
Meeting: Schools Forum
Date: 26 November 2012
Subject: School Funding Reform- Growth Fund: Arrangements for 2013/14
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To propose the definition and criteria for the allocation of Growth Funding for 2013/14

Contact Officer: Rob Parsons Head of School Organisation, Admissions and Capital Planning
Public/Exempt: Public
Wards Affected: All
Function of: Council
Reason for urgency (if appropriate)

RECOMMENDATIONS:	
1.	To adopt the proposed definition, and allocation criteria as set out in this report for Growth Funding for 2013/14
2.	To approve delegation to the Deputy Chief Executive and Director of Children's Services for approval of successful applications to the Growth Fund

Growth Funds - Background	
1.	Funds can be retained from the Schools Block before allocating formula, with agreement of School Forum, for funding; <ul style="list-style-type: none">• significant pre-16 pupil growth• expenditure incurred to enable schools to comply with Infant Class Size Regulations Revenue funding for pre statutory pupil growth is provided through the Early Years block and is not therefore covered by this Growth Fund.
2.	The conditions applying to this funding set out by the DfE are: <ul style="list-style-type: none">• any retained funding would benefit both maintained schools and academies;• any funds remaining at the end of the year are added to the following year's DSG and reallocated to schools and academies;• clear criteria need to be determined;• the Schools Forum need to agree both the criteria and the overall amount, and be updated on the allocations.

3.	For 2013/14 the Growth Fund has been established at £800k. However, any overspend will be a first charge to the lower, middle and upper school budgets in the following year.
Significant pre 16 pupil growth	
4.	<p>This factor refers to instances where the Local Authority commissions new school places as a new school or equivalent new split site school provision or as permanent or temporary increases to an existing school site (i.e. to accommodate a bulge year). It provides funding for pre opening costs of establishing significant new provision and also protects against the potential financial impact of admissions falling short of the agreed additional capacity by providing place led guarantees.</p> <p>Qualifying provision includes:</p> <ul style="list-style-type: none"> • new schools • expansions to existing schools on additional sites • temporary or permanent expansions to existing schools on their current sites <p>Where necessary, Capital funding for these increases is allocated by the Council's School Organisation, Admissions and Capital Planning Team, through a commissioning process that is beyond the scope of the Growth Fund.</p>
5.	<p>There are a range of revenue issues associated specifically with the establishment of New Schools and the equivalent scale of expansion of existing schools on additional sites. These include:</p> <ul style="list-style-type: none"> • Funding for the initial set up costs of a school • Funding for the inefficiency of a new school or school site, as it builds to full capacity
6.	<p>The initial revenue set up costs of a new or split site school will be varied but may include those associated with:</p> <ul style="list-style-type: none"> • Project management support • Administration and Legal assistance • Advice on establishing HR, Admissions, Finance and other policies • Governance induction and training • Lead in year (pre opening) staff • Curriculum resources (consumables, not furniture, fixtures and equipment) i.e text books
7.	Where necessary, a range of set up costs will also be met from capital expenditure associated with the main construction project i.e. FF&E, temporary site/office accommodation etc.
8.	A useful tool to determine potential pre opening revenue costs of establishing a new provision is provided by the budgeting tool, attached at Appendix A.

9.	<p>The speed with which a new school or site will fill and the choice of method of implementation i.e. annual growth upward from the school's normal admission point of entry until expansion is complete in all year groups, or across all year groups simultaneously, will differ depending on a range of circumstances. These include:</p> <ul style="list-style-type: none"> • The specifics of the local demographic • The rate of continued demographic growth • The capacity of local schools • The timing of the expected opening of the new school or site and • The need to limit turbulence caused in the wider schools system
10.	For schools which are expanding onto additional sites, the purpose of and eligibility for the Split Site Factor, once the school is open, must be taken into account in determining the additional costs associated with the need to expand leadership and management structures.
11.	Where the Council commissions permanent or temporary increases to an existing school site similar factors may apply depending on the scale of the planned increase in comparison with the original capacity of the school.
12.	Any place led funding guarantee to protect against the possibility that the new places do not fill can only therefore be determined through discussion between the school, Children's Services Finance and the School Organisation, Admissions and Capital Planning Team, informed by forecasts of pupil numbers, occupation rates in new developments and other relevant data.
13.	In order to be financially sustainable and not to represent a financial burden on the school as a whole, any new class should have a minimum of 25 pupils and schools will therefore be compensated for the difference between actual pupils up to the target number of 25.
14.	Given the variables that need to be considered in each instance, an application and assessment process for pre opening costs and for place led funding is therefore recommended for schools who qualify for Growth Fund, under the Pre 16 Pupil Growth criteria. Application documentation will be developed for schools to ensure transparency, accountability and that appropriate challenge and assessment can be undertaken in all instances. It is suggested that the application utilise the budgeting tool referred to in section 8, where relevant.
15.	Assessment will be undertaken by a panel consisting of Council Officers representing Children's Services Finance and the School Organisation, Admissions and Capital Planning Team, in addition to two members of the School Forum, nominated on an annual basis by the Forum. Approval for successful applications will be given under delegated authority from the School Forum by the Deputy Chief Executive/Director of Children's Services.
16.	Successful applications will be reported to the School Forum as is required by regulation.

