

## LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	<b>SCHOOLS FORUM</b> <b>14 January 2015</b>	Agenda Item	<b>4</b>
Report Title	<b>Growth Fund Allocations for 2015-16</b>		
Decision/ Discussion/ Information	For Information and decision		
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Appendices	Appendix A – Criteria for the allocation of funding for expanding schools and schools with falling rolls from 1 April 2015. Appendix B – Proposed allocation of funding 2015-16		

### 1. SUMMARY

- 1.1 At its meeting on 12 November 2014, Schools Forum was informed that the Local Authority [LA] would present to this meeting information on the proposed allocation of funding for 2015-16 taking account of:
  - (a) actual numbers on roll in the October 2014 Schools Census; and
  - (b) an agreed change to how funding for permanently expanding schools is calculated.
- 1.2 This report also proposes a simplification of the formula for schools expanding onto a split-site.
- 1.3 The net effect of the above is to contain expenditure within **£3.750m**, to be offset by the use of **£1.250m** of retained funding. This makes the net cost **£2.500m** – compared with **£2.750m** for 2014-15.
- 1.4 This will enable an extra **£0.250m** to be added to the funding to be delegated to schools in 2015-16 through the Local Funding Formula.

## 2. RECOMMENDATIONS

### 2.1 Schools Forum to agree that:

2.1.1 The criteria to be used for the allocation of funding for expanding schools and schools with falling rolls should be that set out in **Appendix A**.

2.1.2 The overall charge on funding delegated to schools through the Local Funding Formula should be reduced by using LA retained funding as follows:

- (a) **£1.250m** for 2015-16
- (b) **£0.750m** for 2016-17.

### 2.2 Schools Forum to note that:

2.2.1 The net charge on funding to be delegated to schools through the Local Funding Formula will be contained within the sum of **£2.500m** for 2015-16.

2.2.2 The proposed allocations should be those as set out in **Appendix B**.

2.2.3 The net effect will be to increase the amount delegated through the Local Funding Formula to primary schools by **£0.540m** but reduce the amount delegated to secondary schools by **£0.290m**.

## 3. REASON

3.1 The Local Authority is required to consult with the Schools Forum regarding any changes to Growth Fund and the scheme for supporting schools with falling rolls as this affects the total funding available to be delegated to schools through the Local Funding Formula.

## 4. BACKGROUND INFORMATION

### Criteria to be applied for allocating funding:

4.1 At the meeting in November 2014, Schools Forum agreed to the following proposals to be implemented for 2015-16:

- (a) Funding for the expansion of schools may be based on actual NOR in the October Census rather than forecasted numbers
- (b) The current scheme for supporting schools with falling rolls is kept and **is not** amended to enable financial support to also be

given to schools where the NOR in any year group falls below 75% of Planned Admission Number (Option c).

- 4.2 In addition, the LA is now proposing to simplify how the allocation for additional funding for expanding onto a second site is calculated. Up to now the funding has been based upon calculating the shortfall in the numbers of pupils on the site based upon the capacity of the site and the actual NOR in the October School Census. The downside of this approach is that this requires updating as numbers change and therefore difficult for schools to predict what they might receive in future years.
- 4.3 Therefore the LA now proposes that the formula used should be as set out in the table below. This relates to a 2FE expansion but the same method would apply to a 1FE or 3FE expansion on a second site.
- Applies to a school permanently expanding onto an additional site.
  - An additional payment is made for the first 5 years of the expansion.
  - The additional payment is based upon the capacity of the new site less the planned number of pupils in the expansion e.g. the shortfall in pupils compared with site capacity.
  - Payment will be £150 per pupil to cover premises costs other than rates.

**Table 1: Calculation of funding for planned expansions onto a second site**

Capacity	Year of expansion	Planned number of pupils on site	Shortfall	Funding at £150 per pupil
420	1	60	360	£54,000
420	2	120	300	£45,000
420	3	180	240	£36,000
420	4	240	180	£27,000
420	5	300	120	£18,000

- 4.4 The LA has now determined how it will apply the new formula for calculating the additional funding for pupils forecasted to be admitted in the September following the October Census in those schools which are permanently expanding. This applies only to the period September – March inclusive, as funding for the remainder of the academic year is included in the funding for the next financial year based on the actual October Census data.
- 4.5 Up to now the LA has allocated 7/12ths of the AWPU and other pupil-related funding for the planned admission number. However, as reported to Schools Forum in November, actual numbers are often below this figure, resulting in overpayments.

