

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 24 September 2015**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **REVIEW OF BULGE CLASS/EXPANSION FUNDING**

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Chief Officer: Assistant Director: Education (ECHS)

Ward: all

1. Reason for report

1.1 This report outlines the discussions and findings of the Sub Group set up by the Schools Forum to review bulge class/expansion funding.

2. **RECOMMENDATION(S)**

2.1 The Schools Forum is asked to discuss the findings of the Sub Group and to agree the basis for a full consultation with all schools.

3. COMMENTARY

3.1 At the meeting in June the Schools Forum agreed to establish a Sub Group to look at bulge class/expansion funding for all schools. The Sub group (SG) was established to include the following:

- Mandy Russell, Head of Schools Finance Team
- Robert Bollen, Head of Strategic Place Planning
- Andrew Downes (Coopers School)
- Karen Raven (Chislehurst School)
- Patrick Foley (Southborough Primary)
- David Dilling (Biggin Hill/Charles Darwin)
- Alison Regester

3.2 The Sub Group has met on three separate occasions – at the first meeting the Group agreed the following Terms of Reference

- To review funding for expanding schools and bulge classes, taking particular account of the impact of infant class size legislation
- To discuss the protocol for where expansion/bulge occurs
- To discuss whether there is a need for additional funding
- If yes, to propose an appropriate funding methodology
- To discuss the amount of funding to be top sliced for this purpose and the impact on other schools.

3.3 As part of their early discussions the group felt it was important to understand and agree the difference between a bulge class and a permanent expansion. The following definitions are proposed:

- A bulge class - a school that is taking a one-off additional class/form of entry, in agreement with the LA, to address pressure for places for additional pupils that does not form part of the LA's planning process
- Expansion - a school that is taking in an additional class/form of entry, in agreement with the LA, on a year by year basis until they reach full capacity

Based on the current LA procedures a school is deemed to have become an expanding school after it has taken two consecutive years of bulge classes.

3.4 The Group felt it was important to establish how the process for identifying schools to expand would work. Whilst this is not strictly within the remit of the Schools Forum to agree this, School representatives felt it was important to request that this would be done on an open and transparent basis to enable schools to contribute to this process and to add value to the eventual outcomes.

3.5 Part of the initial work of the group was to establish the pattern of expenditure for future years. Based on the LA planning data, appendix 1 shows the estimates though to 2021/22. The pattern is easier to estimate for the primary sector as most of the growth has been accommodated by agreed expansion plans which are already in place and just need to move through to completion. The secondary sector is harder to predict. The LA has estimated the number of additional forms of entry that will be needed in future years. It is assumed that the need will be met in the long term by the establishment of two new free schools which are planned to open in September 2016 however this may actually result in a surplus number of places in the first couple of years.

3.6 The overall amount of funding top sliced for this purpose is current £1.5m with estimated expenditure of around £2m this year. This was originally £1m with an extra £500k agreed for two years only. Based on the LA estimates there may be further pressure on this budget reaching a peak in 2019/20.

3.7 The Group had a number of lengthy discussions as to whether there is a need to provide additional funding for bulge class/expansions. It was agreed that there is a real cost to schools as these pupils are admitted in September, but are not included in the school's funding formula until the following April for maintained schools or the following September for academies. This can cause pressure for schools as they will have additional expenditure relating to cost of staff and resources. This is a particular issue for primary/infant schools which are impacted by Infant Class Size legislation which basically requires schools to have one teacher for every 30 pupils. There are some situations where class size legislation does not apply – appendix 2 provides details of “excepted pupils” which sit outside of this requirement.

3.8 The Group reviewed the current funding methodology which uses all the pupil led elements of the funding formula to calculate the funding. It was agreed that this methodology would continue moving forwards on the basis that it is fair that all pupils should attract the same level of funding. Details of the funding methodology attached at appendix 3. It should be noted that all costs are based on a 7 month period (September to March) – for maintained schools funding from April would be included in the School Budget Share and for academies the April – August costs are paid by the LA but recouped from the DfE.

