

READING BOROUGH COUNCIL
REPORT BY FINANCIAL SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	19 MARCH 2015	AGENDA ITEM:	6
TITLE:	GROWTH FUND/ FALLING ROLLS SCHEME UPDATE		
SERVICE:	EDUCATION	WARDS:	All
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report considers additional criteria for the growth fund with regard to basic needs academies pre-opening costs. In addition we consider a bid for approval under this new criteria and a bid under the falling rolls scheme for 2015/16.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 TO AGREE ARRANGEMENTS UNDER THE GROWTH FUND FOR BASIC NEEDS FREE/ ACADEMY SCHOOL SET UP COSTS.**
- 2.2 TO AGREE A BID FOR FUNDING FROM A BASIC NEED ACADEMY SCHOOL UNDER THESE NEW ARRANGEMENTS.**
- 2.3 TO AGREE A BID FOR FUNDING FROM A SCHOOL FOR THE FALLING ROLLS SCHEME.**

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

3.2 Authorities must make provision for the start-up costs of new Basic Need School Academies from within the growth fund. Start-up costs apply to the period before the school opening, and will characteristically cover salary costs and the purchase of any resources not covered by the capital element of the project.

4 BACKGROUND

4.1 The local authority proposed criteria for the growth fund and the Schools Forum decides on this. The Growth Fund scheme criteria was approved at the Schools Forum meeting of 21 March 2013 (see attached at Appendix A). The falling rolls scheme criteria was approved by Schools Forum at its meeting on 16 January 2014 (see attached at Appendix B).

4.2 The approved Growth Fund for 2014/15 and 2015/16 of £1.027m are attached as Appendix C and D respectively. At present for 2014/15 we anticipate a £100k underspend.

5 SET UP COSTS FOR BASIC NEEDS FREE SCHOOL/ ACADEMY

5.1 Local authorities are required to fund pre-opening costs for basic needs academies. The Civitas Academy, a 2 form entry school, based near Oxford Road is due to open in September 2015. We have already provided funding of £20k to the school in 2015/16 as noted in Appendix 1. Funding from September 2015 based upon the local formula will be provided directly to the School by the EFA.

5.2 At present we do not have a formula or criteria for funding these schools under the growth fund arrangements. We have the option of using criteria and formula applied at other local authorities (Staffs CC has been cited as an example of good practice by the EFA) or by officers reviewing these on a case by case basis. The Authority recommends using the latter method, but reviewing this in the light of other formulas to check the amount claimed for reasonableness.

5.3 On that basis the Civitas Academy applied for additional funding of £150k. Officers within the Council's asset management unit are satisfied that this amount is reasonable and is within limits for authorities with explicit formulas. It is recommended that this funding is phased as follows:

- £50k 2014/15 (to be funded from £100k underspend identified above)
- £100k 2015/16 (to be funded from contingency, infant class size & reduced requirement for a second bulge class in a school per Appendix D)

5.4 Schools Forum is asked to approve the approach taken in this area and to agree the amount of £150k for the Civitas Academy regarding set up costs to be charged against the growth fund for the two years as set out.

6 APPLICATION FOR FALLING ROLLS FUND

6.1 We have received an application for Reading Girls School for the above in 2015/16. A sum of £67k was granted under this scheme in 2014/15. The application for the school in 2015/16 meets the agreed criteria at Appendix 2 to this report. Using the agreed methodology the school will be eligible to receive £69k, although this may increase should surplus places be higher than the 40 currently anticipated. Schools Forum is therefore asked to approve this application to the fund which meets the criteria and for which there is sufficient budget provision set aside in 2015/16.

6.2 Details of calculations for 14-15 - Reading Girls

Maximum Intake of first year (Year 7)	170
Sept 14 Intake	130
Variance between Max and Actual	40

AWPU Rate for 14-15	£3,825.27
75% of AWPU Rate	£2,868.95

Variance multiplied by Rate (for 7 months)	£66,942.16
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6.3 Estimated calculations for 15-16 - Reading Girls

Variance in numbers based on 14-15	40
Higher AWPU level for 15-16 of £3,949.51	(75% = £2,962.13)

Variance multiplied by Rate (for 7 months)	£69,116.36
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Appendix A - Growth Fund Criteria approved by Schools Forum March 2013

The Council requests Schools' Forum approval to allocate funds from the Growth Fund using *each* of the following three methods: -

- a) Formula basis - For each expanding school or school taking a new bulge class from September 13 additional funding will be provided using the following formula: Number of children (usually 30 per class) * AWPU * 7/12ths. For a primary school taking an additional class of 30 children from September 13 this would equate to £56.5k.
- b) If a school faces exceptional costs as a result of agreeing to expand, and it would be unreasonable for the school to meet these costs from its delegated budget, the school could apply to the Schools' Forum contingency panel for additional funding. A contingency of £50k for this purpose has been included in the calculation of the amount for the Growth Fund.
- c) Formula basis for in-year Infant Class Size adjustments. Allocations would be made each term to qualifying schools using the formula described in the retention consultation document. A contingency of £100k for this purpose has been included in the calculation of the amount for the Growth Fund.

