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GROWTH FUND REVIEW

Report of the Director of Children's Services

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1. Purpose

1.1 To update the Forum on the Growth Fund review.

2. Summary

2.1 This paper provides an update of the following:

- i) Matters requiring review following the summer consultation
- ii) New Academy Funding
- iii) Additional allocations from the Growth Fund

3. Recommendation

3.1 It is recommended that Forum approves:

- i) Additional allocations from the Growth Fund as follows:
 - Herts and Essex School, equating to £76,018.
 - Prae Wood Primary School, equating to £48,539
- ii) Amendment to the Growth Fund for schools expanding to one and half forms of entry

4. Summer consultation

Following the report to Forum in September 2015, the following provides an update of the matters requiring review following the summer consultation:

i) Additional Education Needs (AEN) Funding

The summer consultation response indicated a response in favour of AEN funding when calculating Growth Fund Allocations. An estimate of how much extra it would cost if there was an uplift to reflect funding for AEN for all schools that have been subject to an expansion up to September 2015 is approximately £534k.

Should this be approved by Forum, this amount would be taken from the 2015-16 budget allocations. Further AEN funding allowances would need to be budgeted for in all future years.

ii) Leadership and Management

The summer consultation indicated a response in favour of recognising leadership and management costs associated with expansions by including an additional one off allocation to expanding schools.

Following consultation with schools it has been suggested that a reasonable allocation would be £20k per school. Based on the number of schools that have expanded (primary, secondary and all-through schools) up to September 2015, and have not yet received an allocation, the total cost of providing this allocation would be £200k.

Should this be approved then Leadership and Management funding allowances would need to be budgeted for in all future years.

iii) Key stage 2

The summer consultation indicated that it is reasonable to have different expectations for Key stage 2, as compared to reception/Key stage 1.

Further work is required to determine what assumptions should be made in respect to KS2. It is proposed that these should be discussed with the Growth Fund review group.

iv) Funding when a bulge class leaves

The results indicate that a funding reduction should be made as soon as a bulge class leaves.

Further work is required to determine what financial assumptions should be made in respect to these costs. It is proposed that these should be discussed with the Growth Fund review group.

It is proposed that further work is required in order to determine the financial impact of taking forward the recommendations from the consultation process. This will need to be discussed further with the Growth Fund review group.

5. New Academy Funding

It was reported to Forum that further work would be required in order to determine a reasonable allowance for start-up costs and post opening costs for new academies. The work being undertaken by the Budget Pressures Working Group is still in progress.

Furthermore, the programme relating to the Bishops Stortford North development has incurred delays meaning that the first primary school is not anticipated to open until September 2018 and the secondary school in September 2019. As a result there is more time to work through allowances for start-up costs and post opening costs for new academies. This work will need to be discussed further with the Growth Fund review group.

6. Additional allocations from the Growth Fund

The criteria for determining allocations from the Growth Fund, were agreed by the Forum in autumn 2014. DfE guidance requires that the Forum is consulted on the allocations themselves. However, as the allocations have been calculated according to the criteria, in practice they are not open to change.

The two allocations are:

- i) Herts and Essex School funding – allocations in respect to additional 20 places - £76,018
- ii) Prae Wood – Allocations in respect to additional 30 school places - £48,539

7. Funding for schools expanding to one and a half form of entry

Whilst the County Council would seek to expand schools up to a full form of entry, in some circumstances it is necessary for schools to expand to one and a half forms of entry. The current wording of the

Growth Fund does not adequately cater for the complexity of a school increasing to one and a half forms of entry.

The Growth Fund does not currently allow for schools to attract Growth in Pupil Numbers funding and Infant Class Sized (ICS) protection funding. However, it is proposed that in order to provide more protection, an exemption is made for schools that expand to one and a half forms of entry. This will mean that under the rules of the ICS schools will be protected across 2 years groups allowing for the recruitment of an additional teacher.

It is proposed that wording within the Growth Fund is amended to say the following:

'It is not intended that a school should separately attract both Growth in Pupil Numbers funding and ICS protection funding. Therefore, with the exception of schools that expand to one and a half forms of entry, schools eligible for funding through the Growth in Pupil Numbers element of the Growth Fund will not also receive ICS funding. This is with the exception of school that expand to one and a half forms of entry, where the school would receive both Growth in Pupil Numbers and ICS protection funding from the year after the expansion started, with the ongoing protection funding taken across two year groups'

8. Summary and conclusion

It is recommended that decisions relating to changes in the Growth Fund to reflect AEN funding and Leadership and Management allowances, should be taken once the financial impact of key stage 2 funding and funding when a bulge class leaves have been considered. It is proposed that this is discussed further with the Growth Fund Review group and a final paper be presented to the Schools Forum in January 2016.

Given the delays to the Bishop Stortford North programme, it is proposed that a review of this work is done in parallel with the Budget Pressures Steering Group work relating to budgets.

In the meantime it is recommended that Schools Forum approves:

- i) Additional allocations from the Growth Fund as follows:
 - Herts and Essex School, equating to £76,018.
 - Prae Wood Primary School, equating to £48,539
- ii) Amendment to the Growth Fund for schools expanding to one and half forms of entry