

## **Growth Fund Consultation Paper**

### **1. Introduction and Background**

Growth funding enables local authorities to support schools with significant in year pupil growth. In order for a school to receive growth funding there must be prior approval with the Local Authority (LA). The growth fund can only be used to:

- Support planned growth in pre-16 pupil numbers to meet basic need;
- Support additional classes needed to meet the infant class size regulation;
- Meet the cost of new schools – This includes growing schools that have opened in the last 7 years and don't yet have pupils in every year group; and diseconomies funding for new schools that will incur additional start up and diseconomy of scale costs.

### **2. Prior Consultation and Schools Funding Group**

LA officers initially consulted schools in November 2018 on changing the way the LA allocates growth funding. The consultation highlighted a number of concerns in moving to the proposed criteria but it was acknowledged further consideration should be given to amending the current criteria.

The growth criteria have not been updated for a number of years. We need to ensure the criteria meet demand whilst ensuring efficient use of funding. Therefore it was agreed at Schools Forum this was an issue to be discussed at Schools Funding Group.

A paper was taken to SFG to discuss various options for allocating explicit growth, and their recommendations will form the basis of consultation on growth for mainstream schools. It also considers options for funding one off bulge classes.

### **3. All Schools and Academies**

Please complete the Survey Monkey Questionnaire that can be found at the link below providing your views on the most appropriate growth funding models. The consultation will run from 6 May to 24 May.

<https://www.surveymonkey.com/r/schoolsfunding>

### **4. Current Position of Growth Fund**

The Growth Fund at Tameside funds 3 types of growth in mainstream schools. Any growth funding that meets the growth criteria will be top sliced from the schools block prior to setting funding rates for all schools and academies. The areas the growth pot currently funds are;

- Explicit growth – this relates to the specific growth fund and is allocated based on the growth criteria agreed by Schools Forum (See Appendix 1 for current criteria).
- Implicit growth – this relates to adjustments to pupil numbers when calculating the funding; in this case for new and growing schools. There is no proposal to change this method of allocation.
- Disecomonies Funding - This funding is for newly established schools whose costs cannot be met through the normal schools block funding due to not having every year group open. The diseconomies funding provides funding in two elements as the school grows: non-staffing resources, paid on a per-pupil basis; and a leadership grant. The criteria have been agreed by schools forum. There is no proposal to change this allocation basis.

## 5. School Funding Group Discussion and recommendation for consultation

The Growth paper was discussed; there was an agreement that the funding model currently in place does reflect the potential additional costs for the different sectors. Secondary schools may not necessarily see an immediate increase in costs it will depend on individual school circumstances including the existing staffing structure and existing teaching arrangements; however some schools would see an immediate cost increase. It was felt that at year 9 it would start to result in additional costs due to curriculum changes. The group felt that a model to reflect separate funding factors to represent the different educational stages was appropriate.

Place planning was discussed and why when numbers were planned the children placed were different. Place planning happens 2 years in advance, the LA needs to ensure there are sufficient places in the locality to offer children a school place. The numbers of children who apply for the school may be different due to parental choice of schools, pupils parents choosing schools in a different borough or choosing to home educate.

The calculation of the model was not deemed helpful as by funding a Teacher and a TA this was suggesting to schools the model they should adopt in terms of setting up a class, whereas schools should be deciding the best way to achieve the education delivery model appropriate for their school. The suggested model is simply not relevant for Secondary schools. Furthermore the model did not set up a sustainable model for schools in a bulge class as the future funding could be more or less depending on pupil numbers. The group suggested a pupil numbers based solution would be most appropriate going forward. Consideration should be given to whether or not to adjust numbers in the first year i.e. if a school expected 30 and received 15 they would be funded 30, likewise if a school expected 30 and took 33 they would be funded on 30.

The group discussed the current funding model of one off bulge classes on a continuing basis. They discussed the issue of these schools being unfairly advantaged by funding small class sizes where growth had not materialised at the same level as expected, when compared to schools who had taken half classes. It was acknowledged that the schools had taken the class in good faith expecting a larger class size. The group suggested that no on-

going protection should be considered for one year bulge classes in the new model i.e. they should be funded year one in line with the growth policy, then the NFF should fund appropriately for later years.

The group discussed the historic arrangements in place and asked to understand the funding position of schools the above change may affect to consider if the historic arrangements should be honoured and requested that current per pupil funding and the one-off funding be calculated to inform decision making.

	School 1			School 2		
	Bulge Class	Existing PAN	Total Year Group	Bulge Class	Existing PAN	Total Year Group
Number of pupils	20	30	50	13	30	43
Average Funding Per Pupil *	£3,434	£3,434		£3,457	£3,457	
<b>Allocation via formula in 2019/20</b>	<b>£68,680</b>	<b>£103,020</b>	<b>£171,700</b>	<b>£44,941</b>	<b>£103,710</b>	<b>£148,651</b>
Additional Growth Allocation	£32,640		£32,640	£32,640		£32,640
<b>Total Allocation</b>	<b>£101,320</b>	<b>£103,020</b>	<b>£204,340</b>	<b>£77,581</b>	<b>£103,710</b>	<b>£181,291</b>
Total Average Funding Per Pupil			£4,087			£4,216

\* Average funding per pupil is all the pupil led factors including MFG but excluding lump sum and Business Rates.

