

**SLOUGH SCHOOLS' FORUM**  
**12<sup>th</sup> December 2019**

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**Growth Fund 2020-21**  
**Directorate of Children, Learning and Skills**

**1 PURPOSE OF REPORT**

- 1.1 To ask that Schools' Forum review the allocation criteria for the Growth Fund, agree the maximum 'top slice' and agree the allocation model that will apply for 2020-21.
- 1.2 To provide Schools' Forum with an update of the Growth Fund expenditure for 2019-20, agree the level of support for Grove Academy for April to August 2020 and agree to carry forward the projected balance of funding.

**2 RECOMMENDATIONS**

- 2.1 That the Growth Fund will fund the following additional places at both primary and secondary schools, where expansion is requested and agreed in advance by Slough:
  - a) Bulge classes including at new schools;
  - b) Permanent expansions at maintained schools until a school is full in all year groups (and when new classes are opened); and
  - c) New places in excess of Planned Admission Numbers (PAN).
- 2.2 That the forecast outturn for 2019-20 in Appendix A is noted and the updated allocations of Growth Funding for 2020-21 as shown in Appendix B are agreed.
- 2.3 That consideration is again given to providing additional funding to academies in the second year after opening a bulge class to reflect the growth between October Censuses.
- 2.4 That consideration is given to utilising a percentage of the projected underspends in 2019-20 to contribute towards the Council's costs for underwriting places at Grove Academy for the period April 2020 to August 2020.
- 2.5 That consideration is given to the request from schools for a Falling Rolls Fund.

### **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. More than half of existing primary schools expanded over this period and a number of new schools opened. Birth numbers have reduced for 5 of the last 7 years since the peak and are now down to 2006-7 levels. Inward migration to Slough continues to affect in-year admissions; bulge classes and larger classes will be the main solution where local shortages emerge.
- 3.2 The population growth is impacting secondary schools and a large scale growth in provision is underway. A number of new free schools have opened in recent years and 2 non-selective schools plus one grammar school have seen or will see large expansion projects carried out on their sites funded by the LA. The other three grammar schools have all increased their PANs without capital funding from Slough Borough Council.
- 3.3 The prescribed methodology for calculating revenue funding for 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 is 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 and proposed for 2020-21 is based on the criteria agreed by School's Forum in December 2018 and applied in 2019-20. No variations are suggested this year although the issue of falling rolls is considered.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 All options for creating new places are being explored by Slough including:
- Bulge classes – generally classes of 30 pupils, opened to provide capacity for new arrivals and supported by the Growth Fund;
  - Permanent expansions –full forms 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 – originally funded by the ESFA with no call on the Growth Fund, a different approach has been taken by the ESFA for Grove Academy. Bulge classes may be requested at new schools by the LA and will be treated the same as 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. Guidance on how the Growth Fund should be approved and allocated can be found in *Schools Revenue Funding 2019 to 2020 – Operational Guide* (July 2018). Paragraph 115 states:

*“The growth fund can only be used to:*

- *support growth in pre-16 pupil numbers to meet basic need*
- *support additional classes needed to meet the infant class size regulation*
- *meet the costs of new schools*

Paragraph 117 states: *The cost of new schools...will also include post-start-up and diseconomy costs...where they are created to meet basic need.*

### **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. As final 2020-21 AWPU levels have not yet been confirmed, the estimated AWPU's for next year will be used and allocations will be updated with final figures once they are known.

### **Bulge Classes**

5.3 Bulge classes must be agreed in advance by the LA.

5.4 Slough's maintained schools receive Growth Funding for September until March and academies receive funding 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 Over the last 4 years Schools' Forum has agreed to a one-off payment of additional funding in the second year of bulge classes at academies. Schools' Forum is asked to consider applying this again for 2020-21.

5.6 An issue that was first flagged in 2016 is that the lag for academies 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.

5.7 This issue could also apply when an academy opens a class in September 2019 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 may look to open a further bulge class. The bulge class will fill up throughout the year with many pupils starting after the October 2019 Census. In the second year after opening the academy would only receive funding for the number on roll at the time of the October Census 2019. 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.

5.8 A number of options for providing additional funding were originally considered by Schools Forum in 2017. It was agreed that funding would be allocated based on the following table. It should be noted that this methodology does not 'ghost fund' places and can still result in the school subsidising some of the cost of a teacher, however it ensures every pupil is funded while remaining affordable.

