

**SLOUGH SCHOOLS' FORUM**  
**19<sup>th</sup> January 2021**

**Directorate of Children, Learning and Skills**

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**Growth Fund 2020-21 and 2021-22**

**1 PURPOSE OF REPORT**

- 1.1 To ask that Schools' Forum review the allocation criteria for the Growth Fund that will apply in 2021-22, agree to carry forward any underspend from 2020-21 and agree the maximum 'top slice' that will be utilised.
- 1.2 To provide Schools' Forum with an update of the Growth Fund expenditure for 2020-21.

**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 Borough Council:
  - a) Bulge classes including at new schools;
    - i. 1<sup>st</sup> Year - Fully funding the class in its first academic year
    - ii. 2<sup>nd</sup> Year - Funding the growth in places between October Censuses;
  - b) Permanent expansions at any school not just maintained schools until the increased PAN works its way through the school eg an increase from 2 FE to 3 FE would take 7 years for a primary and 5 years for a secondary;
  - c) New places in excess of Planned Admission Numbers (PAN).
- 2.2 That the forecast outturn for 2020-21 in Appendix A is **noted** and the updated allocations of Growth Funding for 2021-22 as shown in Appendix B are **agreed**.

**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 since the peak in 2011-12. 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 has been impacting secondary schools for some years and 3 new secondary schools and an all-through have opened in recent years. In addition to these new places 2 non-selective schools plus one grammar school have undergone expansion funded by the LA. The other three grammar schools have all increased their PANs without capital funding from SBC.
- 3.3 Growing schools are not funded for extra pupils attending the school in the year of growth, this often follows a year or more afterwards. The prescribed methodology for calculating revenue funding for schools means that there is a 'lag' in the period from pupils starting until they appear on the School Census and funding is allocated. 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 2021-22 is based on the criteria agreed by School's Forum in November 2019 and applied in 2020-21. No variations are suggested this year.

#### **4 EXPANSION OPTIONS CONSIDERED**

- 4.1 All options for creating new places have been explored by SBC 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 (usually 5-7 years);
  - 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 – depending on how they are funded by the DfE, they can require support from the Growth Fund – no further new schools are planned or required. 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 2021 to 2022 – Operational Guide* (December 2020). Paragraph 247 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 249 states: *The cost of new schools...will also include post-start-up and diseconomy costs...where they are created to meet basic need.*

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

The methodology for distributing funding is based on an AWPU per pupil, reflecting the proportion of the year which is not funded within the school's budget share. The latest AWPU figures for 2021-22 have been included in Appendix B.

### 5.3 **Bulge Classes**

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 5 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 2021-22.

- 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 2020 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 2020. 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 2020 = 10 NOR Census 2021 = 20 Fund (20 – 10) = 10 places

- 5.9 So far in 2020-21 no bulge classes have been opened. Some contingency funding has been retained in Appendix A in case a class is required before year end. If this class isn't required then the underspend will increase by £56,863.

5.10 **Expansion by a Form of Entry**

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 doesn't have an additional class then it wouldn't 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 isn't necessary.

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

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 SBC'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 in advance by SBC that funding will be provided.

- 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 during the budget build 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.

5.15 **ESFA Growth Fund Settlement**

At this point it is uncertain how much funding Slough will be allocated by the ESFA for Growth in 2021-22. If SBC'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 Slough Education Partnership Board, SASH and SPHA are consulted on the wider expansion policy of the council on a regular basis.

Method of Consultation

Representations Received

Background Papers

None

Contact for further information

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