

**SLOUGH SCHOOLS' FORUM**  
**9<sup>th</sup> February 2017**

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**Growth Fund 2017-18**  
**(Directorate of Wellbeing)**

**1 PURPOSE OF REPORT**

- 1.1 To ask that Schools' Forum review the allocation criteria for the Growth Fund and agree the criteria that will apply for 2017-18.

**2 RECOMMENDATIONS**

- 2.1 That the Growth Fund will fund the following additional places at both primary and secondary schools, if agreed in advance by the Slough:
- a) bulge classes including at new schools;
  - b) permanent expansions at maintained schools until a school is full in all year groups; and
  - c) new places in excess of Planned Admission Numbers (PAN).
- 2.2 That the updated allocation of Growth Funding for 2017-18 as shown on Appendix 1 is agreed.
- 2.3 That consideration is given to providing additional funding to maintained schools and academies if they open a bulge class after the October School Census.

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 The birth rate for Slough rose by 48% over the 9 year period from 2006-7 to 2015-16. Many primary schools opened or expanded over this period and 8 schools are still expanding with larger year groups working their way up through the school. In addition, inward migration to Slough continues to affect in-year admissions necessitating bulge classes and possibly larger classes going forward.
- 3.2 The population growth began impacting secondary schools a few years ago and a large scale growth in provision is now underway. While a number of new free schools have opened in recent years the first expansion of a secondary school requiring Growth Fund support is Langley Grammar in 2017 with further secondary schools due to expand from 2018. Grove Academy is expected to open for 2017 and has been asked by Slough to include 3 primary year bulge classes to meet local demand.

- 3.3 The prescribed methodology for calculating revenue funding for all schools means that growing schools are not fully funded for the extra pupils attending the school. The reason for this shortfall in funding is due to the lag in the period from pupils starting until they appear on the School Census and funding is allocated at a later date. To support schools through this period of lag in funding while they are expanding the LA requests a sum of money through Schools' Forum called the "Growth Fund".
- 3.4 The methodology for qualification and allocation of the Growth Fund is reviewed and agreed by Schools' Forum on an annual basis. Schools' Forum are asked to consider the financial impact on schools of expansion and agree an affordable level of additional revenue support.
- 3.5 The funding criteria outlined in Section 5 below is based on the criteria agreed by School's Forum in January 2016 and applied in 2016-17, any variations are indicated.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 All options for creating new places are being explored by Slough including:
- Bulge classes – classes of 30 pupils, opened to provide capacity for new arrivals and supported by the Growth Fund;
  - Permanent expansions –full form of entry added to an existing school by the LA. They require ongoing commitment from the Growth Fund to deal with the lag in revenue funding;
  - Increased class sizes or numbers above PAN – termly commitment from the Growth Fund where pupils are not recorded on the October School Census;
  - New Free Schools – initially funded by the EFA (no call on the Growth Fund). Bulge classes may be requested by the LA and will be treated the same any other bulge class.

#### **5 SUPPORTING INFORMATION**

- 5.1 The Growth Fund is one of the centrally held budget areas that Schools' Forum has decision making powers over. DfE guidance for 2016-17 states that:

*"The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools."*

### **Level of Funding – Age Weighted Pupil Unit (AWPU)**

- 5.2 The methodology for distributing funding is based on AWPU per pupil, reflecting the proportion of the year which is not funded within the school's budget share. For 2016-17 it was agreed to apply the 2015-16 AWPU level. The table below shows the AWPU levels for 2015-16 and the next 2 years. Added as an extra column is a recommendation to apply the 2017-18 AWPU rates but averaging the KS3 and KS4 rates for secondary schools for simplicity. The cost of using other AWPU rates is shown on Appendix A.

<b>AWPU (£)</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Recommended</b>
Primary	3,179.91	3,089.19	3,156.24	3,156.24
Second - Key 3	3,879.49	3,815.00	3,897.80	3,929.37
Second - Key 4	4,636.31	3,876.78	3,960.93	

### **Bulge Classes**

- 5.3 Bulge classes must be agreed in advance by the LA. Slough Schools Education Forum (SSEF) which has absorbed the function of the School Organisation Group (SOG) will be consulted before a proposed bulge class is agreed with the school. Attached as Appendix B is a table showing the requirements and proposed bulge classes for 2017-18 and projections for future years.
- 5.4 Slough's maintained schools receive Growth Funding for September until March and academies receive funded for September through until August. The different funding periods reflect the difference in financial years for each category of school: maintained schools receive their funding from April to March, while academies are funded from September to August.
- 5.5 An issue that has emerged recently is that the lag in receiving funding can be longer than 12 months if pupils are admitted after the October Census. If a bulge class were to open November 2016 for instance with 30 pupils, then an academy would not receive funding for this class until 22 months later while maintained schools would wait 17 months.
- 5.6 This issue could also apply when a school opens a bulge class in September 2016 with a small number on roll. It is rare that a new bulge class will be full as its purpose is to provide capacity for the rest of the academic year for new arrivals; if it were full then the authority would look to open a further bulge class. The bulge class will fill up throughout the year with many pupils starting after the October Census. In the second year after opening, an academy would only receive funding for the number on roll at the time of the October Census 2016. For a period of 10 months in the second year the school would absorb the full cost of the bulge class having received funding for a partial class.

