

GROWTH FUND

To: Peterborough Schools' Forum

Date: 21 January 2021

From:

1.0	INTRODUCTION																											
1.1	<p>For the pas decade, Peterborough has experienced significant growth in its school population. The table below (taken from official schools census statistics) shows the growth in secondary pupil numbers between Oct -19 and Oct -20 but a decline in primary numbers. This in line with demographic expectations.</p> <table border="1"><thead><tr><th rowspan="2">Year</th><th colspan="3">Primary</th><th colspan="3">Secondary</th></tr><tr><th>Number on Roll</th><th>Change</th><th>% Change</th><th>Number on Roll</th><th>Change</th><th>% Change</th></tr></thead><tbody><tr><td>Oct-19</td><td>21665</td><td></td><td></td><td>13391</td><td></td><td></td></tr><tr><td>Oct-20</td><td>21438</td><td>-226.5</td><td>-1%</td><td>13863</td><td>472.5</td><td>4%</td></tr></tbody></table>	Year	Primary			Secondary			Number on Roll	Change	% Change	Number on Roll	Change	% Change	Oct-19	21665			13391			Oct-20	21438	-226.5	-1%	13863	472.5	4%
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1.2	<p>Schools receive their delegated budget share based on the October 2020 census numbers. Where a school expands in October 2021 the funding for the additional pupils (through the funding formula) will not follow until April-22 for maintained schools and September 2022 for academies. Local authorities can support schools with growth arising from basic need through a growth fund. Local authorities operating a growth fund will need to agree a clear set of criteria and funding mechanism with its Schools Forum. National guidance is published on the operation of the growth fund.</p>																											
1.3	<p>This paper details growth funding proposals for 2021/22.</p>																											
2.0	2021-22 GROWTH FUNDING RECEIVED BY THE LA THROUGH THE DSG																											
2.1	<p>In 2019/20 the DFE introduced a formulaic approach for allocating growth funding to local authorities. Local authorities growth allocations are calculated using the steps below:</p> <p>The approach for allocating funding through the growth factor to LAs under the NFF for 2021-22 will be to base funding on growth in schools in the local authority area, as observed between the October 2019 and October 2020 school censuses. The DFE measure growth at the level of middle layer super output areas (MSOAs), to capture growth in small geographical areas within local authorities. The growth allocation for each LA will be based on an amount per new primary pupil and an amount per new secondary pupil, plus a lump sum amount for each brand-new school. For each LA we:</p> <ol style="list-style-type: none">Use school postcode information to identify which MSOA each school is located in;Count the primary and secondary pupils at schools within each MSOA in the October 2019 and October 2020 censuses;																											

- c. Still at MSOA level, subtract the October 2019 primary count from the October 2020 primary count, giving a primary growth count for each MSOA within the LA, then do the same for secondary. This will be a negative number for any MSOAs with a reduction in pupil numbers between the two censuses;
- d. For each phase, sum all positive MSOA growth for each MSOA in the LA to give LA-level primary and secondary growth;
- e. Identify any new school in the October 2020 census (new schools are those schools appearing on the October 2020 census for the first time, where no predecessor is found); and
- f. Calculate the total LA-level funding through the growth factor following the steps set out below.

Total LA-level funding through the growth factor Calculation step	Description
1) Total funding for primary growth	Total primary LA growth count x ACA x £1,455
2) Total funding for secondary growth	Total secondary LA growth count x ACA x £2,175
3) Total new schools funding	New schools count x ACA x £68,700
4) Total growth allocation	1) + 2) + 3)

LAs which received transitional protection to their 2020-21 growth funding will be eligible for protection in 2021-22. The maximum reduction in growth funding for these LAs will be set at -0.5% of an LA's total DSG schools block allocation in 2020-21.

2.2 **Appendix A – (at end of item)** shows the increase in pupil number at MSOA after removing negative changes.

2.3 The table below details the calculations for the estimated 2021/22 growth allocation to Peterborough. There has been a £258k reduction between 2020/21 and 2021/22.

