

**GROWTH FUND AND FALLING ROLLS CRITERIA 2016/17**

To: Cambridgeshire Schools Forum  
Date: 16th October 2015  
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

**1.0 GROWTH FUND**

- 1.1 Local authorities (LAs) may centrally retain funding from the Dedicated Schools Grant (DSG) in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening and reorganisation costs. The growth fund **may not** be used to support schools in financial difficulty. As the Growth Fund is a top slice on the Schools Block it is available for pupils aged 5-16 only. It cannot be used to support growth in under-5 or post-16 pupil numbers.
- 1.2 The Growth Fund will need to be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet **basic need** in both maintained schools and Academies. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and academies through the local formula. Any growth or expansion due to parental preference will **not** be eligible to be funded from the Growth Fund.
- 1.3 LAs are required to propose the criteria on which any growth funding is to be allocated to Schools Forum for approval. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. The LA will also need to consult Schools Forum on the total sum to be top-sliced from each phase and must regularly update Schools Forum on the use of the funding. It is essential that the use of the growth fund is entirely transparent and solely for the purposes of supporting growth in pupil numbers.
- 1.4 Further guidance states that the growth fund should **not** be used to support schools which are undergoing reorganisations to change the age range and /or admitting additional year groups. In these instances LAs should request a variation to pupil numbers to reflect the change in all relevant formula factors and not just a marginal cost or Age Weighted Pupil Units (AWPU) only allocation.
- 1.5 In 2015/16 the Growth Fund was increased to **£1.75m**, with total commitments to date in excess of **£1.8m**. Any in-year overspend will be met from one-off DSG carry forward. Due to the continuing forecast rise in numbers the proposal is to increase the fund to **£2.0m** for the 2016/17 financial year.

**2.0 FALLING ROLLS FUND**

- 2.1 LAs may also create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future. However as there is a mandatory requirement that *"Support is available only for schools judged Good or Outstanding at their last Ofsted inspection"*, Forum have previously taken the view that it was not appropriate to apply such a factor.

### 3.0 PROPOSED CAMBRIDGESHIRE CRITERIA FOR ACCESSING GROWTH FUNDING 2016-17

3.1 It is proposed that the following criteria will apply in 2015/16 where a school is growing or expanding to meet basic need in their area:

- Where the predicted catchment numbers for a **Primary** School (excluding nursery classes) for the following September show an increase of more than **25** pupils or **10%** of their total roll, due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
- Where the predicted catchment numbers for a **Secondary** School for the following September show an increase of more than **40** pupils or **8%** of their total roll (excluding Post-16), due to basic need, requiring the running of additional classes or significant restructure they **may be** able to access additional funding.
- Schools will be required to provide evidence that an additional class or tutor group and/or significant restructure would be required to meet increasing numbers. (Views will also be sought from relevant officers in the Learning Directorate.)
- Where schools have chosen to admit above their Published Admissions Number (PAN) to meet parental preference from outside of their catchment area and **not** basic need they will **not** be eligible to receive funding from the Growth Fund in recognition that the LA could have secured places for the children concerned at other schools.
- In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the forecast numbers do not meet the thresholds above, schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet the request.
- A class is defined as “additional” if it requires a change in the school’s current or historical class organisation or number of classes. In Primary schools this may result in mixed year teaching where numbers dictate and this is seen as the most prudent option for the organisation of the school as whole.
- Schools that have historically operated mixed-age classes or have a PAN in a multiple of less than 20 would be normally expected to operate some mixed-age classes. (The Growth Fund cannot be used to reduce class sizes.)
- Should additional pupils be admitted following successful appeals the expectation is that the school would be able to accommodate these without the need to reorganise or employ an additional teacher.
- The requirement for additional classes or forms of entry will be reviewed on a case-by-case basis. Rather than funding on a per pupil basis, funding will now be allocated based on the requirement for additional support / classes / forms of entry.

