

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	25 March 2014	AGENDA ITEM: 07
Title:	Central fund for planned school expansions	
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1 REPORT SUMMARY

- 1.1 This paper provides information on RBWM's arrangements for allocating additional funding to schools which are part of the local authority's planned expansion programme. 'Planned pupil growth funding' is held centrally and is allocated outside of the funding formula to cover the additional costs of an extra class from September where the pupils are not included on the school roll on the previous October census. The paper also asks Schools Forum for initial views on what changes are needed in 2015-16 to the way the growth fund operates.
- 1.2 **Schools Forum members are asked to note the contents of the paper and comment on the questions listed in paragraph 4.3.**

2 Background

- 2.1 Under Schools Finance Regulations, Local Authorities (LAs) are allowed, with Schools Forum approval, to centrally retain School Block Funding for significant pre-16 pupil growth to meet basic need, for additional classes needed to meet the infant class size regulation and to meet the costs of new schools. The latter include the lead-in costs to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils, and the post start-up costs. Start-up funding should also be provided for academies and free schools where these schools are created to meet basic need. Any unspent growth funding at the end of the financial year must be added back into the funding formula for the benefit of all schools in the following funding period.
- 2.2 LAs are also required to produce transparent and consistent criteria for allocating funding and to agree these criteria with their Schools Forums. LAs also have to consult the Schools Forum on the total sum to be top-sliced.

3 RBWM's growth fund 2014-15

- 3.1 Schools Forum is aware of the current growth in primary pupil numbers in the Borough. The need to accommodate increasing numbers of children in RBWM's schools has resulted in some schools being expanded, some for one year only to take a 'bulge class', some on a permanent basis. The capital costs of this expansion programme are funded through RBWM's basic need capital grant from the DfE.
- 3.2 The revenue costs of additional classes are funded through RBWM's growth fund. Schools' budgets are determined by the numbers on roll in the previous October. An expanding school which takes an additional class or part class in September could have up to 30 more pupils from September to March (or September to August in the case of academies) with no additional formula funding for them. An allocation from the central growth fund addresses this.

3.3 RBWM's criteria for allocating 'growth funding' to schools is set out in a protocol that was agreed with Schools Forum in October 2012 and remains in place for 2014-15 (See **annex A**). The main funding criteria are:

- Schools will be funded for part-year growth in pupil numbers where the increase in pupils is part of a planned increase agreed with or requested by the LA.
- Schools admitting above their standard number without LA agreement would not normally be eligible for funding.
- Funding allocated through the growth fund is linked to the need to respond to local shortages in places, not increases in pupil numbers per se.
- Funding would continue for as long as there is a need, (up to 7 years in a primary school, 3 years in an infant school etc.) or just one year if the increase in pupils is to accommodate a one-off 'bulge' class.
- Allocations are calculated on the number of agreed additional places multiplied by the relevant Age Weighted Pupil Unit amount and adjusted pro rate for 7/12ths (September to March) for maintained schools. Academies receive growth funding for 12 months to take account of academic year budgets.

3.4 In 2013-14 RBWM expects to allocate £385k to 15 schools from the central growth fund. In 2014-15 we anticipate that 20 schools will qualify for pupil growth funding. In January Schools Forum agreed a proposal to increase the central pupil growth budget to £562k to take account of the additional cost of this increase. **Annex B** sets out the schools which qualify for this funding.

4 Growth fund – longer term funding issues

4.1 Under the current scheme, the funding required to fund expanding schools in 2014-15 has increased by £177k compared with the previous year. This budget is likely to increase in the future as more schools become part of the expansion programme. Start-up costs for any new basic need academies and free schools opening in subsequent years would increase the budget requirement further. Currently no such start-up funding is provided for in the growth fund.

4.2 The growth fund is a topslice to the Schools Block allocation. This means that any funding allocated to the growth fund is funding that could otherwise have been allocated to schools through the formula.

