

Committee:	Schools Forum
Meeting Date:	7 October 2021
Title:	Growth Policy & Funding Update
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Decision making / consultative / information:	Decision Making
Who can vote?	All members with voting rights

What is the Forum being asked to decide?

1. Schools Forum is being asked to decide if it would be appropriate to amend Suffolk's growth policy to include a falling rolls fund from 2022-23.
2. Schools Forum is also asked to note future pressures on pupil growth (in some areas), with new schools in the pipeline and the expected increased expenditure associated with setting up these new schools and the need for an increase in funding allocated to the growth fund.
3. As this funding is within the schools block, any movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.

Reason for recommendation

4. The recommendation is being made due to a number of schools now facing falling rolls. This can lead to staff redundancies, larger class sizes, reduced funding to spend on resources and facilities and even school closures. Financial support would be required to assist schools in any reorganisation and planning.
5. Schools Forum also need to acknowledge the financial pressures facing Suffolk with regard to new schools, where the basic need cannot be met by the existing school infrastructure.

Alternative options

6. Schools Forum could decide not to agree to a falling rolls fund or to increase the overall growth fund allocation for new schools and risk the budget being overspent in the future which would increase the DSG deficit.

Who will be affected by this decision?

7. All mainstream schools and academies will be affected as the growth funding is funded from within the DSG schools block allocation.

Main body of the Report

8. Growth funding is funded from the schools' block and can be used to support growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new or expanded schools. The fund can also be used to support schools with falling rolls, an area which has not been an issue for Suffolk over recent years
9. Growth funding is within our schools' block NFF allocations. Growth funding has been allocated to local authorities using a formulaic method based on lagged growth data. In simplest terms, the ESFA allocate funding based on the differences between the primary and secondary number on roll in each LA between the current and previous October school censuses.
10. Any growth funding for Specialist Providers or Early Years Providers needs to be funded through the respective blocks.
11. As stated, Suffolk now needs to consider looking into a falling rolls fund due to a number of schools facing this situation. It is forecast that over 60% of schools will see a decrease in their rolls between now and 2025. This is mainly due to a reduction in the primary age population that is being seen in many areas of the country, not just in Suffolk. Falling rolls fund has always been a permitted use in a LAs growth / place planning policy, however Suffolk have never needed to consider using this method of funding until now. LAs may set aside schools' block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.
12. The problem stems from the fact that, following a pupil population "bulge" in the 2000s, cohorts in Reception and key stage 1 classes are now smaller than the cohort currently in key stage 2 with the gap potentially getting wider. DfE predictions suggest a reduction in primary pupil numbers of about 100,000 pupils through 2021-2025. County wide there is a 1079 fall in place numbers of children forecast to enter Reception classes between 2021 and 2025.
13. DfE guidance is that Schools' forum should agree both the value of the fund and the criteria for allocation, and the LA should regularly update the schools' forum on the use of the funding.
14. Falling rolls will not affect schools in a uniform way – it is likely to hit certain types of school harder and could include scenarios such as:

- Schools being financially stretched to "breaking point", with squeezed budgets – through less funding per pupil – exacerbated by the school funding crisis.
- School closures with the smallest schools arguably being the most vulnerable. There are 13 primary schools in Suffolk which are forecast to have fewer than 50 pupils by 2025 and a further 53 which have 100 or fewer pupils in the same time frame.
- Teacher and support staff redundancies
- Bigger class sizes as schools compress year groups of three or four forms into fewer classes to cut costs
- Increased competition for places between schools
- Reduced funding to spend on resources and facilities. The school still must maintain their entire site, even if they are not using it all due to reduced pupil numbers.

15. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases. Criteria would generally contain some of the below:

- Support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement).
- Surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- Local planning data shows a requirement for a minimum percentage of the surplus places within the next three 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.

16. Methodologies for distributing funding could include:

- A rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)
- A lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

17. If Schools Forum agree to a falling rolls fund, officers would come back with proposed criteria and methodologies for the funding and the forecasted amount needed for the fund. Examples of other LAs' compliant criteria who already use falling roll funding are set out in **Annex A**.

Financial information

18. The current growth fund budget is £1.780m and has been for a number of years and as agreed previously by Schools Forum.

	Budget	Spend	Variance
2017-18	1,780,000.00	2,312,005.00	- 532,005.00
2018-19	1,780,000.00	1,766,267.00	13,733.00
2019-20	1,780,000.00	1,705,469.00	74,531.00
2020-21	1,780,000.00	1,794,165.00	- 14,165.00
2021-22 (forecast)	1,780,000.00	1,780,000.00	-

- **2017-18** - Overspend related to the volume of schools that had been through growth and increasing their PAN. Also funding in relation to new schools and a number of schools needing to change their class structures due to population growth in their respective areas contributed to the high level of spend.
- **2018-19** – On budget. The number of schools in receipt of growth funding reduced and had reached the final year of growth. The funding would subsequently now follow naturally through the census and formula.
- **2019-20** - Small underspend. The number of schools in receipt of growth funding reduced slightly on 2018-19.
- **2020-21** – Small overspend. The number of schools with new class growth continued to fall slightly, however there was an increase in supporting 11-16 growth.
- **2021 -22** – currently forecast to budget.

Future Pressures

19. Looking ahead, the education capital programme between 2020 and 2023 could potentially see expansions of up to 11 primary schools together with the establishment of 6 new primaries, a free school and one high school. There will also be a proportional increase in need for specialist SEND placements based upon future growth.

