



## **CRITERIA FOR FUNDING SECONDARY PUPIL GROWTH**

### **Purpose of the Report**

1. This report outlines how additional funding should be allocated to secondary schools as a result of secondary school expansions arising from basic need and/or growth arising from housing developments. The report outlines the criteria and process by which secondary schools, requested by the LA to increase its PAN, can attract additional funding to support the requested increase in pupil numbers in the financial year the increase occurs.

2. This report therefore seeks the approval of Schools Forum to agree the principles, criteria and process to allow secondary schools, identified for growth, to have their pupil numbers varied in December each year to ensure they receive the funding commensurate with the estimated number of pupils to be admitted into Year 7 initially in the September of the following year. It is anticipated that schools identified for expansion may require their pupil numbers to be varied for up to 5 years until the increased PAN runs through every year group. The LA will review the position annually with the school.

### **Information and Advice**

1. Currently we only have a growth fund for primary schools, the ESFA Schools Revenue Funding 2019-20 Operational Guide (July 2018) advises that 'the growth fund may not be the most appropriate source of funding for growing schools and LA's should consider varying pupil numbers where there is a more permanent and significant change to numbers due to a change to the admission limit or a local reorganisation'. Where pupil numbers are varied this attracts full formula funding.

The following principles underpin the proposed criteria:

- Fairness - the funding provided aims to address the issues around lagged funding. A school should not be financially disadvantaged by agreeing to an expansion, nor should they financially benefit from the funding support from the LA
- Equity - all schools should be treated in a similar way.
- Transparency - all schools should be able to see and understand the policy and the allocations made to schools by the LA.
- Simplicity - the policy and underlying formula should be easily understood.
- Efficiency – resources should be used in a way that secures good value for money.

2. The recommendation of this report to vary secondary pupil numbers does not apply in instances where schools simply have the opportunity to offer more places above their PAN. For numbers to be varied the places must be commissioned and supported by the LA.

Therefore, the LA will not vary projected pupil numbers where the school:

- has surplus places and admits additional children up to and over their PAN;
- admits extra pupils where those pupils have a reasonable alternative school place; and

- is directed and / or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be extremely low on an individual school basis.

It should be noted that the recommendations of this report does not cover merged schools, split site factors or newly created secondary schools in the future. It should be noted that the actual funding for the only new Free secondary school to date has essentially been to confirm pupil numbers on a yearly basis.

3. Specifically, when the LA requests that a secondary school should increase its pupil numbers, the starting point for any agreement around lagged revenue funding will be the average Year 7 actual recruitment for the past 5 years. This may or may not be above the determined PAN (Pupil Admissions Number). For example, if the LA requires secondary school A to admit to 260 as a result of basic need whilst this school has a PAN of 200, it has routinely been admitting to 230 for the past 5 years. Therefore, the average Year 7 intake is in fact 230. It is this average number that will be the benchmark for any further variations of pupil numbers. In the case of school A, the pupil numbers will be increased by 30 and not 60.

4. This would mean that when the formula is calculated by the LA the school would receive 7/12 (September to March) of the 30 pupil increase (17.5). For an academy the ESFA would adjust this to reflect the additional 30 in the academy's general annual grant (GAG) September to August. Where schools are likely to experience significant disadvantage as a result of the 5 year average, this report recommends that the relevant senior officers can determine the appropriate increase to funding in line with the proposed PAN.

5. Schools and academies will have their numbers varied where the LA requests either a permanent increase of their PAN or a temporary increase to address a 'bulge' year. Where the LA is varying for a 'bulge' year the numbers will only need varying for the first year as thereafter the increased numbers would be incorporated within the October census numbers. Where schools have had their numbers varied by the LA, if actual numbers are less than estimated, the regulations allow for a retrospective adjustment in the following financial year so that schools are appropriately funded. This applies irrespective of the circumstance of varying pupil numbers.

6. At this time, the LA formally requests that only 1 secondary school should increase its PAN to 320 for September 2019 (The Rushcliffe School). The West Bridgford School has also been formally requested to increase its PAN to 280 but as this school has been recruiting significantly above its PAN for some years and the need to vary pupil numbers is not necessary.

7. Varying the pupil numbers may impact on the allocation of all schools because the LA funding is based on October census numbers.

8. The ESFA has advised that for 2019-20 growth funding will be allocated to LAs using a new formulaic method, which will be at Middle Super Output Area (MSOA) level, based on lagged growth data. The recommendations of this report will be reviewed yearly in light of the new funding arrangements and any regulation changes.

## **RECOMMENDATION/S**

### **That the Schools Forum:**

1. Agrees that secondary pupil growth funding should be allocated to secondary schools through the varying of pupil numbers arising from any formal request by the LA to increase the PAN.

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