As academies are funded on an academic year basis an expanding academy will need additional funding for a twelve month rather than seven month period. If an academy expands from September 13 as well as providing funding using the formula in 5.3a) above from the 2013-14 Growth Fund, the LA will seek Schools' Forum approval to retain 5/12ths funding for the period April to August 14 in the 2014-15 Growth Fund to be paid to the academy.

Appendix B - Falling Rolls Scheme Criteria - Approved by Schools Forum January 2014

Support will be available **only** for schools:

- Judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement).
- Surplus capacity exceeds 30 pupils or 20% of the published admission number
- Local planning data shows a requirement for at least 50% of the surplus places within the next 2 years
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- The school will need to make redundancies in order to contain spending within its formula budget
- It does not have a surplus balance in excess of 5% of its school budget share as at 31st March 2013 and 31st March 2014 (or the relevant academic years in the case of academies)

Schools who meet the above criteria in 2014/15 will be able to prepare a Business case that, after checking by officers, will be submitted to Schools Forum for a decision taking into account the funding available in the falling pupils fund. Any agreed funding will be for a specified number of surplus places (within the planned admissions number) at 75% of the relevant AWPU rate.

Appendix C - Growth Fund/ Falling Rolls 2014/15

Expanding school allocations 2014-15

School cost centre	School Name	Expanding/bulge class	Funded number of children	Expected number of children	Year group(s)	In-year allocation
3084	Katesgrove	Expanding	45		15 Yr 6 & 30 Yr 4	84,689
3126	Wilson	Expanding	30		Yr 4	56,459
3106	St Johns	Expanding	22		Yr 3	41,403
3050	Alfred Sutton	Expanding	30		Yr 2	56,459
3074	EP Collier	Expanding	30		Yr 1	56,459
	Geoffrey Field					
3076	Infant	Expanding	20		Yr 2	37,639
3092	New Town	Expanding	30		Yr 2	56,459
3102	Southcote	Expanding	30		Yr 1	56,459
3112	St Michaels	Expanding	30		Yr 2	56,459
3118	The Ridgeway	Expanding	30		Yr 1	56,459
3108	St Martins	Expanding	6		Yr 1	11,292
Academy	Churchend	Expanding	30		Reception	56,459
3068	Coley	Bulge	30		Reception	56,459
3088	Micklands	2nd bulge	30		Yr 1	56,459
Total			393	0		739,613
Contingency for expanding schools exceptional circumstances schools (£89k) and with falling rolls (£78k)						167,387
Contingency for Oxford Road Basic Need Free School Pre-opening costs (due to open Sept 15)						20,000
Contingency for Infant Class Size						100,000
Total Growth Fund required						1,027,000

Appendix D - Growth Fund/ Falling Rolls 2015/16

School Name	Expanding/bulge class	Funded number of children	Year group(s) as @ Sept 15	In-year allocation
Katesgrove	Expanding	30	Yr 5	56,459
Wilson	Expanding	30	Yr 5	56,459
St Johns	Expanding	22	Yr 4	41,403
Alfred Sutton	Expanding	30	Yr 3	56,459
St Michaels	Expanding	30	Yr 3	56,459
Geoffrey Field Infant	Expanding	20	Yr 3	37,639
New Town	Expanding	30	Yr 3	56,459
Southcote	Expanding	30	Yr 2	56,459
EP Collier	Expanding	30	Yr 2	56,459
The Ridgeway	Expanding	30	Yr 2	56,459
St Martins	Expanding	6	Yr 2	11,292
Churchend	Expanding	30	Yr 1	96,787
Micklands	Bulge 1st	30	Yr 2	56,459
Micklands	Bulge 2nd	30	Yr R	56,459
378				751,711

Civitas Academy Pre-opening Costs		100,000
Falling Rolls Fund		78,000
Infant Size Class funding	Estimated	50,000
Contingency		47,289
Total Growth Fund		1,027,000

NB: Churchend amount is more as funded for a longer period given academies funded on an academic year basis plus some additional funds to ensure that schools are funded equally (same per pupil per school day)