

<b>Schools' Forum</b>		<b>19 January 2022</b>
<b>Report from Executive Director of People (Children)</b>		
<b>Wards Affected:</b>	All	
<b>Key or Non-Key Decision:</b>	N/A	
<b>Appendices:</b>	Appendix A 2021-22 Projected Out turn Appendix B 2022-23 Projection Appendix C 2023-24 Projection	
<b>Contact Officer(s):</b>	Tony Madden Development Manager Email: <a href="mailto:Tony.Madden@slough.gov.uk">Tony.Madden@slough.gov.uk</a>  Kamaljit Kaur Interim Finance Business Partner Email: <a href="mailto:Kamaljit.karirkaur@slough.gov.uk">Kamaljit.karirkaur@slough.gov.uk</a>	

## **Growth Fund 2021-22 and 2022-23**

### **1 PURPOSE OF REPORT**

- 1.1 To provide Schools' Forum with the allocation criteria for the Growth Fund that will apply in 2022-23 and for the forum to agree to carry forward any underspend from 2021-22 and agree the maximum 'top slice' that will be utilised in 2022-23.
- 1.2 To provide Schools' Forum with an update of the Growth Fund expenditure for 2021-22.

### **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 e.g. 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 2021-22 in Appendix A is noted and the updated allocations of Growth Funding for 2022-23 as shown in Appendix B are agreed.

### **3 REASONS FOR RECOMMENDATIONS**

3.1 The birth rate for Slough rose by 48% over a 9 year period affecting primary admission demand from 2006-7 to 2015-16. Since the peak in births in 2010-11 and 2011-12 births numbers have been declining fairly steadily.

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 2 non-selective schools plus one grammar school have undergone expansion funded by the LA. Slough's other three grammar schools have all increased their PANs without capital funding from SBC.

3.3 The prescribed methodology for calculating revenue funding for expanding schools means that there is a 'lag' in the period from pupils starting until they appear on the School Census and their 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.

Schools' Forum agreed the methodology to be applied in 2021-22 at a meeting in January 2021 and Appendix A (plus B & C) is based on the agreed criteria. No variations to the allocation model were agreed for 2021-22 and no variations are proposed within this report for 2022-23.

3.5 Growth at Free Schools is supported through the APT form submitted by SBC to the DfE every January. Free School growth is therefore not supported by the Growth Fund except where they are asked to admit pupils above their published admission numbers by the LA.

## 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 Guidance on how the Growth Fund should be approved and allocated can be found in the following document published by the DfE: *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*

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

5.2 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 A. Note that secondary AWPU is based on an average of KS3 and KS4 AWPU funding.

### **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 6 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 2022-23. No bulge classes have opened this year so far and if no new bulge classes are agreed then this criteria would not add any cost to the Growth Fund in 2022-23.

5.5.1 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.

5.5.2 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.

5.5.3 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

5.6 So far in 2021-22 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 (and carry forward) will increase by £25,932.

#### **Expansion by a Form of Entry**

5.7 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 would have the same number of classes for 2 consecutive years and Growth Funding support wouldn't be necessary.

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

- 5.8 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.
- 5.9 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.

- 5.10 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.

- 5.11 Single Payment to Academies - Until now SBC has provided funding to growing academies in 2 tranches. The first tranche paid in September for the period Sep to Mar and the second tranche paid after Easter for the period Apr to Sep. Best practice suggests that academies should be paid for the whole year in one lump sum at the start of the year. On this basis it was agreed at Schools' Forum at the May 2021 meeting to correct this from 2022-23.

This means that both the 2021-22 and 2022-23 payments to academies for Apr to Aug will be deducted in the same year. This isn't an extra cost to the Growth Fund overall (these payments are recouped from the DfE anyway) but does bring forward one payment.

- 5.11 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.

### **ESFA Growth Fund Settlement**

- 5.12 At this point it is uncertain how much funding Slough will be allocated by the ESFA for Growth in 2022-23. 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.

### **2023-24 Projection**

- 5.13 Note that the top slice in 2023-24 is expected to be far lower than at present. In fact, if no bulge classes were opened in 2022-23 then the carry forward might be sufficient to cover commitments in that year.

## **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