

**Wiltshire Council**

**School's Forum**

**17 January 2019**

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## **Allocation of Funding for Pupil Growth 2019-20**

### **Purpose of the Report**

1. To seek agreement on the methodology for allocating funding for pupil growth from the school's block growth fund in 2019-20.
2. To seek agreement on the amount of funding to be allocated for pupil growth.

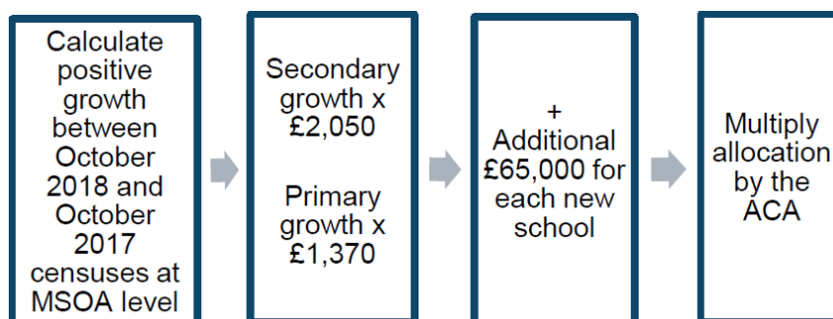
### **Background**

3. Wiltshire currently operates a growth fund and Schools Forum agreed to a number of criteria for the allocation of funding for pupil growth in previous years. The current growth fund criteria has previously been confirmed as being fully compliant by the Education and Skills Funding Agency (ESFA).
4. There has been a change in the methodology for funding local authorities for growth, however this has not changed the way in which growth funding is allocated locally to schools.

### **New Funding Methodology**

5. Growth allocations for 2019-20 will be based on pupil data from the October 2018 census and the October 2017 census.
6. Funding is now allocated to local authorities based on the actual growth in pupil numbers they experienced the previous year. This ensures that over time local authorities are funded on the basis of the actual growth they experience (on a lagged basis), rather than being based upon historic spending decisions.
7. The DfE measure growth within local authorities at **middle layer super output area** (MSOA)<sup>1</sup> level. MSOAs are used as these are small enough geographical areas to detect 'pockets' of growth within local authority areas. Growth is measured by counting the increase in pupil numbers in each MSOA in the local authority between the October 2017 and October 2018 censuses. Only positive increases in pupil numbers will be included, so positive growth in one area, and negative growth in another, will not be denied growth funding.
8. In Wiltshire, growth is measured by separating the county into 62 MSOA's with an average of 4 schools in each MSOA area.

9. For each local authority, the growth factor allocates:
- £1,370 for each primary 'growth' pupil
  - £2,050 for each secondary 'growth' pupil, and
  - £65,000 for each brand new school that opened in the previous year.
10. The DfE have set these values by looking at the amount spent on growth across all local authorities in 2017-18.
11. The DfE do not expect local authorities to use these rates in their local arrangements for funding growth. The growth factor in the national funding formula is a proxy for overall growth costs at local authority level, and not at the level of individual schools. Local authorities will generally allocate growth funding using a local arrangement as there is no national method adopted for allocating growth funding. Therefore, schools forum should therefore continue to make decisions about growth funding locally as they do now.
12. In line with other elements of the national funding formula, the hybrid area cost adjustment (ACA) will be applied to growth allocations to reflect the variation in labour market costs across the country. (For Wiltshire, the uplift is 1.007%)
13. For the purposes of calculating the amount allocated to Wiltshire for the 2019-20 year, the diagram below sets out the funding stream.



The Wiltshire allocation for 2019-20 has been calculated as below:

<b>Funding 2019-20</b>	<b>Primary</b>	<b>Secondary</b>	<b>New School</b>	<b>ACA Uplift</b>
Growth in Pupils	562.5	666.5	1	1.007
Rate	£ 1,370	£ 2,050	£ 65,000	
Amount	£ 770,625	£ 1,366,325	£ 65,000	£ 2,201,950
Uplift	£ 5,419	£ 9,607	£ 457	£ 15,483
<b>TOTAL</b>	<b>£ 776,044</b>	<b>£ 1,375,932</b>	<b>£ 65,457</b>	<b>£ 2,217,433</b>

## **Main Considerations**

14. The growth funding forms part of the local authority's schools block of funding. For 2019-20, growth funding has been allocated using a new formulaic approach, based upon lagged growth data. With regard to allocating funding from the growth fund, the requirements are that:
- a) can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need
  - b) to support additional classes needed to meet the infant class size regulations
  - c) to meet the costs of new schools
  - d) the fund must be used consistently for the benefit of both maintained schools and academies
  - e) any funds remaining at the end of the financial year will form part of the overall DSG surplus or deficit balance.
  - f) local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. 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
  - g) local authorities will need to propose the criteria and size for the growth fund to Schools Forum and gain its agreement on both the criteria and size of the fund, before growth funding is allocated.

