**6.0**

**School Forum**

**16th January 2018**

**Growth Funding Update**

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| **Lead Officer** | **Richard Morgan** |
| **Contact details** | **Richard\_morgan@bathnes.gov.uk** **Tel 01225 395220** |
| **Forum asked to decide / steer / be informed** | **Forum to be informed of the allocations planned under the budget** |
| **Time Needed** | **15 minutes** |

The Growth budget of the schools block of funding supports those schools that are opening or are expanding at the request of the Local Authority.

The growth funding process was agreed by schools forum in December 2014 and attached as appendix A and B are the 2 parts of the growth fund.

For 2018-19 the planned use of the growth fund will result in an overspend of the budget that is centrally held for this purpose. The budget held is £499,582 however the forecast spend on the policy is anticipated to cost £547,527

The table below shows the breakdown of spend under the various categories

|  |  |
| --- | --- |
| **Growth fund Category** | **Forecast Spend 2018-19** |
| Primary LA Planned Growth in PAN - Lump Sum element Year 1 | £117,480 |
| Primary LA Planned Growth in PAN - ICS ghost funding Sums Year 2 and 3 | £150,000 est |
| Pre-Opening Start Up Grant | £132,068 |
| Post Opening and diseconomies of scale | £147,979 |
|  |  |
| **Total** | **£547,527** |

The pre-opening grant will be allocated to the planned 2 primary schools anticipated to open in Sept 2019

The post opening grants will be paid to the 2 schools that opened in September 2017 and the 1 school planned to open in 2018.

The estimated overspend is therefore £47,945

The current School Funding Regulations provide that growth funding is allocated to the LA by the DFE as part of the school block funding but is calculated by allocating the prior year spend as a budget allocation in the following financial year. This means that the funding for growth is lagged and based on the prior year spend. It can therefore be expected that the 2019-20 financial year allocation to the LA for growth would be £547,527 if the forecast is accurate.

The funding for the following year would then depend on the spend on growth in 2019-20 which is anticipated to increase due to the expected opening of new primary schools in September 2019.

The lagged funding approach will ensure over time that the resources allocated to schools will be reimbursed by the DFE.

The DFE are however researching methodologies to allocate funds to the LA’s for growth under a national mechanism and this process may overtake the lagged approach.