Schools will be asked as part of consultation whether they believe the funding for these historic arrangements should remain in place or if the funding should follow the new scheme from 1<sup>st</sup> April 2020.

The group discussed various models of growth presented to them and resolved to present a number of options to all schools and academies to consider mostly centred around pupil number options. The group requested further options to be presented including a minimum funding model. They requested a tapered model for all whereby the numbers were set at the levels expected for some initial years then tapering off, this would give schools chance to recruit either fixed term and make some alternative arrangements to manage costs down in line with pupil numbers. They also recommended consulting on a cap on funding and a minimum funding protection also.

## 6. Growth Model Options for Consideration

### Option 1 – No Growth Funding

The growth fund is an optional factor when allocating funding. Some authorities in Greater Manchester do not allocate growth at all as it is a lagged funding issue and funding will catch up with the pupil numbers in the next year's census.

If funding explicit growth funding was ceased, we would need to continue to fund implicit growth for new and growing schools as this is a specified requirement in the DFE Regulations.

### Option 2 – Growth Per Pupil Model

Growth should be funded on AWPUP rates for schools in line with the Tameside rates agreed at Schools Forum. This will be a different rate in primary schools and secondary schools. Both one off bulge classes and planned continued grown classes will be funded using the same principles. Schools will be funded on an academic year basis.

Year 1 – Pupils are due in September but not on census until the following October, funding on actual numbers of pupils.

Year 2 – Funding would be on census numbers.

Please see Appendix 2 for worked examples for both bulge and continued planned growth classes.

### Option 3 – Tapered Growth Per Pupil Model.

Growth should be funded on AWPUP rates for schools in line with the Tameside rates agreed at Schools Forum. This will be a different rate in primary schools and secondary schools. Both one off bulge classes and continued planned growth classes will be funded using the same principles. Schools will be funded on an academic year basis.

Year 1 Growth – Pupils are due in September but not on census until the following October, therefore funding on planned pupil numbers. i.e. 15 or 30.

Year 2 Growth – Pupils are due in September but not on census until the following October, therefore funding on planned pupil numbers. i.e. 15 or 30.

Year 3 Growth – Pupils will be funded in line with the actual numbers of pupils but not in excess of planned numbers.

Please see Appendix 2 for worked examples for both bulge and continued planned growth classes

## 7. Minimum Funding and Capping

Schools are asked to consider some minimum funding levels for schools taking growth classes. To qualify for the growth funding it is considered reasonable that a school should take 5 or more children before they qualify for minimum funding.

### Minimum funding

If a school is asked to take either a Bulge class or is taking pupils on a Planned Continued Growth Agreement then pupil numbers funding may present a funding problem for the school if the class size is too small. There are a number of schools with half class sizes of 15 and therefore it is considered that as a minimum, funding support should be allocated for 15 pupils.

Example: based on a school increasing PAN from 210 pupils to 230.

Actual NOR	Growth Numbers	Funding
209	-1	No Growth Funding
212	2	No Growth Funding
222	12	Funding as per model then funded on 15 pupils minimum going forward.
232	22	Funded as per Growth Model
242	32	Funded as per Growth Model limited to planned growth

### Capping Growth Figures

When looking to fund growth in pupil numbers in a school either planned continued growth or one off bulge classes. Schools are asked to consider if schools should have the number of pupils they receive funding for is capped where numbers are in excess of 30 pupil to limit the amount of funding that is being top sliced from the Schools Block, also recognising that it is likely there will be some economies of scale that can be made once the class size is over 30.

Pupil Numbers	Primary	Secondary
30	£ 48,329.75	£ 67,964.23
45	£ 72,494.63	£101,946.34
60	£ 96,659.50	£135,928.45

Schools are asked to consider which of the following options see most appropriate for Tameside Schools.

