



SCHOOLS FORUM

School Growth – Position Statement

20 June 2018

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority		Post 16	
		High Needs	

Purpose of Report

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report sets out the current position locally and nationally in respect of funding school growth.

Recommendations

2. That Schools Forum notes the position as set out in this report
3. That Schools Forum comment on the approach and timescale to be followed for a revision of the current policy on funding school growth

Introduction

4. Schools Forum has discussed the issue of funding school growth on a number of occasions, this report sets out the Leicestershire policy for funding school growth, the

operational issues it has presented and the national direction of travel by the Department for Education (DfE).

5. At this point no revision to the current policy which is attached as Appendix 1 for information is proposed. No revision will be undertaken until further guidance is issued by the DfE until the proposals for 2019/20 school funding are confirmed which is anticipated in July.

Background

6. The School and Early Years Finance Regulations require local authorities to fund schools on the basis of pupil numbers taken from the October School census immediately before the funding period (lagged funding), as such they make no allowance for any increase in pupil numbers whether by changes in demographics, reorganisation including adding and removing age groups, or the basic need for additional school places.
7. A growth policy may differentiate between school phases but applies equally to mainstream schools and academies. It does not apply to special schools where growth is addressed through the annual place commissioning process.
8. The DfE set out the following criteria to be funded from local authorities' growth fund;
 - To support growth in pre-16 pupil numbers to meet basic need –funded under the current policy
 - To support additional classes needed to meet the infant class size regulation - this funding was delegated to schools under 2013 school funding reform at the request of primary schools
 - To meet the costs of new schools – funded under the current policy
9. The DfE state that a growth fund may not be used to support:
 - Schools in financial difficulty
 - General growth due to popularity; which is managed through lagged funding
10. Additionally the DfE set out the circumstances where it would expect local authorities to request permission from the Secretary of State to vary pupil numbers as:
 - There has been, or is going to be, a reorganisation – approval has been granted for age range change
 - A school has changed, or is going to change its admission limit – maybe funded under current policy if the change has been requested by the local authority in order to meet the basic need for additional school places
11. There are no other circumstances with the funding system recognised by the DfE as requiring funding outside the lagged pupil number system and no reference to additional funding for demographic growth. The current policy makes provision for general growth in pupil numbers in some circumstances and is out of line with current DfE guidance.
12. Approvals for the current Leicestershire approach to growth are:

- Annually by the Secretary of State in respect of age range changes, mechanism approved locally by Cabinet 15 October 2013
 - Growth funding policy approved by Schools Forum – 14 January 2016
 - Retention of 2018/19 £1.3m Growth Fund approved by Schools Forum 28 February 2018
13. Under the 2018/19 school funding reforms the DfE have funded growth as a separate element within the Schools Block Dedicated Schools Grant and includes;
- Explicit growth – being funding set aside through a falling roll fund and growth funds
 - Implicit growth – being adjustments to the pupil number count to allocate formula funding – for Leicestershire this applies to the aggregate pupil number changes as a result of age range change and new schools which, as a reduction in funding requirement for 2018/19 can be used to fund growth in other schools.

Local authorities have been funded on the basis of historic cost for 2018/19.

14. The DfE stated that they wished to move to a formulaic approach to funding local authorities for school growth in 2019/20, it is expected that their intentions will be published in July. However in formulating that approach they have engaged with local authorities in its development but based on a very narrow set of aims being;
- To provide resources for local authorities to meet their sufficiency duty when there is a significant growth in pupil numbers
 - Is transparent, consistent and simple
 - Is cost efficient
 - Is consistent with wider principles of the national funding formula

The Current Leicestershire Policy

15. School growth in Leicestershire has predominantly occurred in the recent three years, the current policy was adopted in order to support the opening of Fossebrook Primary in September 2016. It has been used to fund significant expansions at a number of primary schools. The trigger for demographic growth has yet to be reached.
16. Its operation has, as far as the local authority is aware, not created any significant operational issues for new schools. It has been difficult however to support major school expansion i.e. an additional form of entry or the need to establish additional classes. This is as a result of the school funding system whereby new schools are funded on pupil estimates by the DfE until such time they have a full contingent of year groups, unlike expanding schools who are funded within the lagged funding system affecting multi-years but only receive a one off funding allocation.
17. In respect of age range changes the local authority will continue to seek annual approval of the current funding mechanism for schools undertaking or affected by age range changes.

18. It seems therefore appropriate that the current policy should be reviewed, however that needs to be aligned with the DfE's expectations and to reflect the issues associated with the current policy.

