



**SCHOOLS FORUM**  
**20<sup>th</sup> December 2022**

**Report sponsor:** Andy Smith, Strategic Director of People Services and Alison Parkin, Strategic Director of Corporate Resources  
**Report author:** Janice Hadfield, Head of Finance

**ITEM**  
**01/22**

## **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 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.

### **RECOMMENDATIONS**

- 2.1 To maintain the criteria for allocation as detailed within this report until it is superseded by national funding formula directives.
- 2.2 To note changes in 3.4 which align with latest regulations.

### **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 2022 Census Count:

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

Formula budget April 2022 (AWPU number) adjusted to:

Reception 44 pupils  
Year 1 43 pupils  
Year 2 30 Pupils increased to 45 from September 2021 – adjusted number 38.75  
Total pupils 125.75

### **Schools B a new school with a PAN of 60**

Census Count October 2020

Reception 20 pupils  
Year 1 15 pupils  
Total 35 pupils

Formula Budget April 2021 (AWPU number) adjusted to:

Reception 20 pupils

Year 1 15 pupils

Year 2 new class September 2021 – 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 and submission of the Authority Proforma Tool 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 7/12<sup>th</sup> 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 of that year (Academic Year) will have 4 empty year groups and 5/12 'empty' reception class for the financial year April to March Therefore payable sum is £33,125.

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

**For more information contact:** Janice Hadfield, email [Janice.Hadfield@derby.gov.uk](mailto:Janice.Hadfield@derby.gov.uk)

**Background papers:** None

**List of appendices:** None