

<b>Schools Forum 13 January 2023</b>	
<b>Report from Executive Director of People - Children Services</b>	
<b>Schools Growth Fund 2023/24</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	None
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## 1 Purpose of the Report

- 1.1 This report sets out the allocation criteria for the Growth Fund that will apply in 2023/24 and the 'top slice' from the Schools Block DSG that will fund commitments in 2023/24.

## 2 Recommendations

- 2.1 Schools' Forum is asked to comment on the proposed allocation of £565k to the Growth Fund in 2023/24 which will form a top slice from the Schools Block DSG.
- 2.2 Schools' Forum is asked to note 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;
    - 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 school and 5 years for a secondary school.
  - c) New places in excess of Planned Admission Numbers (PAN).

### 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 and a non-selective school 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 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 2022-23 at a meeting in January 2022. No variations are proposed within this report for 2023-24.
- 3.5 Growth at Free Schools is supported through the ATP 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 – currently no further new schools are planned or required in Slough. 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 Operational Guide: 2022-23* (December 2021). Paragraph 258 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. 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 7 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 2023-24. To date, no bulge classes have been agreed for 2022-23 and if no new bulge classes are agreed then this option would not add any cost to the Growth Fund.
- 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. This might be because the class opened after the School Census or opened before with a low starting number. If a bulge class were to open November 2022 for instance with 20 pupils, then an academy would not receive funding for this class until 22 months later (with Growth Funding supporting the first 10 months).
- 5.5.2 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.

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 October Census 2022 = 10
NOR October Census 2023 = 20
Fund (20 – 10) = 10 places

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

- 5.6 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.
- 5.7 In 2022-23 only 2 secondary schools qualified for this funding. In 2023-24 this reduces to one school, and in 2024-25, unless new expansions are agreed, no schools will qualify for this funding.

### **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 where possible. This will allow revenue funding to be provided near the start of each term and avoid the need for claw back. In some instances, it may be that the term has already started and places are urgently required by the LA, this would result in funding for a partial term.

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 in May 2021 to correct this from 2023/24.
- 5.12 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 due to non-academies (maintained schools) being funded April to March.

## **Budget requirements for 2023-24**

5.13 The budget requirement for 2023-24 is:

Permanent expansions	£188k
Contingency sum	£377k
<b>Total</b>	<b>£565k</b>

5.14 As the last permanent expansion completes in 2023-24, the only projected requirements for 2024-25 is the contingency sum of £377k.

5.15 Schools Forum have recognised that the calculation and allocation of the Growth Fund has become increasingly complicated in recent years. Therefore, the LA intends to review how the Growth Fund is calculated and a report will be brought back to Schools Forum in the summer 2023.

## **6 Financial Implications**

6.1 The financial implications have been detailed in the body of this paper.

## **7 ALTERNATIVE OPTIONS CONSIDERED**

No alternative options were considered.

## **8 SUPPORTING INFORMATION**

Not applicable

## **9 Legal Implications**

9.1 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.

## **10 Equality Implications**

Not applicable

## **11 CONSULTATION**

11.1 Slough Education Partnership Board (SEPB), Slough Association of Secondary Heads and Slough Primary Heads Association are consulted on the wider expansion policy of the council on a regular basis.