20. There is some uncertainty about the timing of the need for these new projects because many of the places would be required to meet demand for new housing rather than from normal demographic growth through increased birth rates.

21. Housing developments have slowed during the last 18 months however and it is possible that some of these schools and some of the expansions may not be needed as early as the dates indicated in the table below. However, at this point the LA are anticipating an increase in growth funding expenditure for the following schools:

2021	2022	2023	2024
Thurston CEVC Academy	Brooklands Primary	Ipswich Garden Suburb Primary 1 of 3	Abbots Vale Primary
	Chantry High	Ipswich Central Free School	
	Elmswell Primary	Holbrook High	
	Chilton Leys, Stowmarket (Grace Cook Primary School)		
	Bungay High		
	Edgar Sewter Primary		
	IES Breckland		
	Thurston Community College		

22. Further forward, the LA has an expectation that there will be a need for new schools as follows:

Area	Project
Henley Gate (IGS) new primary (1 of 3)	New 210 place primary school and 30 place pre school.
Fonnereau Neighbourhood (IGS) new primary 2 of 3	New 210 place primary school and 30 place pre school.
Woolpit area	Expansion or new school
Bacton Primary School	Relocation and expansion of existing school from 210 to 315 places
Brightwell Lakes (Adastral Park) new school	New schools - 30 (FT) place pre-school, 420 primary places, 600 high school places (Master planned to 90/630/900)
Chilton Woods, Sudbury	New 210 place school and 30 place pre-school.
Haverhill New Primary school	New 210 place school and 30 place pre-school.

Lakenheath new primary school	New 210 place school and 30 place pre-school.
North Felixstowe	New 210 place primary school, 30 place pre-school (Master planned to 420/630 and 60/90)
Rushbrooke (Abbots Vale new school)	New 210 place primary school, 30 place pre-school (Master planned to 60/315/420)
Trimley St Martin Primary School	Relocation and expansion from 210 to 315 places, new 30 place pre-school. (Master planned to 60/420)
Wolsey Grange	New 210 place primary school, 30 place pre-school (Master planned to 60/420)
New Special school for children with complex needs	To be determined

23. It is clear that the need for financial support to enable expanded and new schools to cope until they are established will be a constant on the Schools Forum agenda if this level of growth continues in Suffolk.

Annex A

Example 1

Identification of schools with falling rolls:

- the school must have been judged good or outstanding at their last Ofsted inspection
- the total NOR has dropped by at least 5% between last October census and the previous year's October census
- capacity of school is a minimum of 15% of published admission number (PAN)
- local planning data shows the places will be required within the next 3 - 5 years

Where a school meets all the above criteria, funding will be provided using the following calculation:

- the NOR as at last October census will be deducted from the NOR of the previous October's census. The result will be multiplied by the current base rate, appropriate to phase, pro rata April - August (5 months)

Example 2

Schools and academies must have a good or outstanding Ofsted rating to be eligible for this funding. Additional funding is allocated based on a proportion of the basic entitlement for vacant places below 85% of the PAN for the normal year of entry (YR or Y7) and also for the next year group after entry (Y1 and Y8). Funding is available for a maximum of 3 years after which a school's PAN may be adjusted or other action taken.

Example 3

The falling rolls fund is based on the following criteria:

- access to the fund is only available to schools judged good or outstanding at their last Ofsted inspection (this means that we would not support schools which may be very vulnerable - is this fair? Is there a way around the DfE criteria?)
- local pupil place planning projections show a requirement for at least 80% of the total admission number for reception in primary and infant schools, Y3 in junior schools and Y7 in secondary schools within 2 years of the support being applied
- the school or academy's admission number is set at the PAN established for the relevant academic year
- any school increasing their PAN will only be provided support from the falling rolls fund against their relevant PAN

- however, should a school reduce their PAN, funding will be allocated against the lower PAN
- falling rolls funding will apply only in areas where housing developments have been granted full planning consent with the cumulative developments exceeding 500 homes planned for release within a 5-year period

Funding would be allocated to those schools deemed eligible on the following basis:

- schools will be funded for school places equivalent to the difference between the number on roll in the October census and 80% of the admission number for the relevant year of entry. Each place will be valued at the basic per pupil entitlement relevant to the year groups set out in the criteria
- identified year groups will be funded for a maximum of 2 years. Falling rolls funding allocated to the year group will not increase if the population of the year group decreases following the relevant October census period but the Council will reduce funding to the relevant level should pupil numbers increase in the October census of the 2nd year of funding

Example 4

To qualify, the eligible criteria would be as follows:

- support for schools judged as good or outstanding at their last Ofsted inspection (mandatory)
- surplus capacity exceeds 15% of the total PAN for the school
- local authority planning data shows a requirement for at least 15% of the total surplus places within the next year

Schools must meet all the criteria above, then funding would be provided based on the AWPU rate per vacant place required, up to a maximum of the number of further places vacant from the prior year's census.

Example 5

Schools that meet the following criteria will receive support from the falling rolls fund:

- good or outstanding
- numbers on roll are less than 80% of total planned admission number (PAN)
- numbers on roll are more than 5% lower in the October 2018 census than the October 2017 census
- school is in a planning area where the vacant places are required

These criteria have been set to ensure that funding supports good and outstanding schools with falling rolls in planning areas where places are needed and the local authority cannot support reductions in PAN and does not support schools that have

vacant places as they have increased their PAN for reasons other than addressing basic need.

Schools will receive protection for the fall in numbers above the 5% threshold. This will be paid at the current AWPU rate. For example, a school that experienced a drop of 6.5% will receive AWPU for 1.5% of its previous intake.