4.3 Most other LAs earmark funding for growth from their Schools Block allocations, and the EFA has provided examples of other allocation methodologies. RBWM's scheme appears to be one of the few which allocates growth funding to schools for more than the first year of expansion. We would be interested to hear Schools Forum's initial views about RBWM's existing scheme. This would help inform RBWM's decision on whether to consult on revised proposals for 2015-16. Your views on the following issues would be particularly helpful:

- Is RBWM's current scheme overly-generous in allocating funding for each year until there is a new class in each year group rather than just for one year?
- Should growth funding be made available to secondary schools as well as primaries as increasing pupil numbers work their way through the school system?
- What are the reasonable start-up costs of a new school that should be funded from the growth fund?
- What other changes to RBWM's allocation methodology would you like to see?

ARRANGEMENTS FOR FUNDING PLANNED PUPIL NUMBER GROWTH

The DfE stipulates how Local Authorities should manage any funding top-sliced from the Individual Schools Budget to fund Pupil Growth as follows:

- Funding for significant pupil growth can be top-sliced from delegated budgets and retained centrally before the formula is calculated.
- The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need
- The fund must be used on the same basis for the benefit of both maintained schools and recoupment Academies
- 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:
- Local authorities are required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which payment could be made and provide a basis for calculating the sum to be paid.
- Local authorities will need to propose the criteria to the Schools Forum and gain its agreement before growth funding is allocated. The local authority will also need to consult the Forum on the total sum to be topsliced from each phase and must regularly update it on the use of the funding.

RBWM SPECIFIC QUALIFYING FACTORS

- Schools will be funded for part-year growth in pupil numbers where the increase in pupils is part of a planned increase agreed with or requested by the LA.
- Any agreement to take on extra pupils in September would normally be agreed well in advance of the start of the academic year, as part of the admissions planning process (Jan to March).
- Schools admitting above their standard number unilaterally without LA agreement would not normally be eligible for funding.
- Funding allocated through the growth fund would normally be linked to the need to respond to local shortages in places.
- Agreed increases in pupils would normally be limited to the entry year group, not spread across different year groups.
- Funding would continue for as long as there is a need, which could be up to 7 years in a primary or just one year if the increase in pupils is to accommodate a one-off 'bulge' class.

FUNDING METHODOLOGY

- Schools qualifying for funding will receive an additional allocation of funding based upon the number of agreed additional places provided multiplied by the relevant phases' Basic per Pupil Entitlement.
- Funding will be allocated for 7/12ths of the financial year to reflect the part year effect of the Academic year.

Agreed with Schools Forum on 16 October 2012

Planned Pupil Growth Fund allocation 2013-14 and 2014-15

School	First year of expansion	Last year of expansion	Increase in Places		Funding £000		
			2013-14	2014-15	2013-14	2014-15	
Alexander First School	Sep-13	Sep-17	6	6	£10	£10	
All Saints CE Junior School or Courthouse	Sep-14	Sep-17		23		£37	
Braywood CE First School	Sep-14	Sep-18	0	5		£8	
Clewer Green CE School	Sep-13	Sep-17	15	15	£25	£24	
Cookham Dean CE Primary School	Sep-12	Sep-18	6	6	£10	£10	
Datchet St Mary's CE Primary School	Sep-14	Sep-14		15		£24	Bulge class
Dedworth Green First School	Sep-14	Sep-14		30		£49	Bulge class
Ellington Primary School	Sep-14	Sep-20		30		£49	
Furze Platt Infant School	Sep-12	Sep-14	9	9	£15	£15	
Furze Platt Junior School	Sep-13	Sep-16	15	15	£25	£24	
Hilltop First School	Sep-10	Sep-13	13		£21		
Holyport CE Primary School	Sep-11	Sep-17	15	15	£25	£24	
Homer First School	Sep-14	Sep-14		30		£49	Bulge class
Lowbrook Primary School	Sep-13	Sep-13	30		£49	£35	Bulge class
Oakfield First School	Sep-11	Sep-15	15	15	£25	£24	
Oldfield Primary School	Sep-12	Sep-18	30	30	£49	£49	
St Edmund Campion Catholic Primary	Sep-11	Sep-17	15	15	£25	£24	
St Edward's Catholic First School	Sep-13	Sep-17	15	15	£25	£24	
St Edward's Royal Free	Sep-13	Sep-16	27	27	£44	£44	
White Waltham CE School	Sep-11	Sep-17	8	8	£13	£13	
Wraysbury Primary School	Sep-11	Sep-17	15	15	£25	£24	
			234	324	£385	£561	