

Meeting: Schools Forum

Date: March 2017

Subject: Growth fund

Report of: Director of Children's Services

Summary: This report sets out the need to revise the allocation method of the Council's growth fund. The report seeks the Forum's approval for the Growth Fund Panel to agree standardised rates of payments to schools eligible for growth funding.

Contact Officers: Victor Wan, Head of School Organisation, Admissions and Capital Planning (Interim)

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1) As agreed in the January 2017 Forum meeting under matters arising to note and comment on the content of the report on the Growth Fund element of the Dedicated Schools Grant (DSG)**
- 2) Approve the principle of the revised process, in lieu of the panel's proposed payment amounts for the new financial year 2017-2018.**

Background

1. Central Bedfordshire Council's growth fund has been in operation since the 2013/14 financial year.
2. The growth fund provides additional financial revenue for schools 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). Qualifying provision includes:
 - New schools
 - Expansions to existing schools on additional sites
 - Temporary or permanent expansions to existing schools on their current site

3. Eligible schools are invited to make an application for initial revenue set up costs. Applications are then assessed by a panel consisting of council officers representing Children's Services Finance and the School Organisation, Admissions and Capital Planning Service, in addition to two members of the School Forum, nominated on an annual basis by the Forum. Approval for successful applications will be made by the Panel on behalf of the Forum.

Growth fund applications and allocations 2014/15 to 2016/17

4. The table below shows the amounts claimed and awarded from the growth fund during the last three financial years:

Category	Amount claimed	Amount awarded
Programme management costs	£512,441	£471,735
Accommodation	£177,147	£28,421
Educational advisors/activities and specialist advisors	£448,583	£87,518
Staffing	£1,603,064	£410,585
Recruitment	£110,252	£81,127
Marketing	£49,891	£27,124
Administrative	£104,677	£19,397
Governance	£3,938	£3,938
IDACI funding	£93,705	£19,390
Pupil led funding	£2,803,908	£2,539,264

5. Analysis of the applications and allocations during this period has highlighted the variances between claims from schools as well as commonly sought items:

a) Programme management costs

All programme management costs were approved with the exception of one school who claimed for a following financial year and one where the work was already completed so these costs were no longer applicable. There were similarities in that claims were generally associated with the time the following positions spent on tasks associated with the expansion;

- Site Agent/Facilities Manager
- Headteacher/Principal/Deputy Head or Principal
- Finance Officer/School Business Manager/Finance Director

Some claims included timesheets of the additional work, some quantified the number of hours/weeks multiplied by an hourly cost and others quantified the amount of time with a cost.

b) Accommodation

Only 16% of claims in this category were approved. The vast majority of the items claimed by schools were not approved as they should be paid from either the school's split site fund (where applicable), capital costs or FF&E.

Two claims were for loss of lettings (holiday club and Saturday morning football) during the expansion building work and these were approved by the panel.

c) Educational advisors/activities and specialist advisors

80% of these claims were not approved as they were items to be funded through capital costs or FF&E. The successful claims items were generally either for legal, HR or finance advice, additional SIP visits or curriculum consumables for the additional class.

d) Staffing

The majority of staffing claims for an additional FE expansion include the cost of one teacher, one teaching assistant/learning support assistant, a midday supervisor and an additional cleaner. 25% of staffing claims were awarded, the rest were dismissed as the costs should be funded through pupil led funding (AWPU). Where payments were made this was where schools did not claim pupil led funding or lead in costs for a second site. For second site expansion staffing claims have also included additional administrative staff, additional site agent capacity, deputy headteacher/teaching cover for senior leadership involved in the expansion. Many of the claims were for the employment of staff from September and not lead in costs. As such these were generally not approved as they would be funded through pupil led funding (AWPU).

