

## **Schools Forum**

**7<sup>th</sup> March 2013**

### **Pupil Growth Fund 2013/14 – Criteria for allocation**

This report relates to both maintained and academy schools

#### **Recommendation**

The Schools Forum is recommended to:

- 1) Agree to the criteria by which the Pupil Growth Fund is allocated to schools during 2013/14

#### **1.0 Introduction**

1.1 As part of the school funding reforms, to be implemented in April 2013, the Forum will recall that the Local Authority is allowed to retain funding centrally to offer assistance to schools where pupil numbers increase but revenue funding, through the main funding formula, is lagged.

1.2 At the last Schools Forum a report was brought regarding a set of criteria on which the Pupil Growth Fund should be based and there was a request for further information to be brought before a decision was made.

1.3 This report details the instances when it is proposed that this fund should be used, suggests criteria in which it will be allocated and the associated values.

#### **2.0 The Purpose of the Pupil Growth Fund**

2.1 The Schools Forum agreed at its meeting in October to allow a contingency from the Dedicated Schools Grant (DSG) of £400,000 to allocate to schools during 2013/14 where there is an increase in pupil numbers in the autumn term compared to the previous autumn term on which the main schools funding formula is based.

2.2 The report brought to the Schools Forum in December noted that Warwickshire currently offers assistance to schools where there is a need to expand to ensure sufficiency of places (usually as part of the capital expansion programme) and also where pupils increase as a result of parental choice.

2.3 In terms of the details of the any new policy, the key points are that:

- the criteria is applicable to both maintained and academy schools
- It relates to both the primary and secondary sector
- It should be used to meet “basic need” and/or to meet the infant class size regulations
- Any unused funding at the end of the year should be transferred to the overall DSG for the next year
- The Schools Forum is required to agree the retained funding levels, the allocation criteria and receive updates regarding the actual use of the funding

2.4 The regulations state this this funding should be used to meet “basic need”. In the report in December, it was noted that although this term has been used in capital funding for some time in relation to the Local Authority’s statutory duty for provide sufficient pupil places, in the spirit of the government agenda, it was also recommended to cover the instances where a school has seen an increase in pupils due to parental choice.

2.5 However, this interpretation of the guidance, as confirmed at a recent regional meeting by the Education Funding Agency, is too wide. The “basic need” definition is specifically where the Local Authority has requested a school to expand to meet its statutory requirements.

2.6 This means that the policy in Warwickshire whereby schools received funding to cover an increase in pupils which is not linked to the need for additional places cannot be continued. Reference is made in a report elsewhere on this agenda that the schools funding reforms consultation discusses the introduction of a revised pupil mobility factor which may offer an alternative arrangement in Warwickshire if agreed.

2.7 As the central budget of £400,000 was based on the expectation that the funding would be applicable to schools where both pupils increase due to parental choice and the need for statutory additional places, it may be that the £400,000 will not be required. It is estimated that 13 schools may need financial assistance to bridge the funding gap in 2013/14.

2.8 The regulations state however that where the funding is not used in 2013/14, then it should be added to the DSG in 2014/15.

### **3.0 The Criteria for accessing the Pupil Growth Fund**

3.1 Currently, due to demographic trends, the need for increased pupil places tends to be focused at the primary sector.

3.2 The policy should only be relevant where additional costs have been incurred; some expansions can take place within the current teaching structures of the schools and additional costs are marginal. Funding should only be offered to schools when

there is agreement with the Local Authority that an additional class is required. This will take into account the Infant Class Size Regulations and the physical size of the building to accommodate more pupils. However, the option to have mixed aged classes will always be considered.

3.3 The criteria therefore for eligibility for funding is that:

1. The Local Authority requires the school to expand to meet its statutory duties regarding the provision of places, and
2. There is agreement by the Local Authority that a new class structure is required

#### **4.0 The value of the Pupil Growth Fund allocations**

4.1 Expansion costs are incurred in the Autumn term as the school opens their new class(es) in September. The funding contributions are intended to reflect the additional costs incurred in schools between September and the following April before the increase in pupils is reflected in the main funding formula.

4.2 The average classroom teacher costs of 20 primary sector schools, 5 in each of the 4 areas within the county were analysed, including a mix of infant, junior and primary schools. The average was £23,000 for a 7 month period.

4.3 The feedback over several years from head teachers is that it is common practice that a new classroom would include a teaching assistant. These costs have not previously been included in the funding but if the Forum is minded to, there is the opportunity to change this policy now.

4.4 Again, looking at the average costs of the 20 schools that were analysed, the average cost for 25 hours a week was £7,400 for a 7 month period.

4.5 The School and Early Years Finance (England) Regulations 2012 notes that the pupil growth funding can be used to include start-up costs, before the opening of the school extension (where there is a physical extension). This may be the case for premises related costs for example. If the contribution towards a caretaker being in school over the 6 weeks summer break was considered, this may cost an additional £1,700.

4.6 The Schools Forum is requested to consider the following for inclusion in the policy:

- £23,000 reflecting the average cost of a classroom teacher from 1<sup>st</sup> September to 31<sup>st</sup> March
- £7,400 reflecting the average cost of a teaching assistant from 1<sup>st</sup> September to 31<sup>st</sup> March

- £1,700 reflecting a contribution to additional costs incurred pre-opening of a school extension (only applicable where the expansion relates to a physical extension)

4.7 Of the schools being asked to expand in 2013/14, not all will be incurring a physical expansion and so the pre-opening funding would not be relevant. The table below indicates the funding that may be required in 2013/14.

Number of schools	Funding Details	Estimated cost in 2013/14
13 schools	Teacher support funding only	£299,000
13 schools	Teacher and TA support funding	£395,200
13 schools	Teacher, TA and premises support funding	£417,300

4.8 The Forum should be mindful that if the budget of £400,000 is exceeded, there is no contingency included in the DSG allocation and so any additional commitment would need to be funded from underspends or see a reduction in next year's DSG allocation.

## 5.0 Conclusion

5.1 The policy will be applicable to both maintained and academy schools in 2013/14 and is expected to be allocated to schools in the autumn term. The core intention is that this funding offers a one off contribution towards the additional costs that are incurred by the necessary establishment of a new classroom. Some schools where there is an annual need to increase classrooms could access the funding over a period of years. However, it is expected that after this initial financial support, the schools funding formula will provide a budget to the school on a per pupil basis for these additional pupils.

5.2 The Schools Forum will be updated later in the year regarding the number of schools meeting the eligibility criteria.

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