## **Historical Position**

15. Schools Forum has historically agreed an annual budget of £1m to be retained for funding pupil growth and has operated successfully within this funding envelope. In the financial year 2019-20 it is proposed to increase the budget to the £1.2m level.

## **Affordability**

16. During 2019-20, there will be two a new Primary Schools opening, one in Ludgershall and one in Amesbury. Both schools are due to open in September 2019. The growth fund continues to support new primary schools with diseconomy costs based upon specific Pupil/Teacher ratios for 7 years or until the school is full. (for full details – see para. 24). The new schools which have opened since 2014 are Castle Mead Primary Academy, Wellington Primary Academy, Ridgeway Farm Primary Academy and St Peter's C of E Primary Academy.

17. The Basic Need Class Expansion for additional classes is still to be confirmed with colleagues in the School places team. However, growth is being experienced across both the primary and secondary sectors and schools are being expanded to accommodate the growth.
18. The Infant Class Size increases are still to be confirmed for 2018-19, but as the number of primary pupils continues to grow across Wiltshire, the funding factor will continue to be used to support schools seeing rapid growth in infant pupil numbers.
19. The total Growth Fund requirement for 2019-20 is anticipated to come within the proposed budget of £1.2m
20. The local authority has successfully secured £0.75m of funding from the MOD's Education Support Fund to support the preparations and recruitment in schools directly affected by the MOD's Army Re-basing programme. This will help to ensure that our Wiltshire schools are not dis-advantaged as a result of the programme.
21. In addition, the ESFA have confirmed that funding will be made available for the affected schools and that growth between the October 2018 and October 2019 censuses will be funded for the pupils arriving in Summer 2019 at the schools directly affected by the MOD's Army Re-basing programme. The funding will be applied equitably to both maintained and academy schools. An adjustment to Wiltshire's DSG funding in respect of the growth will be applied and the funding paid directly to Wiltshire's growth fund.
22. Given the uncertainty over exact returning pupil numbers and the parental choice over schools, it is not possible to accurately pinpoint the impact upon individual schools. There may be schools in the areas surrounding Salisbury Plain which are impacted upon, but until pupils have settled into schools, the full impact will not be known until the October 2019 census.

### **Proposed Criteria**

23. The proposed criteria for funding pupil growth within the local Wiltshire funding formula in 2019-20 are as follows:

#### **New School Allowance (unchanged from 2013-14):**

24. Schools receive funding in advance of pupils arriving in the school, based on the result of the pupil teacher ratio rounded up to the nearest next whole number. The PTRs used are 26.5:1 for KS1 & 27.5:1 for KS2 + 1.1. The topped up element to the next whole number is arrived at by multiplying the result by the salary of a teacher on the top point of the teacher's main scale + on-costs. This element will apply until the first year group has left the school or until the school is full.

25. In addition the costs of a head teacher and 10 hours admin support will be available one "old" term before opening. 55% of the Basic Flat Rate will be available two "old" terms before opening. In the first year of opening the school will also receive 34% of the Basic Flat Rate, 17% in the second & 8.5% in the third year after opening. (The Basic Flat Rate is currently £110,000, the NFF rate as agreed in 2018-19).
26. New schools may also receive an estimate of the new pupil intake for the forthcoming academic year. This approach will be in place for the number of years equal to the number of year groups at the school. The initial estimate may be changed at a later date (but no later than the end of Term 6) to more accurately reflect the likely new intake, with the agreement of the school.

**Class Expansion for Basic Need (unchanged from 13-14):**

27. Where a school is expanded to provide additional classes to meet a basic need for places identified by the LA, from the month of opening for the remainder of the financial year only the school will receive  $7/12\text{ths}^* \times 30$  x relevant AWPU for each additional class. Where a full class may not be needed then the school would receive  $7/12\text{ths} \times$  estimate of increased September intake x relevant AWPU. The definition of "expanded" is that a building project or addition of a mobile classroom has taken place.

\* - For Academy schools the funding is paid for 12/12ths as it relate to their funding year.

**Infant Class Size Increases:**

28. This is payable to a Primary School with infant classes which is required to set up an additional class in the Autumn term as required by the infant class size regulations, and the school cannot accommodate all of its additional Reception and Key Stage 1 pupils in classes of 30 or less, i.e. the total number of pupils in the 3 year groups exceeds a multiple of 30. Where the total increase in NOR between the two October census dates is greater than 13 and necessitates that an extra class would be required, then additional funding is allocated per additional class.

29. Schools Forum needs to approve the above criteria for application in 2019-20.

**Proposal**

30. It is proposed that:

- a) Schools Forum approve the criteria for allocating pupil Growth Fund in 2019-20.
  
- b) Schools Forum agree that the budget for the Growth Fund is set at a maximum of £1.2m for 2019-20, with the remaining £1.0m being returned to the schools block for allocation.