3.9 However, under the current methodology schools are funded for 30 additional pupils regardless of the actual number in the class/group. It was initially proposed that this will be revised based on the actual number of pupils as at the October census date on the following basis:

- Between 21 and 30 pupils – additional funding based on actual number of pupils on roll

Example : 25 pupils on roll in a primary school (using the methodology at app 2)

AWPU	$25 \times \text{£}3,017 \times 7/12\text{ths} = \text{£}43,998$
Attainment	$2.5 \times \text{£}1,858 \times 7/12\text{ths} = \text{£}2,709$
Deprivation	$3.75 \times \text{£}1,500 \times 7/12\text{ths} = \text{£}3,281$
EAL	$0.75 \times \text{£}1,000 \times 7/12\text{ths} = \text{£}437$
Total	£50,425

- Between 11 and 20 pupils – additional funding based on actual number of pupils plus 50% for 21 minus actual number

Example : 15 pupils on roll in a primary school

AWPU $15 \times \text{£}3,017 \times 7/12\text{ths} = \text{£}26,398$

Attainment $1.5 \times \text{£}1,858 \times 7/12\text{ths} = \text{£}1625$

Deprivation $2.25 \times \text{£}1,500 \times 7/12\text{ths} = \text{£}1,968$

EAL $0.45 \times \text{£}1,000 \times 7/12\text{ths} = \text{£}262$

Total $\text{£}30,253$ (a)

Plus

AWPU $(21-15) = 6 \times \text{£}3,017 / 2 \times 7/12\text{ths} = \text{£}5,279$

Attainment $0.6 \times \text{£}1858 / 2 \times 7/12\text{ths} = \text{£}650$

Deprivation $0.9 \times \text{£}1,500 / 2 \times 7/12\text{ths} = \text{£}394$

EAL $0.2 \times \text{£}1,129 / 2 \times 7/12\text{ths} = \text{£}65$

$\text{£}6,388$ (b)

Total (a) plus (b) $\text{£}36,641$

- Between 1 and 10 pupils – additional funding of £35,000 based on the cost of an additional teacher on the basis that the school would not necessary need to open up an additional class for this number of pupils.

3.10 However, this modelling produced some anomalous results which showed a very low differential between the funding for 11- 20 pupils and fewer than 10 pupils, with the risk that a school with 11 or 12 pupils could attract less funding than a school with only 8 or 9 pupils. An alternative suggestion would be to look at the pupils numbers in bandings as detailed below.

- 21 - 30 pupils

AWPU $30 \times \text{£}3,017 \times 7/12\text{ths} = \text{£}52,797$

Attainment $3 \times \text{£}1,858 \times 7/12\text{ths} = \text{£}3,251$

$4.5 \times \text{£}1,500 \times 7/12\text{ths} = \text{£}3,937$

EAL $0.9 \times \text{£}1,000 \times 7/12\text{ths} = \text{£}525$

Total $\text{£}60,510$

- 11 - 20 pupils

AWPU	$20 \times \text{£}3,017 \times 7/12\text{ths} = \text{£}35,198$
Attainment	$2 \times \text{£}1,858 \times 7/12\text{ths} = \text{£}2,167$
	$3 \times \text{£}1,500 \times 7/12\text{ths} = \text{£}2,625$
EAL	$0.6 \times \text{£}1,000 \times 7/12\text{ths} = \text{£}350$
Total	$\text{£}40,340$

- < 10 pupils £35000 based on cost of additional teacher only

3.11 It is proposed that the funding would be based on the number of pupils as at the October census date, in line with the DfE methodology for funding schools – no adjustment would be made for pupils joining or leaving the class in year.

3.12 This would result in some savings to the estimated expenditure where bulge classes/planned expansions do not achieve the full number of pupils, however this situation does not arise frequently as most schools achieve the expected numbers.

3.13 The Schools Forum is asked to discuss these options and to agree a basis for a full consultation process with all schools