	2020/21			2021/22			Change	% Change
	Units	Unit Value	Total	Units	Unit Value	Total		
Primary Growth	150.50	1,443.26	217,211	122.50	1,473.65	180,522	-36,689.26	-16.9%
Secondary Growth	686.00	2,157.30	1,479,906	602.00	2,202.87	1,326,131	-153,775.85	-10.4%
New School Allocation	1.00	67,871.00	67,859	0.00	67,000.00	0	-67,858.68	-100.0%
Schools Block Growth Sub-Total			1,764,976			1,506,652	-258,324	-14.6%

3.0 2020/21 GROWTH FUNDING

3.1 There is no proposed changes to the eligibility criteria for triggering growth in 2021/22. The criteria is detailed below:

Growth funding will be available to support additional revenue costs associated with significant growth between October 2020 and October 2021. Schools will receive growth funding where they meet the following criteria:

- There has been a structural change to the school where the increased PAN is working its way through the school. Or;
- There is a future planned structural change to the school. Or;
- The projected increase in pupil numbers exceed 5% of the roll.

	<p>And</p> <ul style="list-style-type: none"> In every case the growth is resulting from basic need and has been agreed by the local authority. 																																								
3.2	<p>Funding will be allocated by applying the increase in pupil numbers between October 2020 and October 2021 to Peterborough’s funding formula. The unit rates of funding will be reduced to 75% of those used in the funding formula to manage the cost of growth within the agreed resource available. Initial estimates will be provided when budgets are published but these will be revised in March 2021 for up to date admissions data. There will be no clawback of funding once allocations have been finalised in March 2021. This is to allow schools plan for the projected increase in pupil numbers.</p> <p>The table and steps below provides an example of the growth funding calculation.</p> <ul style="list-style-type: none"> Step 1: deduct the Oct-20 census numbers from the agreed estimated Oct-21 census numbers to arrive at the growth in pupil numbers. Step 2: (B) Apply the pupil characteristics (A) used in the 2021/212 funding formula to the growth in pupil numbers to arrive at the total number of pupils allocated to each factor. Example: FSM pupils = Growth in pupils (30) x FSM % (9%) = 3 pupils funded for FSM. Step 3: (D) Multiply the unit values used in Peterborough’s funding formula by 0.75 ((C) x 0.75) to arrive at the growth unit values. Step 4: (E) Multiply the growth unit values by the number of pupils (B x D) to arrive at a full academic years growth funding. Step 5: (F) Multiply the full academic years growth funding by 7/12th to arrive at the growth funding for the financial year 2021/22 (September 2021 to March 2022) if you are a maintained school. 																																								
3.3	<p>The following schools have been identified for growth funding arising from a structural change or increased numbers arising from basic need. The numbers are currently under review.</p> <table border="1" data-bbox="245 1406 1565 1798"> <thead> <tr> <th></th> <th>Change between Oct-21 and Oct-20</th> <th>Growth in 2021-22</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Hampton Gardens Secondary School</td> <td>26%</td> <td>FF</td> <td>New school. Funded as adjustment in Formula</td> </tr> <tr> <td>Hampton Lakes Primary School</td> <td>50%</td> <td>FF - Y?</td> <td>New school. Funded as adjustment in Formula - Bulge year?</td> </tr> <tr> <td>Jack Hunt School</td> <td>2%</td> <td>Y</td> <td>Structural change working its way through the school.</td> </tr> <tr> <td>Nene Park Academy</td> <td>5%</td> <td>Y</td> <td>Structural change working its way through the school.</td> </tr> <tr> <td>Oakdale Primary School</td> <td>11%</td> <td>Y</td> <td>Structural change working its way through the school.</td> </tr> <tr> <td>Ormiston Bushfield Academy</td> <td>7%</td> <td>Y</td> <td>Structural change working its way through the school.</td> </tr> <tr> <td>Queen Katharine Academy</td> <td>14%</td> <td>Y</td> <td>Hits growth trigger, basic need primary numbers feeding through to secondary.</td> </tr> <tr> <td>Thomas Deacon Academy</td> <td>2%</td> <td>Y</td> <td>Additional Form of entry</td> </tr> <tr> <td>Woodston Primary School</td> <td>6%</td> <td>Y</td> <td>Structural change working its way through the school.</td> </tr> </tbody> </table>		Change between Oct-21 and Oct-20	Growth in 2021-22	Notes	Hampton Gardens Secondary School	26%	FF	New school. Funded as adjustment in Formula	Hampton Lakes Primary School	50%	FF - Y?	New school. Funded as adjustment in Formula - Bulge year?	Jack Hunt School	2%	Y	Structural change working its way through the school.	Nene Park Academy	5%	Y	Structural change working its way through the school.	Oakdale Primary School	11%	Y	Structural change working its way through the school.	Ormiston Bushfield Academy	7%	Y	Structural change working its way through the school.	Queen Katharine Academy	14%	Y	Hits growth trigger, basic need primary numbers feeding through to secondary.	Thomas Deacon Academy	2%	Y	Additional Form of entry	Woodston Primary School	6%	Y	Structural change working its way through the school.
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3.4	<p>The detailed estimated 2021/22 growth calculations are included in Appendix B (excel spreadsheet).</p>																																								
4.0	NEW SCHOOLS																																								
4.1	<p>No changes are proposed to the Pre-opening Funding and Dis-economies Funding for new schools which are detailed in sections 4.2 and 4.3.</p>																																								