<b>Funding Calculation</b>
Fund the difference in number of pupils between the first year Autumn School Census and the second year.
For instance NOR Census 2017 = 10 NOR Census 2018 = 20 Fund (20 – 10) = 10 places

5.9 Only one bulge class opened in 2019-20, it had around half a class of pupils at the time of the 2019 Autumn Census. It is likely that the class will have more pupils by the time of the 2020 Autumn Census and will be entitled to additional funding if this criterion is supported by Schools' Forum. Appendix B assumes this class might be full by October 2020 and would be entitled to an additional payment of £58K.

**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 a full class for 7 years if they grow gradually by one class a year. Secondary schools will receive funding for 5 years as pupils move from Year 7 to Year 11. If a school does not have an additional class then it would not be entitled to funding, for instance a bulge class leaves the school in the top year while an extra class joins in the lowest year group. In this case the school will have the same number of classes for 2 consecutive years and Growth Funding is not necessary.

### **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 the Local Authority. 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 and Skills Funding Agency (ESFA) 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 ESFA. 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.

### **Underwritten Places at Grove Academy**

- 5.15 Grove Academy opened for September 2017 but only after it was agreed with the ESFA that Slough would underwrite the following number of pupils for the first 3 years to ensure the viability of the

school. Without this agreement the school would not have opened and Slough would not have had sufficient capacity.

Year Groups						
	R	1	2	3	7	Total
2017-18	30	30	30	30	120	240

  

	1	2	3	4	8	Total
2018-19	30	30	30	30	120	240

  

	2	3	4	5	9	Total
2019-20	30	30	30	30	120	240

The tables above can be compared to the tables below which show the actual numbers on roll in October each year. The underwritten classes have filled significantly between October 2017 and October 2019, with a net gain of 103 pupils in that time.

Year Groups						
	R	1	2	3	7	Total
2017-18	31	13	8	8	49	109

  

	1	2	3	4	8	Total
2018-19	48	31	24	25	78	206

  

	2	3	4	5	9	Total
2019-20	49	27	26	29	81	212

- 5.16 For new Free Schools the ESFA only provide funding for the number of pupils on roll on the October Census of the relevant school year. For this reason Slough was asked to fund the empty places in each class to ensure the school has the revenue funding it needs to deliver a full curriculum.
- 5.17 Schools' Forum agreed to provide up to £90K for year 1 and Year 2 or 50% of the actual cost for underwriting places whichever was the lower figure. In the end the Growth Fund contributed £90K and £25K respectively.
- 5.18 Schools' Forum is asked to consider whether some of the underspend from the 2019-20 Growth Fund budget could be utilised to fund up to 50% of cost for a third/final year. Slough (not Schools' Forum) originally agreed to underwrite this cost as there was no time for discussion with Schools' Forum at the time. However, the guidance in para 5.1 demonstrates that use of Growth Funding to meet the costs of a new school is allowed and is one of the 3 key aims of the Fund. Any decision would need to first consider the level of funding and contingency sums available in 2019-20.

### **Falling Rolls and Half Classes**

- 5.19 Growth Funding is not permitted to support reductions or falling rolls. A separate fund called the Falling Rolls Fund can be set up from the DSG for this purpose. The explanation in the *Schools Revenue Funding 2019 to 2020 – Operational Guide* (July 2018) was circulated last year when this issue was first discussed.
- 5.20 Schools Forum did not support the introduction of a Falling Rolls Fund for 2019-20 but as the issue affects a growing number of primary schools it is right that Schools' Forum consider the matter.
- 5.21 The issue of falling rolls and the impact this can have on viability is taken very seriously by the LA. However, it is not clear, assuming Schools' Forum supports it, that a Falling Rolls Fund would be useful for many schools. The criteria that apply would mean that only Good and Outstanding Schools can apply for funding and a case would need to be made that the surplus places would be needed within 3 years. At this point Slough does not have any evidence that birth levels will raise again overall although there may be rises in specific localities.
- 5.22 One alternative to the Falling Rolls Fund could be a managed process between the school and LA Admissions Team to wind down classes that are no longer needed or have an unviable number of pupils. The Admissions Code would, however, limit the effectiveness of this tactic.

### **ESFA Growth Fund Settlement**

- 5.23 At this point it is uncertain how much funding Slough will be allocated by the ESFA for Growth in 2020-21. If Slough's final allocation is lower than expected then there may be a need to revisit the 'top slice' and allocation model, in which case a further paper will be brought to Schools' Forum for consideration.

## **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 has been reported to Schools' Forum in previous reports.

### Method of Consultation

### Representations Received

### Background Papers

None

### Contact for further information

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