

Agenda Item 9

TITLE	Growth Fund Update 2019/20 and 2020/21
FOR CONSIDERATION BY	Schools Forum on 18 December 2019
WARD	None Specific
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 10th July 2019, namely a balanced budget.

That Forum notes the likely need to carry forward any positive balance from 2019/20 to 2020/21.

That the Forum notes, that subject to this carry forward, the current draft budget indicates that growth needs can be met within the expected £800,000 Growth Budget.

SUMMARY OF REPORT

The planned programme of spend and contingency budget can both be funded from within the allocated £800,000 2019/20 budget.

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 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

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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 new schools are planned.

- The **Shinfield West Primary School** was expected to open in 2019, but 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 CoE Primary Academy) jointly support the view that the new school will be necessary and viable in 2020. This will be reviewed in the light of applications received (closing date 15/01/2020).
- Two further new primary schools in the **North Wokingham (Matthews Green)** and **Arborfield Strategic Development Locations (SDLs)** are now planned to open in 2021. The build contracts have been re-let to Reds 10 Ltd following the failure of the previous contractor (Dawnus). Initial pre-opening grant payments will be required in 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).

The growth fund “bulge classes” contingency budget takes account of both the limited resources in the growth fund and the 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 2019 have fallen compared to previous years.

However, the classes serving children born before September 2012 (Year 3 and above) are now full, or nearly full. The numbers of these older primary age children (in Key Stage 2) continue to grow, reflecting the impact of families moving into the borough, into new homes and established residential areas. Consequently, there is a need to be able to open new classes in older age groups to meet the Borough’s statutory duty to ensure there are sufficient school places. These classes are likely to be in new and expanded schools, with as-yet unused capacity, because of the planning permission, funding and construction challenges that expansion elsewhere entails.

Currently, there is sufficient capacity in current Reception and Years 1 and 2. These age groups are also growing in size, and additional capacity may be required in future years.

2020/21

Initial modelling of the likely programme for 2020/21 indicates that the new growth budget of £800,000 will be sufficient to meet needs, provided any positive balance from the 2019/20 year budget is carried forward.

The carry forward relates to the budget identified in the 2019/20 budget for the provision of bulge classes, if required. This is required to enable new Key Stage 2 capacity. This reflects the continued arrival of new families in the borough, leading to steady increases in all primary year groups. In Key Stage 1 the council has sufficient capacity (this year), although there is a risk that continued mid-phase growth will lead to shortfalls (in specific areas, and across the borough as a whole). However, the growth in Key Stage 2 has meant that the council is too close to having too few places to meet statutory duty, and must therefore be able to provide the financial support to enable schools to open new Key Stage 2 classes – either as early provision where expansion is already in progress or as stand-alone “bulge classes”. The financial provision is identified in the 2019/20 year budget, and it may be necessary to carry this forward, as even if new capacity opens this financial year, it will need support in 2020/21, because there will be no lagged funding for these classes generated by October 2019 rolls.

One area where additional Key Stage one capacity may be required is Woodley, reflecting a surge in births in the year feeding 2020 Reception class entry. There is an expectation that at least some of the expected growth would be accommodated in Earley Schools. The growth might not materialise, if the increase in births is counteracted by a fall in the number of children moving into the area between birth and entry to school or increased migration out of the area, but this cannot be gauged until the 2020 admissions process has advanced further.

Otherwise the modelling for 2020/21 takes account of:

- All schools where support is expected to continue into 2020/21
- New planned capacity (including Alder Grove and the initial project support for the new Matthews Green and Arborfield Primary Schools
- An allowance for up to 60 additional places 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)	£ 800,000	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

N/A

Cross-Council Implications

N/A

Public Sector Equality Duty

Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

List of Background Papers

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