

This report is to note.

TITLE	Growth Fund Update
FOR CONSIDERATION BY	Schools Forum on 10 July 2019
WARD	(All Wards);
LEAD OFFICER	Deputy Chief Executive - Graham Ebers, Director of Children's Services - Carol Cammiss

OUTCOME / BENEFITS TO THE COMMUNITY

That there will be sufficient school places for Wokingham resident children.

RECOMMENDATION

That Forum notes that the Growth Fund position is effectively unchanged from the last report on 12th December 2019, namely a projected underspend of £270.

SUMMARY OF REPORT

The planned programme of spend and contingency budget can both be funded from within the allocated £800,000.

Background

As noted in earlier reports, the growth fund exists to fund or part-fund the planned expansion of the number of school places in response to rising demand (known as Basic Need). New Academies receive diseconomy and class start-up funding from the Growth Fund. Funding of places is normally made through the formulaic arrangements, but using estimated rather than historic actual rolls. For other schools, for a new class in a normal year of entry, the Growth Fund is for planned additional places up until the point where formulaic lagged funding is available to a school. Where a new mid-phase class is agreed the current arrangement is that funding is provided for the gap between 95% of the planned additional capacity and the actual roll on the October census day, for the financial year after the opening of the school.

The growth fund estimates (Appendix A) includes allowances for planned spend in the period 2019/20. This includes for the expansion of six maintained primary schools, for three established primary Academy / Free Schools and one Free Secondary School and pre-opening grant payments for three new primary schools.

Analysis of Issues

2018/90 underspend

The 2018/9 underspend (£149K) has been returned to DSG central reserves in 2019/20. The budget was held to enable additional bulge classes to open, in view of the very limited number of surplus places in primary schools for Year 2 and upwards. The number of places required in year is dependent on the number of families moving to the area, and consequently cannot be reliably predicted when budgets are set. Additional Year 2 capacity was agreed at Highwood Primary School late in the financial year.

Long-term support for ten growing schools continues, in line with agreed funding arrangements. This is the final year of planned support for two of these schools (Colleton and Windmill Primary schools). Rates have increased though, in line with the change in AWPU to £2,921.81 per child.

Three planned new schools were reported in December 2018.

- It was reported in December 2018 that the Shinfield West Primary School was expected to open in 2019. Due to low applicant numbers the opening was deferred until 2020. This has reduced the planned spend in 2019/20, due to reduced diseconomy, new class opening and pre-opening grant spend. The rapid pace of housebuilding in the Shinfield area and the appointment of the Keys Trust (subject to final Funding Agreement sign-off) as the Trust responsible for the school (to be known as Alder Grove Primary) jointly support the view that the new school will be necessary and viable in 2020.
- It was also reported that new primary schools in the North Wokingham (Matthews Green) and Arborfield Strategic Development Locations (SDLs) were planned to open in 2020. The contractor (Dawnus) building both these schools went into administration earlier this year and work has stopped on these sites. For Growth Fund purposes it is presumed that new contracts will be let, so initial pre-opening grant payments will be required. It is likely though that the contracts will be re-let with completion dates in 2021, rather than 2020, in which case pre-opening

spend will slip to the 2020/21 financial year.

Additional **mid-phase capacity** has been agreed at Highwood and Beechwood Primary Schools, helping alleviate a shortage of places in schools across the borough.

- Highwood Primary School opened a new Year 2 class earlier this year, in response to an acute shortage of Year 2 places.
- Beechwood Primary has also accelerated their expansion and 15 additional Year 4 places are now available (therefore this will also be the last year growth support is required for Beechwood Primary School).

These changes were necessary to ensure that there are sufficient primary school places. The Highwood Year 2 class was required to ensure there are sufficient Year 2 places to meet needs resulting from families moving into the borough. The Beechwood payment supports the school to provide additional Year 4 places now, ensuring that likely future growth needs are met. It does not lead to additional spend over the period of the school's growth, supporting the planned growth of the school.

It may be necessary to open further new classes during the course of the year, as Year groups continue to grow,

The growth fund "bulge classes" contingency budget takes account of both the limited resources in the growth fund and the potential need for additional capacity to meet need across the Wokingham area. Wokingham's birth count dropped in 2012 and as a consequence (despite very high levels of house building since that point) admissions to Reception classes in 2017, 2018 and (from admissions data) 2019 have fallen compared to previous years. There is sufficient capacity in current Reception and Year 1 (and from September 2019 in Reception, Year 1 and Year 2). However, there are relatively few surplus places for Year 2 upwards and it is prudent to ensure that funds are held in readiness to respond to continued mid-phase pressures, by opening new mid-phase bulge classes.

Future Growth Plans

Woodley: due to a high number of births in the 2015/16 academic year in the Woodley area there is a significant likelihood of a need for at least one bulge class in the 2020/21 year, having taken account of surplus capacity that might be available in schools within walking distance in the Earley area.

Matthews Green: Following the contractor (Dawnus Ltd) entering administration, the completion of the new primary school will be delayed until 2021. The school site includes a community centre, which will open in advance of the school, in the event that there are applications for too few children to make the school viable.

Arborfield: The completion of the new primary school building has been delayed until 2021, again because the contractor (Dawnus Ltd) went into administration. The council is exploring the option of expanding an existing school by relocation to the site. This would ensure that growth in capacity would only occur once there is no capacity in existing schools

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£ 799,731	YES	Revenue (DSG)
Next Financial Year (Year 2)	N/A	N/A	Revenue (DSG)
Following Financial Year (Year 3)	N/A	N/A	Revenue (DSG)

Other financial information relevant to the Recommendation/Decision

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

Reasons for considering the report in Part 2

List of Background Papers

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