- Option 1      No Cap
- Option 2      Cap at 30 Pupils
- Option 3      Cap at 45 pupils

Option 4      Cap at 60 pupils

## Appendix 1

### **The Current Growth Criteria**

1. Schools who are being asked by the local authority to admit additional classes of children from September will be allocated a Growth allocation. The value of the allocation is a lump sum allocation of £41,045. This figure is based on:
  - The salary costs including on-costs of a Teacher on point 1 of the UPS grade for 7 months;
  - The salary costs including on-costs of a Level 3 Teaching Assistant for 7 months; and
  - £2,000 for resources.
2. Schools that have been built within the last 7 years which have taken over 30 additional pupils in year groups, other than the Reception bulge classes they initially formally agreed to. This would only apply to Schools that agreed the additional intake with the Local Authority in advance. This would not apply where Schools have chosen to admit those children without agreement with the Local Authority. The rationale for this is that the Schools concerned are helping to address an area wide demand for places coordinated through the Council. The value of this growth allocation is £66,935 which is intended to cover the same staffing costs as detailed in criteria 1 above, but for a full year.
3. Schools that agreed to take a one year only Bulge class of 30 children within the last 7 years, where the Bulge class concerned has less than 20 children on roll. This would only apply to Schools that agreed to take the bulge class with the Council in advance and where there is only one Bulge class in the School meaning it was not possible to combine classes across year groups. This would not apply where Schools have chosen to admit additional children without agreement with the Council. The rationale for this is that the Schools concerned are helping to address an area wide demand for places coordinated through the Council. The value of this is £32,640 which is intended to replace the AWPU funding for 10 children.



## Appendix 2

Average Funding Per Pupil	£3,434
Primary Growth APWU Rate - Academic Year	£1,611

### One Off Bulge Funding

School Name	R	1	2	3	4	5	6	Total
2019/20	58	29	30	30	31	28	30	236
2020/21	30	58	29	30	30	31	28	236
2021/22	30	30	58	29	30	30	31	238
2022/23	30	30	30	58	31	30	32	241
2023/24	30	30	30	30	58	31	30	239
2024/25	30	30	30	30	30	58	31	239
2025/26	30	30	30	30	30	30	58	238
2026/27	30	30	30	30	30	30	30	210

### Option 2 - One Off Bulge

		Pupil Numbers			Rates	Funding	
		Planned	Actual	Funded			
<b>2019/20 (Year 1 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	28	28	£1,611	£45,108	<b>Actual Bulge</b>
		60	58	58		£148,128	
<b>2020/21 (Year 2 of Growth)</b>							
Year 1	Existing Class	30	30	30	£3,434	£103,020	
Year 1	Growth Class	28	28	28	£3,434	£96,152	<b>Actual Bulge</b>
		58	58	58		£199,172	

### Option 3 - One Off Bulge

		Pupil Numbers			Rates	Funding	
		Planned	Actual	Funded			
<b>2019/20 (Year 1 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	28	30	£1,611	£48,330	<b>Planned Bulge</b>
		60	58	60		£151,350	
<b>2020/21 (Year 2 of Growth)</b>							
Year 1	Existing Class	30	30	30	£3,434	£103,020	
Year 1	Growth Class	30	28	28	£3,434	£96,152	<b>Actual Bulge</b>
Year 1	Growth Class			2	£1,611	£3,222	<b>Planned Bulge</b>
		60	58	60		£202,394	
<b>2021/22 (Year 3 of Growth)</b>							
Year 2	Existing Class	30	30	30	£3,434	£103,020	
Year 2	Growth Class	30	28	28	£3,434	£96,152	<b>Actual Bulge</b>
		60	58	58		£199,172	

Average Funding Per Pupil	£3,434
Primary Growth APWU Rate - Academic Year	£1,611

### Continued Planned Growth Model

	R	1	2	3	4	5	6	Total
2019/20	57	29	30	30	31	28	30	<b>235</b>
2020/21	58	57	29	30	30	31	28	<b>263</b>
2021/22	56	58	57	29	30	30	31	<b>291</b>
2022/23	60	56	58	57	29	30	30	<b>320</b>
2023/24	61	60	56	58	57	29	30	<b>351</b>
2024/25	59	61	60	56	58	57	29	<b>380</b>
2025/26	62	59	61	60	56	58	57	<b>413</b>
2026/27	61	62	59	61	60	56	58	<b>417</b>

### Option 2 - Continued Planned Growth

		Pupil Numbers			Rates	Funding	
		Planned	Actual	Funded			
<b>2019/20 (Year 1 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	27	<b>27</b>	£1,611	£43,497	<b>Actual Growth</b>
		60	57	57		£146,517	
<b>2020/21 (Year 2 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	28	<b>28</b>	£1,611	£45,108	<b>Actual Growth</b>
		60	58	58		£148,128	

### Option 3 - Continued Planned Growth

		Pupil Numbers			Rates	Funding	
		Planned	Actual	Funded			
<b>2019/20 (Year 1 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	27	<b>30</b>	£1,611	£48,330	<b>Planned Growth</b>
		60	57	60		£151,350	
<b>2020/21 (Year 2 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	28	<b>30</b>	£1,611	£48,330	<b>Planned Growth</b>
		60	58	60		£151,350	
<b>2021/22 (Year 3 of Growth)</b>							
Reception	Existing Class	30	30	30	£3,434	£103,020	
Reception	Growth Class	30	26	<b>26</b>	£1,611	£41,886	<b>Actual Growth</b>
		60	56	56		£144,906	