- 4.6 In October 2014 there were **134** vacant places in reception in permanently expanding schools e.g. only **93%** of places were filled. At an average cost of just over £2,440 per pupil, that represents a cost of **£327,000** to the Growth Fund.
- 4.7 The LA now proposes to fund permanently expanding schools on the actual October Census data averaged for the previous 2 years. Where growth data is not available the LA will use actual NOR + 30 per form of additional entry. New schools will be funded on 30 per form of entry for the first year.
- 4.8 These figures will then be adjusted to take account of the actual number of pupils in the existing Year 6 on the October School Census. This is done as some schools undergoing permanent expansion previously had bulge classes and there is a need to avoid double funding.
- 4.9 This will apply to all schools, academies and free schools who are funded through the Schools Block DSG. The table below shows three examples for 2015-16:

**Table 2: Calculation of additional funding for permanently expanding schools**

School	Expansion / new school	Average NOR 2013 and 2014 (where applicable)	Number in Year 6	Additional pupils funded
Davies Lane	2FE to 4FE	117	64	53
Mayville Primary	2FE to 3FE	86	68	18
Emmanuel Primary	1FE	28	0	28

- 4.10 These provisional allocations will be adjusted where the actual NOR in the October Census is higher than the forecasted figure. It is not proposed to claw back funding if NOR are lower, as schools need a baseline figure with which to work.
- 4.11 **Appendix A** sets out the revised criteria to be used in Waltham Forest from April 2015 and takes into account all the above points.

*Allocation of funding for 2015-16:*

- 4.12 **Appendix B** shows the allocation for individual schools using the criteria in Appendix A.
- 4.13 Table 3 on the next page shows how funding has changed between 2014-15 and 2015-16. It also gives an outline forecast of what might be the costs of the Growth Fund and scheme for supporting schools with falling rolls in 2016-17 and 2017-18.

**Table 3: Funding allocations for 2014-15 & 2015-16 (actual); and 2016-17 & 2017-18 (forecast)**

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Expanding primary schools	£2.767m	£2.302m	£2.060m	£1.593m
Bulge classes in primary schools	£0.649m	£0.556m	£0.299m	£0.145m
Expanding Secondary schools	£0.334m	£0.659m	£0.608m	£1.547m
Secondary schools with falling rolls	£0.097m	£0.061m	£0.061m	£0.061m
Overspend 2014-15	£-0.098m	£0.098m		
Unallocated funding		£0.074m	£0.222m	£0.154m
<b>Total</b>	<b>£3.750m</b>	<b>£3.750m</b>	<b>£3.250m</b>	<b>£3.500m</b>
DSG underspend	£1.000m	£1.250m	£0.750m	£0.000m
<b>Net charge to delegated funding</b>	<b>£2.750m</b>	<b>£2.500m</b>	<b>£2.500m</b>	<b>£3.500m</b>

- 4.14 The drop in the cost of expanding primary provision for 2015-16 is due mainly to lower growth numbers (**£0.255m**), leadership and managements cost as schools complete 3 years of support (**£0.210m**) and protection for bulge classes as number of bulge classes fall (**£0.093m**). This along with the use of an extra **£0.250m** of DSG underspends means that the LA can delegate more funding to primary schools (**£0.540m**) as costs for primary provision fall.
- 4.15 On the other hand, the increase in cost of secondary school expansions (**£0.290m**) will result in a reduction in funding delegated to secondary schools as the cost of the Growth Fund is recovered from the relevant sector budget.
- 4.16 The net cost of expanding primary schools is expected to continue to fall, even with the opening of Walthamstow Primary Academy in September 2015 and Reach 2 in September 2016. However, in the secondary sector, an additional 7 FE is required in September 2017 rising to an additional 29 FE by 2022. As there is no DSG underspend available in 2017-18, the increase in funding for additional secondary provision (estimated at **£0.939m**) will have to be met by top-slicing funding available to be delegated to secondary schools, under current funding arrangements.

## **5. CONSULTATION**

- 5.1 The LA has consulted with all schools and academies on issues relating to the Growth Fund and the Scheme for supporting schools with falling rolls. This report sets out the impact of applying agreements

reached with Schools Forum on how funding should be allocated in 2015-16 and how it might be allocated in 2016-17 and 2017-18.