



DERBY CITY COUNCIL

SCHOOLS FORUM
21 January 2020

Report of the Strategic Director for Children
and Young People

ITEM
05/20

Growth Fund and Pupil Numbers on Roll Adjustments

SUMMARY

- 1.1 Funded from the Schools Block of the Dedicated Schools Grant a Growth Fund can be established and retained centrally with the approval of Schools Forum. The Growth Fund is to financially support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy and reorganisation costs. The Growth Fund may not be used to support schools in financial difficulty or general growth due to popularity.

All schools, maintained and academies, have been consulted on the proposals within this report, no objections have been received.

RECOMMENDATIONS

- 2.1 To approve the value of the Growth Fund of £500,000.
- 2.2 To agree the criteria for allocation as detailed within this report.

SUPPORTING INFORMATION

- 3.1 Schools funding is based on a lagged system taken from the pupil count in October. For maintained schools the October count forms the basis of the school's funding from April and for academies and free schools the lag is further delayed until the following September. Where pupil numbers rise significantly in the autumn term the school will not receive the funding for that growth until the following financial year and the funding is not retrospective.

Schools Forum will delegate the management of the fund to the Local Authority based on the criteria agreed on and contained within this report. The amount of the fund and the criteria for allocation will be reviewed annually as part of the annual budget process. As this fund is held as an approved central budget and is not subject to delegation requirements academies and free schools are also eligible to receive funding from this source

3.2 Generally schools are used to managing these fluctuations as part of their budget planning process and generally small increases in pupil numbers are often offset by reductions in other years. Financial support to schools from the Growth Fund is provided to schools based on the following criteria.

- The City Council agrees that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth (not simply popularity growth or one school's desire to increase capacity);
- The City Council agree that the creation of an additional class is necessary and is directly related to exceeding PAN;

3.3 Growth Fund Allocation for Basic Need PAN Adjustments.

Where the increase in PAN is permanent and rolls through the school into future year groups, adjustments will be made to the numbers on roll at the school to account for the additional numbers. This is subject to the approval of the Secretary of State and applications will be made by the LA to adjust the numbers on roll. The basis for the adjustment is based on the revised PAN to a maximum of an increase of 50% of the prior year group feeding into the new class. Adjustments to the numbers on roll are only applicable where the Growth Funding criteria has been matched.

Example

School A increased its reception PAN from 30 to 45 pupils and has been receiving Growth Fund. The class increases have now reached year 2. The numbers on roll adjustment would be calculated at follows:

October 15 Census Count:

Reception 44 pupils
Year 1 43 pupils
Year 2 30 pupils
Total pupils 117

Formula budget April 2016 (AWPU number) adjusted to:

Reception 44 pupils
Year 1 43 pupils
Year 2 30 Pupils increased to 45 from September 2016 – adjusted number 38.75
Total pupils 125.75

Schools B a new school with a PAN of 60

Census Count October 2015

Reception 20 pupils
Year 1 15 pupils
Total 35 pupils

Formula Budget April 2106 (AWPU number) adjusted to:

Reception 20 pupils

Year 1 15 pupils

Year 2 new class September 2016 – PAN limited to a 50% increase in the prior year group. PAN 60 but feeding year group only 15 pupils therefore adjusted pupil number is $15 + 50\% = 22.5$ pupils prorate (13 pupils)

Total funded pupils 48

- 3.4 Where the increase has been planned prior to the issuing of schools' budgets the number of pupils will be adjusted as part of the pupil numbers on roll pro rata for the opening period (September class would be 7/12th funding).

Where the planned increase falls outside of the budget process then an allocation will be made from the Growth Fund Contingency at a full year rate of £1,500 per primary pupil and £2,000 per secondary pupil, pro rata for September openings.

- 3.5 New School Opening Arrangements

Pre-Opening Funding New Schools

The pre-opening funding is intended to cover revenue costs prior to the opening of the new school and include costs such as staffing and recruitment costs and other materials. Funding will be in the form of a lump sum payment of £75,000 for a new primary school and £100,000 for a new secondary school. This will be payable in the month of April, prior to the school opening in September.

- 3.6 Diseconomies of Scale and Protection Funding

The school will be funded through the funding formula for the number of places commissioned by the Council. This will be reviewed on an annual basis whilst the school is growing to full capacity. This is funded by adjusting the school's pupil numbers. Pupil numbers will be protected at PAN for the first three years of opening.

Diseconomies of scale funding provides an annual sum that is phased out upon the school having greater utilisation. This is calculated at £7,500 per empty cohort.

Example

Year 1 School A opening reception class only September 2020 will have 4 and 5/12 'empty' year groups for the financial year April 2020 to March 2021. Therefore payable sum is £33,125.

Year 2, Schools A has a reception and year 1 class September 2021 and will have 3 and 5/12 'empty' year groups for the financial year April 2020 to March 2021. Therefore the payable sum is £25,625.

- 3.7 The indicative allocation for the Growth Fund as part of the DSG settlement is £1.1 million. It is proposed that £600,000 is retained within the Schools Block to support the costs of the pupil number adjustments and £500,000 is retained centrally

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Classification: OFFICIAL

Background papers: None
List of appendices: None