Background

At its meeting on 8 December 2016, Schools Forum resolved to reduce Growth funding for schools that are expanding in the Borough. Given the severe pressures on DSG and given that this was the option considered the ‘least worst’ based on the consultation responses received in November/December to DSG savings options, the Schools Forum agreed to put growth funding down from £80k to £51k for the first year of expansion and to zero for subsequent years unless there were more than 15 vacancies in a year group. If there was, there would be funding of £27k in the second year and then zero in the third year.

This proposal replaced the LA proposal to phase in the changes for those schools that are expanding (e.g. by taking the reduction from £80k to £51k and the taper but by assuming all school would be in year 1 in 2017/18).

Whilst this decision rests with Schools Forum, the Local Authority received a number of representations on the financial difficulties that this will present and the lack of time that there would be to make the necessary adjustments for those schools that are most significantly affected. Representations were made to officers from the following schools (appended to this report):

- Bandon Hill Primary School - Appendix 5e (i)
- Greenshaw High Schools - Appendix 5 e (ii)
- Westbourne Primary School - Appendix 5 e (iii)

With the agreement of the Chair, officers considered an alternative option that would potentially respond to the concerns raised by the above schools and discussed it with the Formula Review Group on 25 January 2017. Below is a summary of the proposal that was recommended by officers:

- Reduction from £80k to £51k remains
- That full funding would be provided in Year 1 and half in Year 2
- That the funding is not retrospective (first year is defined as first year of expansion) unless a school has expanded by more than 1FE in which case the first year would be considered to be 2017/18 to reflect the disproportionate impact on those schools.
That first year of expansion is defined as the date in which the school increases its PAN according to the prescribed alteration (e.g. any additional classes prior to this would be treated as bulge classes and funded at 51k).

This matter was discussed at length in the context of the other budget reductions that were being considered. Whilst the Formula Review Group was sympathetic to the position as stated by the schools that made representations, it was noted that the proposal above would reduce the saving from Schools Forum’s original growth funding proposals from £1.22m to £923k in 2017/18 - a total of £297k. Given the pressures and risks on the DSG budget, the only other way that could be found to cover this gap would be to increase the basic entitlement cut further than the 0.5% already proposed which was not considered viable.

It was agreed by the Formula Review Group that they were not in a position to recommend any changes to growth funding for the reasons set out above. As a result, the existing decision made by Schools Forum on 8 December 2016 remains in place unless Schools Forum choose to amend the decision in considering this paper and the representations made by schools.