

**PUPIL GROWTH FUND – UNDERSPEND STATUS AND ANTICIPATED DEMANDS ARISING FROM BASIC NEED**

**1. Purpose of the Report**

The report outlines the current status of the fund in terms of underspend and the expected demands on the fund for financial support arising from basic need or exceptional circumstance admissions.

**2. Information and Advice**

Since 2013, a programme of basic need expansions has taken place in Nottinghamshire resulting in the creation of 5409 permanent new primary places. To date 55 separate schools have been expanded, of which 35 have had their PAN increased by 15 or more requiring them to seek lagged funding support from the pupil growth fund. During the same period 14 other schools have needed exceptional circumstances support from the fund to address funding issues arising from; bulge years, over PAN admissions (in-year and at first admission) and from admissions into year groups resulting in potential breaches of ICS regulations.

Eight schools have experienced a growth of PAN by 25 or more (typically 30) which Schools Forum agreed previously to support with lagged funding into Key Stage 2. To date 4 of the schools expanded by PAN +25 have been allocated funding. Key stage 2 funding continues from the point of expansion until the growth has worked through the school cycle (7 years).

From 2014 non-staffing pupil growth funding has been allocated to schools to defray the additional costs of heating, lighting, cleaning and consumables.

1. A review of the last 4 years of the fund is outlined in the table below.

| Year    | DSG allocation | B/Fwd     | Expenditure | C/Fwd     |
|---------|----------------|-----------|-------------|-----------|
| 2013/14 | £500,000       | £ -       | £ 509,090   | -£ 9,090  |
| 2014/15 | £750,000       | -£ 9,090  | £ 614,076   | £ 126,834 |
| 2015/16 | £1,000,000     | £ 126,834 | £ 939,400   | £ 187,434 |
| 2016/17 | £1,000,000     | £ 187,434 | £ 911,642   | £ 275,792 |
| 2017/18 | £1,000,000     | £ 275,792 | £ 780,000*  | £         |

\*Forecast expenditure

2. Of the schools expanded previously 8 will automatically continue with 2 terms worth of lagged funding based on the expansion of PAN + 25. Based on previous years funding this equates to approximately £240,000 of funding.
3. During the 3<sup>rd</sup> phase of basic need expansions (2015), 8 schools received tranche 1 of growth funding. The second tranche of funding will be allocated in accordance with previously agreed protocols in 2017; this equates to a further £240,000 of spending.
4. Though it is impossible to predict with complete accuracy the levels of funding required as a result of over-PAN admissions and exceptional circumstance allocations it is reasonable to anticipate that there may be a requirement for 4 allocations to be made. If this proves to be correct this would require £120,000 of spending.
5. The Basic Need programme for 2017/18 is still in the feasibility stage but it is predicted that it could bring about demand of £180,000 from the Pupil Growth fund.
6. From the above it is reasonable to anticipate spending in the region of £780,000 in 2017/18.
7. The executive summary to the National Funding Formula Stage two consultation states that:

“We are confirming that funding for growth will be allocated to local authorities in 2018-19 on the basis of spend in 2017-18: this will be an interim arrangement. We recognise that this will not match need exactly, but it represents a significant improvement on the current system where local authorities are expected to absorb all the costs of growth without additional funding.”

Due to this any reduction in funding of growth in 2017/18 could result in NCC receiving less funding in 2018/19.

8. The EFA have proposed moving to a lagged approach to funding growth from 2019/20. This would allocate funding based on the pupil growth local authorities actually experienced in the year before.

## **Recommendation**

That Schools Forum notes the report and the reasons for Nottinghamshire County Council retaining the DSG allocation at £1,000,000 for 2017/18