

DERBYSHIRE COUNTY COUNCIL**SCHOOL FORUM****21 March 2013****Report of the Strategic Director for
Children and Younger Adults****Criteria for the Allocation of the Pupil Growth Fund****1. Purpose of the Report**

To ask Schools Forum to agree the criteria for allocating additional funding to schools from the 'Pupil Growth Fund'.

2.1 Background

Under the School Funding Reforms, authorities are allowed to hold centrally a 'Pupil Growth Fund'. The DfE defined purpose for this fund is to support schools with complying with the KS1 Class Size regulations and/or to provide additional funding for schools with a significant increase in pupil numbers. The Authority has agreed to hold the 2012-13 KS1 Class Size funding (£2.310m) in a Pupil Growth Fund for 2013-14.

2.2 KS1 Class Size Allocations

Under previous funding regulations, the majority of this funding was allocated to schools on a formulaic basis using a single January census point. As the financial year stretches across 2 different academic years, the number of KS1 classes required at some schools inevitably increased with effect from the September. To overcome this issue, schools have previously been able to claim additional KS1 funding on a pro rata basis; either 7/12th from September or 3/12th from January, depending on when the additional class was required. If the number of KS1 Classes required fell in September, school budgets were not re-determined i.e. schools retained the funding.

Whilst the majority of the KS1 funding was allocated on a formulaic basis at the beginning of the financial year, schools with an in-year claim had to satisfy more criteria to receive any funding. In line with DfE regulations these in-year claims had to be based on real additional costs to the school, not just a formula. The claims took account of the school's balances and required the school to fund the equivalent to the first 2% of its overall school budget. Cabinet Member approval to allocate the funding was also required.

Under the 2013-14 changes, it will now be possible to deal with any differences in class numbers between the two academic years on a more formulaic basis. The following process has been submitted to the DfE in support of the Schools Block Pro-forma and now needs Schools Forum approval.

2.2.1 5/12th Period April to August 2013

The Authority will apply its 2012-13 KS1 Class Size formula as described in Appendix 1; except for a change to the census point. This should ensure continuity for schools in terms of staffing and class numbers for the remainder of the academic year and hopefully avoid any mid-year class reorganisations. The 2012-13 multipliers will be applied without any increase or reduction.

The application of the existing formula for the 5/12th period April to August 2013 will account for £1.055m leaving £1.255m available for the remaining 7/12th period of 2013-14.

2.2.2 7/12th Period September 2013 to March 2014

The School Funding Reform changes for 2013-14 have resulted in significant changes to Derbyshire's Primary schools formula and, as a result, two of the three KS1 Class Size Formula Refinements as described in Appendix 1 are no longer as clear cut:

- **Small School Adjustment – Heads Teaching Commitments:** there are no longer specific formula factors to ensure minimum staffing levels in very small schools. It is therefore difficult to make the previous assumptions about the ability/expectation that head teachers in small schools have at least a part time teaching role.
- **Social Deprivation Funding:** the primary Deprivation multiplier has increased significantly to £1,469.13 and application as per the existing formula would remove a significantly higher proportion of the Phantom Pupil funding.
- In addition, the rules around admitting a 31st pupil to a KS1 Class have recently changed (e.g. admission on appeal) and Derbyshire's formula was never designed to take account of this.

It is therefore proposed that the following model is adopted:

- The **Small School Adjustment – Heads Teaching Commitments** and **Social Deprivation Funding** Formula Refinements are removed and the Phantom Pupil multiplier reduced accordingly; to do otherwise would result in a call on the Pupil Growth Fund greater than the available funding.
- The actual Phantom Pupil multiplier will be determined by the available funding after payment of the allocations for the 5/12th Period April to August 2013 as described in Appendix 1 and the calculated number of Phantom Pupils for this period.

The number of Phantom Pupils required will:

- Use the pupil numbers from the October 2013 census to determine the number of KS1 classes required, i.e. multiples of 30 KS1 pupils.
- Verify the actual number of KS1 classes that each school is operating and investigate variances between the calculated number as per the KS1 Class Size formula and the numbers reported by the schools. It is expected that this exercise will eliminate funding for schools where the 31st pupil in a class is an 'Excepted Pupil' (e.g. admitted on appeal) and therefore no funding is required to run an additional KS1 class.
- Take account of the **Small School Adjustment – Mixed Key Stages** formula refinement as described in Appendix 1.
- Be referenced to the actual number of pupils funded in that particular financial year (i.e. the October census prior to the financial year in question). This means that in some cases:
 - No Phantom Pupil funding will be required as the pupil numbers have decreased and the school has sufficient AWPU funding for 'real' pupils
 - Phantom Pupils in excess of 30 will be required as the pupil numbers have increased sufficiently to require an additional class.
 - Some examples of the possible outcomes are shown in Appendix 2.

Finally, it is a DfE requirement that, if the Authority decides to hold a 'Pupil Growth Fund', then academies must be able to access the funding on an equal footing. Exactly the same formula will therefore apply to both schools and academies.

The proposed arrangements are designed to keep costs within the funding allocated (£2.3m). Any over/underspend will, in effect, have to be deducted from/added to the 2014-15 DSG.

2.2.3 2014-15 and Beyond

The intention is to review the outcome of the methodology for funding the 7/12th period and, if possible, apply this new methodology to both the 5/12th and 7/12th periods in 2014-15; i.e. taking account of the different academic years.

For 2013-14, KS1 Class Size allocations will not take into account the school's ability to self-fund any additional costs, for example from balances, and this is also something which the Authority may wish to review for 2014-15.