Review Timeline and Scope

19. Any new policy would need to be approved by Schools Forum following consultation with schools. It is expected that the funding to be received to fund this policy be based on historic spend and lagged data, or a combination of both. From a local authority perspective it must be affordable and cannot result in allocations to schools in excess of the funding received, it also has to ensure that schools have sufficient funding to operate. This will be a difficult balance to achieve.
20. It seems appropriate to link the policy for funding growth to the local authority's capital programme which is driven by the sufficiency duty i.e. to provide additional school places where there is a basic need to do so. Consideration will need to be given to the significant expansion of schools and the difficulties in effectively adding additional classes on an annual basis as expansion rolls through the school years.
21. The DfE published criteria for allocation of growth fund set out the following features which would be deemed compliant, criteria may differentiate between school phases and may include one or more, of the following;
- Support where an academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
 - *Additional support where a school has extended its age range (the majority of funding would be paid through the funding formula through a variation in pupil numbers)*
 - Support where school has temporarily increased its PAN, by a minimum number of pupils, in agreement of the local authority
 - *Support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils*
 - Pre-opening costs, initial equipping allowance or diseconomies of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response of basic need

The criteria above in italics denote areas where appropriate funding mechanisms exist and will not be considered within the policy review. Age range changes have their own funding mechanism, KS1 funding is not covered within the current policy as funding was fully delegated.

22. The local authority will consider the DfE funding approach, together with the policy revision in order to begin discussions and inform consultation with schools over the autumn term with a revised policy being adopted for the commencement of the 2019/20 financial year.

Resource Implications

23. Without knowing the methodology by which local authorities will be funded in this area, it isn't possible to quantify the resource implications from this review. It will be necessary to review the policy alongside the local authorities expectation of pupil number growth arising from the significant housing developments across

Leicestershire planned over the medium to long term. This will be completed as any new policy is developed.

Background Papers

Report to Cabinet – 15 October 2013, Funding Schools Affected by Age Range Changes
<http://politics.leics.gov.uk/documents/s87449/Funding%20Schools%20Affected%20By%20Age%20Range%20Changes.pdf>

Report to Schools Forum – 14 January 2016, Policy for Funding School Growth
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4562&Ver=4>

Officer to Contact

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Leicestershire County CouncilPolicy for Funding New Schools and Pupil Growth*(Approved January 2016)***Policy Background**

Maintained schools and academies receive funding for pupils registered on the October school census only. This means that an increased pupil number reflected in that count is not recognised for funding until the following financial year. Schools therefore have a funding lag where costs may be incurred but revenue is not reflected in the school budget until;

- April of the following year for maintained schools
- September of the following year for an academy

This policy sets out the instances in which revenue funding may be allocated in schools outside the delegated budget for meeting the costs of additional pupils in new classes.

Local authorities are able to retain funding from the Schools Block Dedicated Schools Grant (DSG) to allocate funding to schools where in the view of the authority it is essential to establish additional classrooms, this may be in newly opened or existing schools. Such funding must be allocated on an objective basis and must retain equality between maintained schools and academies. In creating such a fund a balance must be achieved between retaining sufficient funding to allow planned expansion in schools, either as a result of overall demographic growth or housing development, and ensuring that delegated school budgets are maximised.

The school funding system operates on a single pupil count, no school ever receives funding for every pupil for the period in which they are registered on a school roll, all schools will encounter some changes in pupil numbers in any given financial year.

This policy makes provision in limited circumstances to provide additional funding for schools by setting a one off contribution to schools in addition to the delegated school budget in the year additional classes become operational. For the following year schools will receive additional funding via the school funding formula for the additional pupils.

This policy makes provisions only for the following circumstances;

Opening schools – a new school opening or adding additional year groups until its opening age range is met. Funding is allocated to meet the cost of pupils prior to the school receiving funding based on the school census data for those pupils. Diseconomies of scale funding will also be provided in the years the school is adding year groups until its full age range is achieved.

Additional school places – open schools, where the local authority agrees, there is a need for additional classrooms as a result of demographic or housing growth where the local authority that meet the criteria set out within this policy. If the criteria of the policy are

met schools a one off payment in lieu of additional costs a school may incur from the additional pupils prior to the school receiving funding based on the school census data.

The policy only provides for growth funding for schools for which Leicestershire County Council is required to fund under the School and Early Years Finance (England) Regulations.

