growth or expansion due to parental preference will not be eligible to be funded from the growth fund, i.e. if pupils could be accommodated in another primary school within a 2 mile radius of the growing primary school, secondary schools to be reviewed on a case by case basis.

GATESHEAD CRITERIA FOR ACCESSING GROWTH FUNDING

A growing school is defined as:-

- A school where there is a planned increase in Planned Admission Number (PAN), and which has not had the full set of admission in-take. For example, an increase in PAN in September 2019 may still be having an impact in 2025/26.
- A school where the capacity has been increased, with planned expenditure on buildings, which has been agreed by the Local Authority.
- A school where an increase in pupil numbers has been agreed with, and specified by, the Local Authority as a consequence of a delay in the opening of a new school or implementation of a capital programme that would have increased the size of a neighbouring school.
- A school/academy carries out a formal consultation at either the request of or supported by the Local Authority
- A school that admits pupils above their PAN to accommodate pupil numbers within the Local Authority at the request or supported by the Local Authority
- Schools that admit pupils in year groups other than reception or year 7 because of a closing school at the request of or supported by the Local Authority

PREDICTED OR ACTUAL GROWTH

Where the predicted numbers for a Primary School (excluding nursery classes) for the following September show an increase of more than 16 pupils or 10% of their total roll, due to basic need, that requires the running of an additional class, schools may be able to access additional funding.

Where the predicted numbers for a Secondary School for the following September show an increase of more than 40 pupils or 8% of their total roll (excluding Post-16), due to basic need, that requires the running of an additional class, they may be able to access additional funding.

Where a school takes pupils not in reception or year 7 due to a closing school at the request of or supported by the Local Authority there will be no lower limit on this number.

FUNDING FOR GROWTH

When applying for growth funding, schools will be required to provide evidence that an additional class or tutor group would be required to meet increasing numbers. (Views will also be sought from appropriate Education Gateshead officers).

Allocations will be calculated per additional pupil using the applicable AWPU rates for Primary, Secondary KS3 and Secondary KS4 pupils.

Amounts payable to maintained schools will be pro-rata for the 7/12th period September to March. Amounts payable to academies will be for the full academic year as academy budgets run from September to August.

An upper threshold will also be applied so no primary school can receive more than £35,000 and no Secondary schools more than £70,000 for the 7/12th period September to March and no Primary academy can receive more than £60,000 and no Secondary academy more than £120,000 for the full academic year.

For school receiving funding for taking pupils from closing schools not in reception or year 7 funding will be based on the average per pupil funding of that school. Maintained schools will receive 7/12th funding and academies for the full academic year.

Initial growth funding allocations would be based on admissions data and demographic forecasts to aid schools with budget setting (May/June). Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October census data.

The LA will undertake a mid-year review, based on the October Census, but no additional funding would be allocated to schools where funding had already been agreed unless actual growth was at such a level that significant additional costs had been incurred. In instances where schools had not qualified for additional funding based on the original estimates, additional funding would only be allocated if the school could demonstrate additional costs had been incurred to support the additional pupils.

In instances where actual growth was at lower levels than original estimates schools will not be subject to claw-back on any funding already allocated.

ADDITIONAL CLASSES AND/OR FORMS OF ENTRY

In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the numbers do not meet the thresholds above, schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet this request. In Primary schools this may result in mixed year teaching, where numbers dictate and this is seen as the most prudent option for the organisation of the school as a whole.

These instances will be reviewed on a case-by-case basis, and funding for additional classes or forms of entry will be funded at the following rates:

Primary £48,000
Secondary £85,000

Amounts payable to maintained schools will be pro-rata for the 7/12th period September to March (£28,000 and £49,583 respectively). Amounts payable to academies will be for the full academic year, as academy budgets run from September to August. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.

AMENDMENTS

It is possible to amend the criteria for allocating growth funding during the year where this becomes necessary, however the revised criteria must be submitted to the EFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

Appendix A – Examples

Primary School A - Growth Funding Example

October Census 2018 195 pupils
Predicted September 2019 Numbers (Based on Admissions data and Demographic Forecasts) 216 pupils
Increase 21 pupils
Increase % 10.8%
Growth Funding Allocation per Pupil £2,817.22
Estimated Additional Funding (7/12ths- Sept 19 to Mar 20)
£34,5101.95, therefore would be funded at £35,000

Primary Academy B - Growth Funding Example

October Census 2018 225 pupils
September 2019 Numbers (Based on Admissions data and Demographic Forecasts)
251 pupils
Increase 26 pupils
Increase % 11.5%
Growth Funding Allocation per Pupil
£2,817.22
Additional Funding (Full academic year) £73,247.72, therefore will fund at £70,000.

Primary School C - Growth Funding Example – Additional Reception Class

School is requested to operate an additional Reception class from September 2019.
School would be guaranteed funding of £48,000 for a full academic year, for 7/12ths September 19 to March 20 = £28,000*

Maintained Schools funding from April 20 would be based on October 19 census so no additional growth funding will be allocated for this period.

*An academy in the same situation would be guaranteed funding for the full academic year = £48,000.

Secondary Academy D - Growth Funding Example

October Census 2014 1,374 pupils

October 2018 Numbers (Based on Admissions data and Demographer's Forecasts)

1,415 pupils

Increase 41 pupils

Increase % 3%

Increase in KS3 31

Increase in KS 4 10

Growth Funding Allocation per KS3 Pupil £3,841.81 = £119,096.11

Growth Funding Allocation per KS4 Pupil £4,385.81 = £43,858.10

Additional Funding (Full academic year)

£162,954.21

Capped to overall limit

£120,000

Secondary Academy E - Growth Funding Example – Additional FE

School is requested to operate an additional Year 7 FE from September 2019.

School would be guaranteed funding of £85,000 for the academic year September 2019 to August 2020.