2.3 Significant Increases in Pupil Numbers

The approved 'Pupil Growth Fund' only holds the funding for the KS1 Class Size issue. It is proposed that any claims for significant increases in pupil numbers are dealt with via the re-pooled Schools Block Contingency which is the subject of a separate Schools Forum paper

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: - prevention of crime and disorder, equality of opportunity; environmental, financial, health, legal and human rights, personnel and property considerations.

4. Background Papers

Supporting papers held in CAYA Finance Section.

5. Strategic Director's Recommendations

That the Schools Forum:

- i. Approves the methodology for allocating the 2013-14 Pupil Growth Fund for KS1 Class Size purposes; and
- ii. Notes that the arrangements for the 7/12th period will be reviewed later in the year and a paper on the proposed arrangements for 2014-15 presented to Schools Forum in due course.

KS1 Class Size Funding: 5/12th Period April to August 2013

The following is an **Extract** from the 2012-13 S251 Formula Narrative. Text in *italics* has been added for clarification:

2.2. Key Stage 1 Alternative Funding (not by AWPU):

2.2.1 Formula Details: For determining any Key Stage 1 (KS1) class size protection, the KS1 pupil numbers gained as per section 1 above (*) are used. This element of the count is then modified, as appropriate, by the addition of any 'phantom' pupils.

() The 5/12th 2013-14 calculations will use October 2012 data, i.e. the figures that the schools have actually been funded on, rather than January 2013 as would previously have been the case*

In order to ensure that KS1 classes are limited to no more than 30 pupils, a top up is provided if the number of KS1 pupils is not an exact multiple of 30. The number of pupils remaining after the last multiple of 30 is then increased to 30 by adding the relevant number of phantom pupils. The phantom pupils will effectively bring in additional resources to allow an extra KS1 class to operate.

The multiplier used for funding any phantom pupils is less than that used for AWPU funding (*N.B. 2012-13 Phantom Pupil multiplier = £1,268.58*)

2.2.2 Formula Refinements: Three refinements are incorporated into the KS1 class size calculation:

Small School Adjustment – Mixed Key Stages: For primary schools with 90 or fewer pupils (in total) any KS1 pupils over the last multiple of 30 are added to KS2 classes. Provided the majority of pupils in the mixed classes are KS2 pupils, the 30 pupils limit would not apply. Beyond 90 pupils, no mixing of KS1/2 pupils is assumed.

Small School Adjustment – Heads' teaching commitments: A further adjustment reflects the fact that Headteachers of small schools have a teaching commitment. A sliding scale is applied to abate the KS1 top up for those schools, notionally, with fewer than 5 classes in the whole school. That scale is as follows:

No. of Classes	Abatement
1 or 2 classes	60%
3 classes	40%
4 classes	20%
5 classes or more	Nil

Social Deprivation Funding: The KS1 class size funding is reduced by 25% of the calculated KS1 social deprivation funding (but by no more than the amount of KS1 class size funding). (N.B. 2012-13 Deprivation multiplier = £1,026.08)

The resulting funding will be multiplied by 5/12th to reflect the April to August 2013 period. Exactly the same formula will apply to both schools and academies although academies will receive the funding via the Education Funding Agency for this interim period.

APPENDIX 2

KS1 CLASS SIZE FUNDING: 2013-14			
SCHOOL (A) FUNDED FOR 92 KS1 PUPILS (per October 2012 Census)		SCHOOL (B) FUNDED FOR 88 KS1 PUPILS (per October 2012 Census)	
(1) 5/12th PERIOD APRIL - AUGUST 2013		(1) 5/12th PERIOD APRIL - AUGUST 2013	
~ Starting point = 28 phantoms (i.e. to next multiple of 30)		~ Starting point = 2 phantoms (i.e. to next multiple of 30)	
~ 2012-13 KS1 Class Size formula applied as per Appendix 1 (pro rata for 5/12th)		~ 2012-13 KS1 Class Size formula applied as per Appendix 1 (pro rata for 5/12th)	
(2) 7/12th PERIOD SEPTEMBER 2013 - MARCH 2014		(2) 7/12th PERIOD SEPTEMBER 2013 - MARCH 2014	
~ Starting point is STILL 92 pupils This is how many pupils the school has actually been funded for in 2013-14		~ Starting point is STILL 88 pupils This is how many pupils the school has actually been funded for in 2013-14	
~ Calculate the number of KS1 classes for the AY 2013/14 Using October 2013 data Applying the small school (mixed classes) criteria in the existing KS1 Class Size formula		~ Calculate the number of KS1 classes for the AY 2013/14 Using October 2013 data Applying the small school (mixed classes) criteria in the existing KS1 Class Size formula	
~ Cross check to calculated No. of KS1 classes and investigate variances, e.g. Only running 3 classes: Pupils admitted on appeal, twins, SEN stmts, etc? Running 5 classes: School choice - will only fund to 4 classes		~ Cross check to calculated No. of KS1 classes and investigate variances, e.g. Running 4 classes: Additional reception pupils to be admitted in January 2014 (i.e. Planned class, need to increase phantoms by 30)	
~ Examples (N.B. Pupil Numbers @ October 2013 Census):		~ Examples (N.B. Pupil Numbers @ October 2013 Census):	
85 KS1 (3 classes)	No phantoms (already funded for 92 real pupils)	85 KS1	2 phantoms (already funded for 88 real pupils)
88 KS1 (3 classes)	No phantoms (already funded for 92 real pupils)	88 KS1	2 phantoms (already funded for 88 real pupils)
92 KS1 (4 classes)	28 phantoms (already funded for 92 real pupils)	92 KS1	32 phantoms (already funded for 88 real pupils)
95 KS1 (4 classes)	28 phantoms (already funded for 92 real pupils)	95 KS1	32 phantoms (already funded for 88 real pupils)
122 KS1 (5 classes)	58 phantoms (need to make up to 150 pupils)	122 KS1	62 phantoms (need to make up to 150 pupils)