

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	22 October 2014	AGENDA ITEM: 5
Title:	Revised Growth Fund Criteria for 2015-16	
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1 SUMMARY AND PURPOSE

- 1.1 This paper sets out proposals for changing the criteria and payment arrangements used to allocate additional revenue funding to schools which have agreed to take on additional classes to meet planned pupil growth, known as basic need. If agreed, these arrangements will be implemented from April 2015. The purpose of the proposed changes is to ensure that expanding schools are appropriately funded, and that the funding reserved centrally for this purpose is sustainable in the longer term.
- 1.2 Schools Forum is recommended to agree the proposed 'growth fund' criteria for 2015-16 as set out in this paper, with the new conditions summarised below:
- 1.2.1 that funding for permanent increases will only be allocated for the first three years of any increase. Previously funding was allocated for a full seven years in the case of an expanding primary school.
- 1.2.2 that funding will only be allocated for planned increases of ten or more school places. Previously there was no limit.
- 1.2.3 that, in addition to the per pupil funding based on AWPU, to allocate a lump sum of £4,000 per school where planned class increases are for ten or more pupils, and £6,000 for twenty or more (pro rata-ed for part year). Previously funding was based on the per pupil amount only.
- 1.2.4 that allocations will take account of the difference between planned pupil numbers and actual pupils admitted on September. Previously schools got additional funding for planned increases, even when the actual increase in pupil numbers was significantly less than planned.
- 1.3 Local authorities are expected to gain the agreement of their Schools Forum for growth fund criteria before funding is allocated.

2 EXISTING GROWTH FUND CRITERIA

- 2.1 RBWM reserves DSG Schools Block resources to create a Growth Fund for providing additional support to schools which are required to provide extra places to meet demand, referred to as basic need. The fund is used to support growth in pre-16 pupil numbers as well as pre-opening costs for new schools, and reorganisation costs. It cannot be used to help schools in financial difficulty or for general growth due to popularity. Updated EFA guidance¹ for 2015-16 clarifies that the growth fund is a suitable route for increases in pupil numbers where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an

¹ See 'Variation to pupil numbers page 17' and 'Annex 4: growth criteria' in the EFA's [School Revenue Funding 2015 to 2016 - Operational Guide](#)

ongoing commitment). Funds must be used on the same basis for both maintained schools and academies. Any funds remaining at the end of the financial year must be added to the following year's DSG but may be earmarked for the same purpose.

2.2 In March 2014, Schools Forum considered a paper setting out RBWM's existing growth fund criteria. Currently the fund provides additional support to schools for part-year growth in pupil numbers where the increase is agreed with or requested by RBWM as part of a planned process to meet basic need. This ensures that a school which increases its planned admission number from, for example, one form of entry to two forms of entry receives additional funding for the extra pupils starting in the new academic year who would not have been on roll the previous October. Currently, the growth fund continues to pay the same amount to schools every year until the additional class has worked its way through the school (seven years in the case of a primary school). No adjustment is made for the actual number of pupils admitted compared with the planned number. This can result in overfunding where a school admits less than the planned number.

2.3 At the March meeting it was noted that RBWM's current arrangements were unlikely to be financially sustainable given the rate of growth in primary pupil numbers. These proposed changes to the growth fund criteria respond to a proposal to look at alternative allocation models for implementation in 2015-16.

3 PROPOSED GROWTH FUND CRITERIA FOR 2015-16

3.1 Comparison with other LAs' growth fund criteria² suggests that RBWM's arrangements are unusual in two main respects:

- Providing growth funding for every year until a permanent increase to the PAN has worked its way through the school.
- Not taking account of actual pupil numbers arriving in the academic year.

3.2 For 2015-16 we propose to bring the operation of RBWM's growth fund closer into line with other authorities. These changes will ensure that expanding schools are fairly funded for additional pupils, but not in a way that ties up funding unnecessarily that could otherwise be available for redistribution to all schools.

3.3 Table 1 sets out the proposed revised eligibility criteria for growth funding.

Table 1: Growth fund criteria

	Eligibility for 2015-16	Change	Comments
1	A school or academy has agreed with the Borough to provide an extra class in order to meet <u>basic need</u> . This may be either as a temporary increase in pupil numbers, a bulge class or a permanent increase to the school's Planned Admission Number (PAN).	No change	No allocations are made for pupils increases which are not part of formally agreed basic need expansion plans.
2	Any increase in pupil numbers or extra class must be either at the request of the Lead Member for CS or Cabinet or supported by them.	No change	Schools which increase their numbers without the agreement of RBWM will not normally attract growth funding.
3	The planned increase in pupil numbers or increase in the PAN must be for at least ten pupils.	New limitation. Previously no minimum number.	Schools should be able to manage increases of fewer than 10 pupils within existing budget. Modelling suggests increases of less than 10 do not result in significant additional costs for schools.

² Examples of other LAs' growth fund criteria can be found in Annex 4 of the 2015-16 Operational Guide as above.