Infant Class Size regulations

17.	<p>The School Standards and Framework Act 1998 (Sections 1- 4) provided that all schools with infant pupils must organise their Key Stage 1 classes to ensure that they contain no more than 30 pupils for all ordinary teaching sessions taught by a single qualified teacher from September 2001. In some schools, this may require the creation of an additional class or a withdrawal group, vertical grouping of pupils or the presence of a second teacher to team-teach the class. Some schools may look to a combination of these options to achieve the statutory infant class size limit.</p>
18.	<p>The Regulations specify that:</p> <p>No child attaining the age of 5, 6 or 7 during the course of the academic year should be in an infant class of more than 30 pupils. A class is covered by the limit if the majority of pupils in the class are infants.</p> <p>The limit applies to all ordinary teaching sessions. The only occasions where more than 30 pupils are permitted are music, drama and PE/games. Assemblies are also excluded from the class size limit.</p> <p>The limit applies to all infant classes taught by a single qualified teacher. An infant class can contain more than 30 pupils if there are two qualified teachers present, but there must not be more than 30 pupils for one teacher.</p>
19.	<p>Mixed key stage classes:</p> <p>a) In a mixed Year 2/3 class, where the majority of pupils are junior aged children, the class is not covered by the Class Size Regulations and it can operate with more than 30 pupils. However, if the majority of pupils are infants, the statutory limit on infant class sizes is applicable.</p> <p>b) In a mixed Nursery/Reception class (Foundation Unit) where the majority of pupils are nursery aged children, the class is not covered by the Class Size Regulations and it can operate with more than 30 pupils. However, should the majority of pupils be reception aged pupils, the statutory limit on infant class sizes is applicable.</p>
20.	<p>Additional children may be admitted under very limited exceptional circumstances. The School Admissions (Infant Class Sizes) (England) Regulations 2012 which came into force from 1 February 2012 have revised the permitted exceptions originally established in 2001 and further amended in 2006.</p>
21.	<p>The excepted children are:</p> <p>children with statements of special educational needs admitted outside the normal admission round;</p> <p>looked after children and previously looked after children admitted outside the normal admission round;</p>

	<p>children admitted, after initial allocation of places, because of a procedural error made by the admission authority or local authority in the original application process;</p> <p>children admitted after an independent appeals panel upholds an appeal;</p> <p>children who move into the area outside the normal admission round for whom there is no other available school within reasonable distance;</p> <p>children of UK service personnel admitted outside the normal admission round;</p> <p>twins and children from multiple births when one of the siblings is the 30th child admitted;</p> <p>children with SEN who are normally taught in an SEN unit attached to the school, or registered at a special school, who attend some infant classes within the mainstream school.</p>
22.	Any agreed exception to the statutory infant class size limit will apply for the whole period of a child's time in the infant classes or until the class numbers fall back to the admission number. Should a child leave during this time, the school is not permitted to 'back fill' any place(s).
23.	Any school that exceeds its published admission number by admitting a child without there being a formal independent appeal or without the prior agreement of the Council under the Exceptions Regulations, which cannot meet the statutory limit on infant class sizes, will be required to find any additional funding to comply with the regulations from its budget share.
24.	<p>In October each year, the Council's School Organisation, Admissions and Capital Planning Service will use the DfE Autumn Term Census Return and check the following to ensure each school:</p> <p>a) Complies with the infant class organisation (i.e. Reception, Year 1 and 2), b) Has not exceeded their admission number as published in the Council's Admission booklet, for any infant age group.</p> <p>This exercise will be repeated following the January 2013 School Census Return.</p> <p>NOTE:</p> <p>i. Where a pupil has been admitted following the decision of an independent appeal hearing, academies and own admission authority schools will be required to provide, the date of the appeal hearing, the name of the child admitted and whether the case presented was on class size prejudice or ordinary prejudice grounds, unless the appeal was presented by the Council. For Community and VC schools, only the name of the child will need to be supplied.</p> <p>ii. Where it has been agreed with the Council that the admission meets one of the very limited circumstances specified in the Exception Regulations, the school will be expected to provide the details of the individual case.</p>