4.2	<p>Pre-opening Funding</p> <p>The pre-opening funding is intended to cover all revenue costs up to the opening of the school. Capital costs to secure and develop the school’s site, and ICT to support the curriculum, are funded separately. Books and other curriculum materials required on opening may be purchased before opening, using an advance of the post-opening diseconomies funding.</p> <p>The pre-opening funding is to cover:</p> <ul style="list-style-type: none"> • project management (support to coordinate all work leading to the development of the school); • staff recruitment (including the principal); • salary costs (which often include the principal, finance/business manager and administrative support in advance of opening); • pre-opening office costs; • administration of admissions (including applications and appeals); <p>Primary Schools - funding is calculated on the basis of 1 term prior to the date of opening. Secondary Schools - funding is calculated on the basis of 2 terms prior to the date of opening</p> <p>In all instances the funding can be accessed earlier, but the total amount to be received remains as detailed below. Primary schools: £50,000. Secondary Schools £150,000.</p>
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4.3	<p>Dis-economies Funding</p> <p>Dis-economies funding is allocated to new schools to allow the school to put in place the required management structures and to meet the resourcing costs of new year groups.</p> <p>An amount will be paid annually for resources as the school builds up to capacity –</p> <ul style="list-style-type: none"> • £125 for each new mainstream place created in the primary phase (years R to 6) • £500 for each new mainstream place created in the secondary phase (years 7 to 13) <p>An amount will be paid annually based on the number of year-groups that the school will ultimately have that do not yet have pupils. The amount paid to mainstream schools, with pupils aged 5 – 15, each year will depend on how many year-groups (cohorts) are empty as set out in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 10%;">Empty Cohorts</th> <th style="width: 10%;">6</th> <th style="width: 10%;">5</th> <th style="width: 10%;">4</th> <th style="width: 10%;">3</th> <th style="width: 10%;">2</th> <th style="width: 10%;">1</th> <th style="width: 10%;">Total</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>£40,250</td> <td>£33,750</td> <td>£27,000</td> <td>£20,250</td> <td>£13,500</td> <td>£6,250</td> <td>£141,500</td> </tr> <tr> <td>Secondary</td> <td></td> <td></td> <td>£125,000</td> <td>£93,500</td> <td>£62,500</td> <td>£31,000</td> <td>£312,000</td> </tr> </tbody> </table>	Empty Cohorts	6	5	4	3	2	1	Total	Primary	£40,250	£33,750	£27,000	£20,250	£13,500	£6,250	£141,500	Secondary			£125,000	£93,500	£62,500	£31,000	£312,000
Empty Cohorts	6	5	4	3	2	1	Total																		
Primary	£40,250	£33,750	£27,000	£20,250	£13,500	£6,250	£141,500																		
Secondary			£125,000	£93,500	£62,500	£31,000	£312,000																		

