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Report title:	Growth Fund for temporary/permanent expansion	
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Executive Summary

This report provides the Schools Forum with an update on the use of the growth fund in 2014-15 and current proposals for 2015-16.

Schools Forum Actions

The Schools Forum is asked to note the:

- Use of the 2014-15 growth fund (section 2.0);
- Proposals for additional classes in 2015-16 (section 3.0);
- Schools with estimated numbers (section 4.0);
- Current agreed growth fund criteria.

1.0 Background

1.1 School funding is based on a lagged approach using the previous October Census pupil numbers. This means that if schools expand in year they do not receive any additional funding until the following financial year.

There are two exceptions to this position in that the Local Authority (LA):

- may top-slice the Dedicated Schools Grant (DSG) to create a “growth fund” to support short term increases in pupil numbers and LA agreed additional classes to meet basic need (Section 2 and 3);
- is required to use estimated pupil numbers in the funding formula for all schools and academies, where they have opened in the previous seven years and are still adding year groups (Section 4).

1.2 The Schools Forum agreed to top-slice the DSG by £700,000 in both 2014-15 and 2015-16 to create a growth fund.

1.3 This report provides the Schools Forum with an update on these arrangements:

- Section 2.0 provides details of the use of this funding in 2014-15;
- Section 3.0 provides details of the proposals for additional classes in 2015-16;
- Section 4.0 provides details of the schools where the LA was required to estimate pupil numbers in 2015-16.

1.4 The current growth fund criteria is outlined in Appendix A.

2.0 Update on 2014-15 expansion classes

- 2.1 Agreed expansion classes were opened at twelve schools in Southwark from September 2015, representing an additional 9.0 forms of entry (FE). A summary of the payments to schools from the 2014-15 growth fund is provided in table A below:

Table A – 2014-15 growth fund

DfE Number	School Name	Type of expansion	Agreed expansion	2014-15 Funding
2003	Albion	Temporary	30 places	£52,000
2856	Bessemer Grange	Temporary	30 places	£52,000
2100	Charles Dickens	Temporary	15 places	£26,000
2169	Dulwich Hamlet Junior School*	Temporary	30 places	£52,000
2365	Dulwich Wood Primary School	Temporary	30 places	£52,000
2263	Grange	Temporary	15 places	£26,000
2351	Keyworth	Temporary	15 places	£26,000
2392	Lyndhurst	Permanent	15 places	£26,000
2411	Michael Faraday	Permanent	15 places	£26,000
5201	St Anthonys	Permanent	15 places	£26,000
3452	St James CE	Temporary	30 places	£52,000
3508	St Mary Magdalene	Temporary	30 places	£52,000
Total			270 places	£468,000

**Please note that arrangements for academies are different, the actual payment is £89k for the full academic year, with a recoupment adjustment processed for the period April to September 2015.*

- 2.2 The unallocated funding of £232,000 will be included in the 2014-15 DSG Outturn Process that will be considered at a later meeting of the Schools Forum.

3.0 2015-16 Growth fund

- 3.1 The current proposals for expansion classes are outlined in the table below:

Table B – 2015-16 growth fund

DfE Number	School Name	Type of expansion	Agreed expansion	2014-15 Funding
2003	Albion	Temporary	30 places	£52,000
2856	Bessemer Grange	Temporary	30 places	£52,000
2100	Charles Dickens	Temporary	15 places	£26,000
2142	Crawford	Temporary	30 places	£52,000
2365	Dulwich Wood Primary	Temporary	30 places	£52,000
2263	Grange	Temporary	15 places	£26,000
2351	Keyworth	Temporary	15 places	£26,000
2392	Lyndhurst	Permanent	15 places	£26,000
2411	Michael Faraday	Permanent	15 places	£26,000

2848	Phoenix	Temporary	60 places	£104,000
2526	Rotherhithe	Temporary	30 places	£52,000
5201	St Anthony's	Permanent	15 places	£26,000
Total			300 places	£520,000

**In addition, a new school, Belham, is opening from September 2015 and providing 60 places*

3.2 The LA will review the level of the growth fund, in view of updated 2015-16 proposals.

4.0 Funding of growing schools based on estimated numbers

4.1 The LA is required to use estimated pupil numbers in the funding formula for all schools and academies, where they have opened in the previous seven years and are still adding year groups. Estimated numbers have used for the following schools in 2015-16:

DfE Number	School Name	Type of school	Date Opened
2000	Southwark Free School	Free School	20/08/2012
2001	Harris Primary Free School Peckham	Free School	28/08/2012
2002	Judith Kerr Primary School	Free School	03/09/2013
2004	Harris Primary East Dulwich	Free School	01/09/2014
4000	Compass School Southwark	Free School	02/09/2013
4001	ARK All Saints Academy	Academy	01/09/2013
4002	University Engineering Academy South Bank	Academy	01/09/2014

5.0 Schools Forum actions

5.1 Schools Forum is asked to note this report.

Southwark Growth Fund Scheme

(updated October 2014)

- The DfE requires all Local Authorities to have a specified scheme for funding the growth in pupil numbers.
- This growth is funded through a top slice from the Dedicated Schools Grant.
- This growth is ring-fenced, unspent funds are rolled forward for Schools Forum consideration.
- The Schools Forum will annually consider the eligibility criteria and level of funding from the growth fund.
- Any unspent funds will be allocated to the following year's DSG and reallocated to maintained schools and academies through the local formula.

Expansion of Existing Primary and Secondary Schools

Criteria

Payments from the Growth Fund will be allocated to specific schools with temporary expansion classes which have been agreed by the Local Authority and in line with the LA's overall strategy for meeting pupil number growth within specific areas of the borough. In addition, this funding will also support the ongoing financial impact of previously agreed permanent expansions.

The arrangements for the allocation from the Growth Fund are as follows:

- Formal agreement to the expansion class by the LA as part of the overall strategy for meeting primary or secondary age pupil number growth as confirmed in writing to the school's Chair of Governors by the Southwark Director of Education, Children's and Adults Services;
- The letter will confirm the agreed number of places and value of funding that will be provided to the school;
- The funding that will be allocated to the individual school will be based on £52,000 for an expansion class of 30 places in primary schools to cover the period September to March;
- The funding allocated to an individual secondary school will be £65,000 for an additional class of 30 places to cover the period September to March.
- To support the school's cash flow, funding will be provided to the school in a one-off payment on the actual opening of the expansion class.

Funding

The primary school base funding allocation is based on the estimated costs of a UPS1 teacher, full-time classroom support and £10,000 to cover resources and any other expenses the school incurs. The school would use these resources to meet the need as they see fit.

The secondary school base funding allocation is based on the primary school allocation plus 25%. The 25% reflects the additional pupil teacher ratio costs between primary and secondary schools (school workforce statistics: PTR primary 20.8; secondary 14.95 – i.e. 25% lower PTR in secondary schools; <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2013> table 17a)

For temporary expansion classes, the schools will be funded in future financial years on the actual pupils on the school roll as part of the Southwark School Funding formula.

Budget Monitoring

Update reports will be provided to the Schools Forum meetings throughout the year providing detail of the use of the funding. An outturn report will also be provided to the Schools Forum.