Where claims for an additional teacher stated the required grade of a teaching appointment, the range varied as follows:

Salary grade	Number of claims
NQT	2
M1	4
M2	1
M3	3
M4	0
M5	2
M6	5

Claims for additional teaching assistants/learning support assistants ranged from NJC points 10-15. Cleaning staff claims ranged from NJC points 4-6.

e) Recruitment

The main costs claimed for were advertising job vacancies and DBS/CRB checks on successful candidates. Other claims varied with some schools claiming for the time of senior staff during the recruitment process, advice on staffing structures/policies, induction/mentoring costs for successful candidates, reimbursing candidate expenses as well as costs for medical checks and first aid qualifications. All of these were approved by the panel.

Claims were rejected if the cost was excessive for a 1FE expansion (i.e. £6,000). Approved claims for adverts were between £500 and £1,500 per advert.

f) Marketing

Just over half of these claims were approved; for items such as updating school websites to reflect the additional class, accommodation or site, updating prospectuses and producing additional information packs for the additional pupils.

Claims which were dismissed were for school signage (which were not approved as this would be a capital cost) or opening events/ceremonies.

g) Administrative

A number of claims were for IT and telephone equipment or for enhanced catering equipment all of which were rejected as they are a capital cost. Approved costs were generally for stationary, increased administrative work and additional communication with parents regarding the expansion work. Some schools claimed a figure of £40/45 per month for the additional stationery/communication whilst some claimed for additional hours (about 3 or 4 per week) spent on such activities.

h) Governance

All claims in this category were approved. 70% of the claims were for the cost of additional governors meetings (clerk's fees). The number of additional meetings ranged from one per term to one per month.

i) Pupil led funding

The current funding formula is 25xAWPU (age weighted pupil unit) per additional class commissioned by LA, either a one off payment for a bulge class or for a number of years until additional form is established throughout the school. Top up funding has been awarded where an additional class was commissioned but in subsequent years the number of pupils in the class was below 25 (in these instances the amount was paid to cover for the difference between 25 and actual number in the class). For maintained schools 7/12ths of the annual amount is awarded to compensate for the funding lag. For academies the full amount can be awarded for the year of which the LA will claim back an element from the DfE.

Proposed arrangements

6. To ensure equity of payments across all schools eligible for growth funding a standardised amount for each category would provide consistent payments from the growth fund. A benefit of this system would be that more accurate forecasting of payments could be conducted and it would streamline the efficiency of the process for both schools and the panel.
7. Should schools spend less on an item than the allotted sum they would be able to retain this amount for other use. Similarly if a school chose to spend more on an item than the amount paid by the growth fund the remaining

balance would be the required from the school's budget. This proposal would provide schools with autonomy for establishing their additional classes and an incentive to achieve value for money.

8. With the Forum's approval the panel will convene to determine the proposed payment amounts according to the type/size of expansion and the amount to be paid to cover a range of items. This would then be presented to the Forum for approval and if agreed this would take effect from 2017/18 financial year.

How neighbouring local authorities conduct growth fund allocations

9. Neighbouring local authorities fund additional commissioned classes with AWPU (seven twelfths for maintained schools and twelve months for academies) to assist schools to fund the consequential staff and resource implications of the additional pupils in lieu of the funding lag. Cambridgeshire County Council allocates funds calculated according to the phase of school and size of the additional class FE. This figure includes an allowance (pro-rata) towards the cost of resourcing the new classroom.
10. For new schools, excluding free schools, preopening and post opening costs are allocated according to the local authorities' formula which has been approved by their Schools Forum.

Conclusion

11. School Forum to agree to the proposal for the Growth Fund Panel to review and adopt a pre determined uniform package of payments for growth commissioned by the local authority. This would ensure funds are allocated fairly and consistently among schools where additional school places have been commissioned by the local authority. This is in line with FF&E payments which are a fixed amount per pupil.
12. School Forum to receive the proposed pre determined package as agreed by the Panel for determination. Due to the scheduling of the School Forum meetings, this will be undertaken electronically with the Forum.
13. This would bring the Local Authority into line with the current practice of neighbouring local authorities in allocating growth fund payments.