25.	<p>Where a school is unable to comply with the Regulations without reorganising classes (this could be a mixed nursery/reception class and/or a mixed Year 2/Year 3 class) and incurring additional costs associated with the employment of further teaching staff, it can make an application to the Council setting out its specific circumstances. The flow chart attached as Appendix B to this report illustrates the process by which the panel will consider applications. The deadline for applications to be received by the Council's School Organisation, Admissions and Capital Planning Service will be the end of September 2013.</p>
26.	<p>However, the following conditions will apply:</p> <ol style="list-style-type: none"> 1) Schools with fewer than 30 Key Stage 1 pupils will not be eligible for infant class size funding as the lump sum in the funding formula is deemed to provide sufficient resources for one infant class in any Lower School. 2) Schools who have a total number of Key Stage 1 pupils within five of multiples of 30 will not be eligible for infant class size funding as they are also deemed to have sufficient resources within their delegated budgets to organise all infant classes at 30 pupils or less eg 55, 85, 115 infant pupils – no infant class size funding. Therefore the qualifying class will only be funded up to a maximum of 25 places. 3) Any application will trigger a review of the school's Published Admission Number (PAN) 4) Any successful application will only be guaranteed for one year, with a new application required in the following year. 5) Small schools with less than 90 NOR will be expected to consider a mix of Key Stages 6) Schools are expected to first utilise their reserves for the additional costs of employing an additional teacher, before infant class size funding will be considered.
27.	<p>The application will be considered by the Panel referred to in Sec. 15 above and successful applications will be reported to the School Forum.</p>
28.	<p>For successful applications infant class size funding will be allocated where total key stage one numbers in September are more than 5 short of the next higher multiple of 30. Key stage one funding will be allocated for each "ghost place" to take the last multiple to 25. Total funding will be calculated as the number of "ghost pupils" multiplied by a reduced AWPUP value of £1,272. Examples are given below.</p>
	<p><u>Example 1</u></p> <ol style="list-style-type: none"> a) Anticipated numbers for September 2013 as assessed by Admissions team in June 2013 following new Year R intake offers : - Reception = 80, Year 1= 80, Year 2 = 57, Total KS1= 217 b) In order to meet infant class legislation school has to plan for 8 classes of no more than 30 in a class across KS1 i.e. based on 240 pupils. (Without infant class legislation school could have operated 7 classes of 31.)

	<p>c) $240 - 217$ less threshold of 5 = 18 “ghost pupils”</p> <p>18 “ghost pupils” x AWPU to help fund 8th class.</p>
	<p><u>Example 2</u></p> <p>a) Anticipated numbers for September 2013 as assessed by Admissions team in June 2013 following new Year R intake offers : - Reception = 80, Year 1= 80, Year 2= 75, Total KS1= 235</p> <p>b) In order to meet infant class legislation school has to plan for 8 classes of no more than 30 in a class across KS1 i.e. based on 240 pupils. (Without infant class legislation school could in theory have operated 4 classes of 34 and 3 at 33, but this is unlikely)</p> <p>c) $240 - 235$ less threshold of 5 = 0</p> <p>School does not receive any additional funding as probably would have operated 8 classes anyway.</p>
	<p><u>Example 3</u></p> <p>a) Anticipated numbers for September 2013 as assessed by Admissions team in June 2013 following new Year R intake offers : - Reception = 12, Year 1= 12, Year 2 = 12, Total KS1= 36</p> <p>b) In order to meet infant class legislation school has to plan for 2 classes of no more than 30 in a class across KS1 i.e. based on 60 pupils.</p> <p>c) $60 - 36$ less threshold of 5 = 19 “ghost pupils”</p> <p>19 “ghost pupils” x AWPU to help fund 2nd class.</p>
29.	<p>Any queries relating to Infant Class Size regulations should be referred to the Council’s School Organisation, Admissions and Capital Planning Service on 0300 300 8037.</p>

Appendix A – Pre opening costs budgeting tool

Appendix B – ICS funding application decision flowchart