- Allocations will be calculated at the following rates:

Phase	Academic Year	Financial Year (7/12ths)
Primary (0.5FE)	£27,000 + £2,000	£15,750 + £2,000
Primary (1FE)	£54,000 + £4,000	£31,500 + £4,000
Secondary (0.5FE)	£42,500 + £2,000	£24,792 + £2,000
Secondary (1FE)	£85,000 + £4,000	£49,583 + £4,000

- **Please note:** The allocations include a £4,000 (pro-rata) allowance towards the cost of resourcing a new classroom. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.
- Initial growth funding allocations would be based on Admissions data and demographic forecasts to aid schools with budget setting. Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October Census data.
- The LA will undertake a mid-year review, based on the October Census, but **no** additional funding would be allocated to schools where funding had already been agreed unless actual growth is deemed to be such that significant additional costs had been incurred. In instances where schools had not qualified for additional funding based on the original estimates, additional funding would **only** be allocated if the school could demonstrate additional costs had been incurred to support the additional pupils.
- In instances where actual growth was at lower levels than original estimates, schools will **not** be subject to claw-back on any funding already allocated.
- No funding adjustments will be made in respect of “missing” pupils in Key Stage 1.

### 3.2

#### **Other Considerations**

- Any school with a revenue balance deemed as excessive would **not** be permitted to claim the full value of the additional growth funding. (Currently defined as 16% (of ISB) or £80,000 for Primary and 10% (of Individual Schools Budget (ISB) for Secondary). These instances will be reviewed on a case-by-case basis.
- Given that the funding formula now allocates an equal lump sum to all schools regardless of size no further additional funding will be provided to support any changes in leadership structure.
- Where schools are in areas of high growth, support may be provided to allow schools to maintain class structures where there is uncertainty over timescales for the completion and occupation of new housing developments. As these arise, they will be addressed on an individual basis and will be funded using estimates of the number of places required to meet demand from the catchment area.
- Where the LA supports a school’s decision to extend its age range, additional

support will be made available subject to meeting the criteria in 3.1 above.

- All maintained schools funding is only guaranteed for the financial year to which it relates. Future years funding will be assessed annually during the budget setting process.

### 3.3 **New Schools**

- Where a new school is opening, LAs are required to estimate the pupil numbers expected to join the school in September to generate funding through the Authority Proforma Tool (APT). LAs should also estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years and are still adding year groups. These estimates should be adjusted each year to take account of the actual pupil numbers in the previous funding period. For academies an allocation of funding is recouped from each LA and following formula replication by the EFA an annual grant allocated.
- Pre-opening costs and Diseconomies funding in respect of new basic need academies is also payable from the Growth Fund. Details of the current amounts payable can be found in the New Schools Funding Policy, which is also subject to approval on an annual basis.
- This funding must be made available to new basic need academies on the same basis as maintained schools, including those funded on estimates – the only exception is that the DfE will continue to pay start-up and diseconomies costs for free schools.

### 3.4 **Academies** will take account of the additional guidance in **Appendix A** and be subject to the same criteria as in 3.1 above with the following additions and amendments:

Where an academy is expanding due to parental preference rather than basic need the academy can bid directly to the EFA, rather than being funded from the LA Growth Fund.

- It would be for the full academic year as original funding is based on the previous October Census. This would be subject to confirmation of actual funded numbers from the EFA and would be calculated on receipt of the October Census at the start of the new academic year. DfE additional guidance states:

*“Where academies are funded on estimates, however, there is no need for them to access the growth fund for this purpose. This is because they will receive additional funding through a pupil number adjustment for actual numbers. We will identify academies funded on estimates in the January edition of the APT. Around 90% of former non-recoupment academies are funded on estimates.”*

## 4.0 **AMENDMENTS TO FUNDING CRITERIA**

- ### 4.1
- It is possible to amend the above criteria during the year where this becomes necessary; however the revised criteria must be submitted to the EFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

## **5.0 ACTIONS**

- 5.1
- 1. Schools Forum to approve the increase of the Growth Fund from £1.75m to £2m.***
  - 2. Schools Forum to approve the criteria in section 3 to be applied from April 2016 subject to Education Funding Agency (EFA) approval.***

## Appendix A – Funding Flow Chart for Growing Schools (from EFA Guidance)