5	Funding for falling rolls
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5.1	<p>Local authorities 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.</p>
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	<p>The schools forum should agree both the value of the fund and the criteria for allocation, and the local authority should consult schools forum before expenditure is incurred. As with the growth fund, the falling rolls fund is within the NFF schools block.</p>
<p>5.2</p>	<p>Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:</p> <ul style="list-style-type: none"> • 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 <p>Local authorities, working closely with other responsible bodies, will want to manage the local school estate efficiently and reduce or find alternative uses for high levels of spare capacity, in order to avoid detriment to the educational offer or financial position of schools in the area. Falling rolls funding should only be used to support schools where the places are forecast to be needed over the short-medium term.</p> <p>Methodologies for distributing funding could include:</p> <ul style="list-style-type: none"> • a rate per vacant place, up to a specified maximum 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) <p>Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget.</p>
<p>5.3</p>	<p>The LA has received a communication from a school which is considering reducing PAN and asking if the LA can offer some funding to support, however the school do not fall within the DFE criteria.</p>

Appendix A

Aggregation of primary and secondary growth by middle super output area (MSOA)

LA Number	LA Name	MSOA	October 2019 primary pupils [A]	October 2019 secondary pupils [B]	October 2020 primary pupils [C]	October 2020 secondary pupils [D]	Primary growth [E] = [C] - [A]	Secondary growth [F] = [D] - [B]	Primary eligible growth [G] = [E] if positive, else zero	Secondary eligible growth [H] = [F] if positive, else zero
874	Peterborough	Peterborough 001	400.0	1,307.0	390.0	1,309.0	-10.0	2.0	0.0	2.0
874	Peterborough	Peterborough 002	829.0	968.0	816.5	1,006.0	-12.5	38.0	0.0	38.0
874	Peterborough	Peterborough 003	411.0	0.0	418.0	0.0	7.0	0.0	7.0	0.0
874	Peterborough	Peterborough 004	625.0	0.0	630.5	0.0	5.5	0.0	5.5	0.0
874	Peterborough	Peterborough 005	635.0	0.0	635.0	0.0	0.0	0.0	0.0	0.0
874	Peterborough	Peterborough 006	1,000.0	815.0	980.0	960.0	-20.0	145.0	0.0	145.0
874	Peterborough	Peterborough 007	1,302.5	0.0	1,253.0	0.0	-49.5	0.0	0.0	0.0
874	Peterborough	Peterborough 008	641.0	0.0	635.0	0.0	-6.0	0.0	0.0	0.0
874	Peterborough	Peterborough 009	397.0	0.0	378.0	0.0	-19.0	0.0	0.0	0.0
874	Peterborough	Peterborough 010	1,819.0	0.0	1,812.5	0.0	-6.5	0.0	0.0	0.0
874	Peterborough	Peterborough 011	1,322.5	0.0	1,254.0	0.0	-68.5	0.0	0.0	0.0
874	Peterborough	Peterborough 012	1,042.0	1,779.0	1,037.0	1,880.5	-5.0	101.5	0.0	101.5
874	Peterborough	Peterborough 013	1,817.0	1,453.0	1,784.0	1,459.0	-33.0	6.0	0.0	6.0
874	Peterborough	Peterborough 014	684.0	811.0	660.5	780.0	-23.5	-31.0	0.0	0.0
874	Peterborough	Peterborough 015	936.0	1,540.5	928.5	1,561.0	-7.5	20.5	0.0	20.5
874	Peterborough	Peterborough 016	1,628.0	0.0	1,669.0	0.0	41.0	0.0	41.0	0.0
874	Peterborough	Peterborough 017	626.0	0.0	623.0	0.0	-3.0	0.0	0.0	0.0
874	Peterborough	Peterborough 018	772.0	0.0	779.0	0.0	7.0	0.0	7.0	0.0
874	Peterborough	Peterborough 019	1,465.0	1,259.0	1,507.0	1,160.5	42.0	-98.5	42.0	0.0
874	Peterborough	Peterborough 021	1,240.0	823.0	1,173.0	880.0	-67.0	57.0	0.0	57.0
874	Peterborough	Peterborough 022	438.0	1,048.0	458.0	1,070.0	20.0	22.0	20.0	22.0
874	Peterborough	Peterborough 023	1,634.5	1,587.0	1,616.5	1,797.0	-18.0	210.0	0.0	210.0
	Totals								122.5	602.0