- 5.7 Schools' Forum is asked to consider this issue and note that, as shown on Appendix B, most of the future bulge classes proposed by Slough will be at academies. One of the aims agreed by Schools Forum in May 2016 was that the Growth Fund would ensure "that schools are adequately funded for the extra pupils they admit."
- 5.8 **Affordability:** Any changes to current funding criteria will need to consider affordability. Providing additional funding beyond the current period will entail a commitment from the Growth Fund for a future year and possibly 2 years in the case of an academy. As future Growth Fund criteria can be subject to change and the number of new classes created by Slough is only an estimate, the level of future commitment should needs to be carefully managed.
- 5.9 Two possible options for providing additional funding are shown below. Note that agreeing one of these options would entail an unknown commitment from the Growth Fund in a future year each time a bulge class is opened.

Options	Description
1	Fund the difference in number of pupils between the first year School Census and the second year.  For instance NOR Census 2016 = 10 NOR Census 2017 = 20 Fund (20 – 10) = 10 places
2	Fully fund the bulge class in the second year.  For instance NOR Census 2016 = 10 Fund (30 – 10) = 20 places

- 5.9 This issue has been raised by Cippenham Primary (an academy) who opened 2 bulge classes in 2015-16 and has made Slough aware of the impact on their funding this year.

**Expansion by a Form of Entry**

- 5.10 The Growth Fund provides financial support for all the years a school incurs a shortfall in funding whilst going through a permanent expansion. Where a school grows from Reception up to year 6, they will receive funding for 7 years if they grow gradually by one class a year.

**Larger Classes or Numbers in Excess of PAN**

- 5.11 The Growth Fund will provide financial support for schools that admit pupils in excess of their PAN for each whole term that they make each additional place available at the request of Slough. For instance, where a school makes 96 places available into a year group instead of 90 at Slough's request, the school would be funded for 6 additional places for each full term the places are available.

- 5.12 Funding Mechanism - Schools will receive AWPU funding for 'the period' that they make each 'additional place' available at the request of Slough.

Additional Place – This is a school place that is over and above the PAN for that year group; it is also higher than the number of pupils in that year group as at the October Census for that academic year. This definition avoids double funding pupils, as schools will receive funding for the number on roll reported as part of this Census.

Funding will only be provided for pupils in year groups Reception up to Year 11.

The Period - This will be agreed in units of whole terms as a minimum except in the first term which may already have started. This will allow revenue funding to be provided near the start of each term and avoid the need for claw back.

Agreement – The funding is not retrospective and will only apply where it is agreed by Slough that funding will be provided in advance.

- 5.13 Academies - There is an issue with funding of academies between April and August as the Education Funding Agency (EFA) funds academies from April to August in arrears. The time to claim this funding is January each year at budget build time via the APT. Any decisions to create places after this date cannot be recouped from the EFA. Therefore the Growth Fund will also fund this period for academies.

- 5.14 Non-Academies - As currently happens with bulge classes, the Growth Fund will support non-academy schools from September to March, thereafter funding is provided via the next School Census in October. This is because non-academies (maintained schools) are funded April to March.

### **Future Requirements**

- 5.13 It is worth noting that 2017-18 is expected to be a peak year for demand on the Growth Fund. The current forecast for 2018-19 (assuming no other criteria change) is that £800K will be required, this reduction is mainly due to 7 permanent primary expansions reaching year 6 in 2017-18 and no longer requiring any Growth Funding support.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 6.1 Local Authorities are under a statutory duty to ensure that there are sufficient school places in their area, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

Access Implications

- 6.3 There are no access implications.

**7 CONSULTATION**

Principal Groups Consulted

- 7 School Organisation Group, Slough Schools Education Forum and all primary schools were consulted on the option of larger classes in late 2015. This was reported to Schools Forum previous reports.

Method of Consultation

Representations Received

Background Papers

None

Contact for further information

Coral Miller (Principal Accountant, ECS)  
(01753 477209)  
[coral.miller@slough.gov.uk](mailto:coral.miller@slough.gov.uk)

Tony Madden (Principal Asset Manager)  
(01753 875739)  
[tony.madden@slough.gov.uk](mailto:tony.madden@slough.gov.uk)