This policy makes no provision for;

Schools, Academies and Free Schools funded by other bodies - The policy does not apply to any schools that are directly, on a temporary or permanent basis, funded by alternative bodies such as the Education Funding Agency (EFA) or the Skills Funding Agency (SFA)

Schools expanding age range – in this instance there is no increase in the overall need for school places. The school growth policy does not apply and schools will be funded in accordance with the requirement to request approval to vary pupil numbers in accordance with the Schools and Early Years (England) Finance regulations and the agreed local authority process in place for the appropriate year.

Infant class sizes – funding for ensuring that schools are not in breach of the infant class size regulations was, following consultation with schools, fully delegated to all maintained schools and academies in 2013, schools are expected to accommodate the requirement within the schools delegated budget.

Opening Schools

1. In accordance with the School and Early Years Finance (England) Regulations the funding for an opening school will be by the application of the local authority's school funding formula for each pupil estimated to be on roll in the September of each year until such time the school has a full contingent of year groups.
2. The number of pupils to be funded will be agreed with the operator of each school on an annual basis. This estimate will be agreed in January immediately preceding the opening of the school or the addition of new classes in order to be reflected in the local authority's school budget formula submission to the EFA.
3. The agreed pupil estimate will be adjusted each year, until the school has admitted all year groups, to reflect actual admissions i.e. if actual pupils exceed the estimate a positive adjustment will be made to the following funding period. Conversely if the estimate is higher than actual pupil numbers a negative adjustment will be made to the following funding period.
4. The basis for the pupil number estimate will be taken from the tender documents submitted by the operator of the schools in their application. This may be adjusted for relevant data held by the local authority and / or the school operator.
5. A start up grant of £125,000 will be provided to the school in its first year of opening.

6. A diseconomies of scale grant of £9,525 will be paid to reflect the cost of equipping a new classroom to ensure a suitable teaching and learning environment for each year group added in year two and each subsequent year where these items are not provided through the capital investment in the school. This reflects the provision of the following equipment;

	£
Whiteboard	£70
Interactive whiteboard	£3,500
Teacher laptop	£800
2 computers for pupils	£1,400
Classroom desks and chairs	£1,350
Teacher desk and chair	£325
Trays and cabinets	£270
Bookcases	£620
Cupboards	£890
Filing cabinet	£75
Art rack	£225
Total	£9,250

7. The above list is not a recommendation for the equipment required to create a suitable learning environment (where not already provided) nor is the school required to use the grant in this manner. The school is free to use the funding in the way they feel will best meet the needs of the incoming pupils.

Additional Places / Classes in Open Schools / Academies

8. The local authority may make a one off payment to maintained schools and academies in the following instances;
- Where the local authority carries out a formal consultation and approves an increase in the capacity of a school
 - Where a school/academy carries out a formal consultation and approves an increase in capacity at either the request of the local authority or supported by the local authority
 - Where a school / academy admits significant increase of 15% in pupils from that recorded on the preceding October school census to meet demographic demand and / or demand from new housing developments at the request of the local authority. The increase in numbers will be calculated by the net movement taking into account pupils leaving and joining
 - Where the local authority is making capital provision with its Medium Term Financial Strategy to deliver additional classroom space
 - The provision of additional classroom space meets the local authorities priorities as set out within its school place planning strategy

8. No allocation will be made to a maintained school/academy where the maintained school/academy;
 - Has surplus places and then takes children up to the Planned Admission Number (PAN)
 - Admits over PAN at their own choice
 - Adopts a PAN which will result in pupil numbers in excess of the Net Capacity Assessment
 - Admits extra pupils where those pupils have a reasonable alternative school place with or without an associated increase in PAN
 - Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc.
 - Provides an additional infant class to meet class size legislation
 - The increase in pupil numbers are the result of mid- term admissions from other Leicestershire schools
 - The increase in pupils is the result of an age range change and the school is admitting a new year group
9. A one off grant of £50,000 will be allocated to schools that meet the following criteria;
 - The school has considered the organisation of classes and the local authority agrees that the set-up of an additional class is the only option available
 - Where the admission of additional pupils over 10% of the October census creates a cost pressure within the school that cannot be managed within the resources available in the school
10. Schools qualifying for school growth as a result of expansion for basic needs purposes will be assessed through the school place planning processes by the application of the criteria detailed in this policy. The approval of funding will take place in the local authorities Corporate Schools Group which considers all aspects of school place planning.
11. Grant allocations will be reported to the Schools Forum, the report will detail the grant and also the criteria under which it is allocated.

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