

Schools Forum 21st October 2014

Report of the Interim Director of Children's Services

Schools Revenue Funding Arrangements in 2015/16 – Growth Fund

Purpose of Report

1. To seek approval from Schools Forum in respect of the proposed criteria and methodology to be applied in respect of the allocation of funding to schools from a centrally retained Growth Fund Contingency in 2015/16.

Budget Working Group Discussed

2. Yes – 15th October 2014.

Schools Forum Role and Responsibilities

3. From 1st April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. Schools Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.
5. Schools Forum can approve the creation of a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need) and agree the criteria for maintained schools and academies to access this fund. The Growth Fund contingency would be set aside and centrally retained from within the Dedicated Schools Grant before allocation to schools.

Action for Schools Forum

6. To approve the proposed criteria and methodology to be applied in respect of allocation of funding to schools from the Growth Fund Contingency in 2015/16 in relation to rising pupil numbers in Dudley primary schools.

Attachments to Report

7. None.

Sue Coates
Senior Principal Accountant
6th October 2014

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Purpose of Report

1. To seek approval from Schools Forum in respect of the proposed criteria and methodology to be applied in respect of the allocation of funding to schools from a centrally retained Growth Fund Contingency in 2015/16.

Background

2. Local Authorities are under a statutory duty to ensure that there are sufficient school places in their area, promote high educational standards and ensure fair access to educational opportunity, promote diversity and increase parental choice.
3. Dudley is continuing to experience a consistent increase in the numbers of primary aged children requiring a school place. Until recently primary pupil numbers had been falling year on year due to a decrease in live births which has been ongoing since 1990. This increase in the number of babies being born coupled with an increase in inward migration to the Borough is putting pressure on the demand for primary school places.
4. In order to start to meet the demand for additional places a number of schools have already been identified for proposed expansion. The schools that have been selected are those that met a number of criteria including whether the school was in the right geographical location, whether it was popular with local families, whether it was easy to add more capacity and whether it was well placed to provide a good education to additional pupils.
5. Based on projected pupil numbers provided by Dudley's place planning team the estimated number of pupils in primary schools is expected to increase from 25,720 in September 2014 to 26,107 in September 2015 representing an increase in the primary school population of approximately 400 pupils.
6. Additional places have been created at a number of primary schools from September to meet the predicted demand for places, however as the local authority's Dedicated Schools Grant funding for a financial year is based on the number of pupils in school at the previous October School Census date there is a time lag between a school admitting pupils at the start of an academic year and receiving funding for those pupils from April the following year; hence

schools financial year funding is also allocated on a lagged pupil basis which is broadly workable when pupil numbers are static.

7. The local authority has determined that contingency funds should be made available to support this significant in year increase in pupils for 2015/16. It is proposed that funding would be made available from the Dedicated Schools Grant reserve rather than a top slice from the local Schools Budget which would have a financial impact upon all schools.

Growth Fund

8. The 2013 Schools Finance and Early Years Regulations provides for a provision in respect of a Growth Fund which may be created by top-slicing the Dedicated Schools Grant (DSG) to support schools which are required to provide extra places in order to meet basic need within the authority.
9. Approval of both the criteria and methodology to be applied in respect of the additional funding to schools will be required from Schools Forum. The local authority will also need to consult the Schools Forum on the total sum to be top-sliced from each phase and should regularly update the Forum on the use of the funding.
10. Any unspent growth funding remaining at the year-end should be reported to Schools Forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and can be used specifically for growth if the authority wishes.

Dudley's Growth Fund Contingency Proposal

11. To address the significant increase in pupils forecast in the primary sector of some Dudley schools it is proposed to create a growth fund for 2015/16 by allocating funds from the DSG reserve to support schools which are required to provide extra places from September 2015.
12. The estimated budget required in respect of Dudley's growth fund will be calculated in January 2015, in preparation for the 2015/16 financial year; it is likely to be around £0.3m.
13. The actual re-imburement to schools will be calculated in September 2015 when the additional pupils admitted to a school at the request of the local authority have been determined. The funding allocated will cover the period from the start of the academic year until the school automatically receives funding in their school budget share in the following year.
14. The proposed criteria for access to funding from the growth fund and methodology to be applied in calculating the amount for each school are detailed in Table 1 for Schools Forum approval.

Table 1 -Proposal for Dudley Criteria and Methodology to be Applied

Criteria

Additional funding will be made available to Dudley schools in any of the circumstances:

- The local authority carries out a formal consultation and approves an increase in the capacity of a school in accordance with School Organisation legislation.
- The local authority requests schools to increase their published admission numbers (PAN) as necessary and publishes on behalf of maintained schools an increased PAN in accordance with the Schools Admissions Code.
- The local authority requests schools to admit significant additional pupils as a consequence of a school closure.
- The local authority requests a school to admit pupils above its PAN to meet localised demand.
- No allocation will be made to a school where the school admits over PAN at their own choice.

Methodology

- Additional funding will be made available in relation to the actual increase in overall pupils (Reception to year 6) at September 2015.
- The allocation will be based upon the AWPU (Age Weighted Pupil Unit) and will be relevant to the key stage for the pupils admitted to school. This will reflect the period September to March for maintained schools and from September to August for academy schools.

Finance

15. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
16. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
17. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

18. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.


Equality Impact

19. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

20. Schools Forum to:

- Note the contents of the report regarding Dudley's projected primary pupil number increases;
- To approve the Interim Director of Children's Services proposal to create a Growth Fund for 2015/16;
- To agree the criteria and methodology in respect of Dudley's growth fund for 2015/16 in line with Table1 of this report.



Pauline Sharratt
Interim Director of Children's Services

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