4	Any permanent increase in a school's planned admission numbers must have been within the last three years.	New limitation	Three years should be sufficient time for the school to adjust to the new arrangements.
5	Support to cover pre-opening costs / initial equipping allowance for new maintained schools and recoument academies where the school is opening in response to basic need.	Extension to existing criteria	To recognise start-up costs of new schools. Not yet applicable in RBWM. ³
6	Schools in receipt of growth funding which have previously operated mixed age classes or have a PAN in a multiple of 15 would be normally expected to operate some mixed-age classes. Growth funding cannot be used simply to reduce class sizes	No change	Clarification of existing arrangements

3.4 In all other respects, eligibility for growth funding has not changed. For clarification, growth funding will not be allocated where:

- A school has surplus places and then takes additional children up to the PAN.
- It admits over their PAN at their own choice.
- It is directed or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN or Children in Care etc. as these pupils do not meet the basic need criteria and numbers will normally be low on an individual school basis.
- It provides an additional infant class to meet infant class size legislation. This is because the funding that was previously held centrally for infant class size was incorporated into the pre-16 funding formula as an uplift to the AWPU rate and delegated to infant schools when the EFA's funding reforms were introduced in April 2013.

3.5 Some schools will continue to face individual and specific circumstances that result in unexpected financial pressures that cannot reasonably be expected to be met from the delegated budget share. Maintained schools can apply for funding from the 'de-delegated' School Contingency Fund to help meet such pressures. These growth fund proposals will not affect the operation of the contingency fund in the future.

4 METHODOLOGY FOR DISTRIBUTING FUNDING

4.1 The methodology for allocating funding from the growth fund was previously based on the planned increase in numbers and the relevant AWPU rate, with no adjustment for actual pupils. This resulted in overfunding in some cases where the planned increase in admissions did not materialise. Our proposed formula for allocating growth funding from 2015-16 onwards addresses this anomaly by ensuring that funding will be allocated on the actual increase in numbers based on the difference in pupils leaving and joining, for example, in a primary school, the difference between numbers entering Reception in September and the numbers leaving Year 6.

4.2 The rate of funding will also be increased to include a fixed amount of £6,000 per additional class of twenty or over and £4,000 per additional class of 10-19 towards the extra cost of materials and resources. This will be a new allocation from September 2015 in addition to the AWPU funding allocated previously.

4.3 Allocations will therefore be based on the formula:

$$((A \times I) + R) \times P, \text{ where}$$

³ Holyport College and Braywick Park are new schools, but they have not specifically been set up to meet basic need. In this case, the EFA funds start-up costs directly.

- A = AWPU value for the relevant Key Stage
I = the increase in actual numbers based on the difference in pupils leaving and joining.
R = £6,000 towards the cost of materials for increases >19 pupils, £4,000 for increases of between 10 and 19 pupils.
P = The relevant proportion of the year (usually September to March for maintained schools and September to August for academy schools).

- 4.4 Funding from the growth fund for bulge classes will be for one year only, as before, but there will be a new limitation that schools with permanent increases will attract growth funding for no more than three consecutive years from the first year of the increase.
- 4.5 This formula relies on information on actual numbers arriving and leaving the school in August and September. Final payments, which are outside of the school funding formula, will therefore be notified and paid in October, rather than at the start of the financial year.
- 4.6 The impact of these new arrangements is shown in **Annex A**. Note that it is proposed to hold a growth fund contingency of £50k to provide support for schools which meet the above criteria but where agreement to provide an additional class is reached after the budget has been set.

Growth fund indicative allocations 2015-16

Permanent increases where Sep 15 is within three year limit	Permanent Increase	PAN after increase	Date when increase began	2014-15 allocation £	2015-16 indicative allocation £
School A	+ 23	90	Sep-14	37,353	42,140
School B	+ 10	60	Sep-13	24,361	19,133 ¹
School C	+ 15	90	Sep-13	24,361	27,533
School D	+ 30	60	Sep-14	48,722	53,900
School E	+ 15	60	Sep-13	24,361	27,533
School F	+ 27	120	Sep-13	43,849	48,860
Total				203,007	219,099

Permanent increases but over three year limit	Permanent Increase	PAN after increase	Date when increase began	2014-15 allocation £	2015-16 indicative allocation £
School G	+ 15	60	Sep-11	24,361	0
School H	+ 15	60	Sep-11	24,361	0
School I	+ 30	60	Sep-12	48,722	0
School J	+ 15	60	Sep-11	24,361	0
School K	+ 15	60	Sep-11	24,361	0
Total				146,166	0

Permanent increases is less than threshold	Permanent Increase	PAN after increase	Date when increase began	2014-15 allocation £	2015-16 indicative allocation £
School L	+ 6	30	Sep-13	9,744	0
School M	+ 5	30	Sep-14	8,120	0
School N	+ 6	26	Sep-12	9,744	0
School O	+ 9	90	Sep-12	14,616	0
School P	+ 5	45	Sep-11	8,120	5,800 ²
School Q	+ 5	45	Sep-10	8,120	5,800 ³
School R	+ 8	30	Sep-11	12,992	9,280 ³
Total				71,456	20,880

Bulge class – one year funding only	Bulge class	PAN (not incl bulge class)	Date when increase began	2014-15 allocation £	2015-16 indicative allocation £
School S	+ 15	30	Sep-14	24,361	17,401 ³
School T	+ 30	30	Sep-14	48,722	0
School U	+ 30	45	Sep-14	48,722	0
School V	+ 30	30	Sep-13	34,801	0
Contingency				0	50,000
Total				156,606	67,401

Grand Total				577,235	307,381
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