

<b>Schools Forum 26 June 2024</b>	
<b>Report from the Executive Director of People (Children)</b>	
<b>Growth Fund 2023-24 outturn and 2024-25 projection</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	3
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**This report is for information and relates to all Schools Forum representatives**

## **1 Purpose of the Report**

- 1.1 To provide Schools Forum with the outturn of the Growth Fund for 2023-24 and provide details of the projected outturn for 2024-25. To provide a current indication of Growth Fund requirements for 2025-26.

## **2 Recommendation**

It is recommended that Schools Forum:

- 2.1 Note the outturn for 2023-24 in Appendix A and note the updated allocations of Growth Funding for 2024-25 as shown in Appendix B.
- 2.2 Note the estimated figures for 2025-26 shown in Appendix C and the estimated top-slice requirement.

## **3 Reasons for Recommendations**

- 3.1 Slough's birth rate rose by 48% over the period from 2001-2 to 2010-11. The effect of this growth along with inward migration to the town has meant that the primary school estate has been increased in capacity by 50% while the secondary school capacity has been increased by 60%.

## Primary Places

- 3.2 Birth numbers have reduced year on year since the peak in 2010-11 and 2011-12. This has created a surplus of places in primary schools overall although this is not spread evenly across Slough's planning areas. Falling birth rates haven't translated to a surplus of places in all parts of the town as in-year admissions remain high and there are pressures in upper year groups in the centre and east planning areas.
- This **west** planning area has seen the largest fall in birth numbers. A number of schools have already reduced their admission numbers, it is likely that a further reduction or two will be required over the next few years.  
  
The current surplus places are above our 'target surplus' in all year groups. No additional capacity is required. January 2024, the surplus capacity in Reception was 13%.
  - The **central** planning area is under pressure in many primary year groups. For January 2024, 4 of the 7 current year groups have less than our target surplus. This indicates that further capacity is required in this planning area.  
  
January 2024, the surplus capacity in Reception was 5%, Grove Academy have consulted on reducing their PAN from 120 to 60 from September 2025. Based on birth data the demand for Reception places will remain at current levels for the next 4 years (dipping for 2025-26).
  - The **east** planning area is very popular and attracts pupils from other planning areas. 4 of the 7 current year groups have less than our target surplus (3 have negative surpluses). This indicates that further capacity is required in this planning area.  
  
January 2024, for the first time there is a significant surplus capacity in Reception, 8%. Demand for Reception is forecast to reduce over the next 5 years based on birth data but numbers on roll may not reduce due to popularity.
- 3.3 There is a sustained pressure on places in the Central and East Planning Areas as in-year applications have risen to their highest ever levels. This has required that the LA open 2 bulge classes September 2023, one in June 2024 and 2 are agreed to open for September 2024. It is possible that further capacity will be required in 2024-25 and future years.
- 3.4 An issue has emerged recently whereby schools have managed partially filled classes down to a level where one less teacher is required in a specific year group. When this happens in areas with a pressure on places it can have an impact on the Growth Fund. To replace a 'lost' class with a bulge class costs the Growth Fund up to £100K+ each time.

## Secondary Schools

- 3.4 The population growth has been impacting secondary schools for some years and 3 new secondary schools and an all-through school have opened. 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. For 2025 Grove Academy have consulted on reducing their PAN from 180 to 150.

- 3.5 The peak in Slough's birth numbers reached Year 7 in 2022 and 2023. The increases mentioned above provide sufficient capacity for this peak and the need for additional places is not expected. Due to the high level of inward migration to the town, a second peak is anticipated for year 7 from September 2027. The situation will be monitored for changes.

### **Lagged Funding**

- 3.6 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 are funded. In acknowledgement of this lag the DfE permit LAs to top slice the Schools' Block to use for the 'Growth Fund'. The Growth Fund supports expanding Schools through the period where lag applies.
- 3.7 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. At a meeting in January 2024 Schools' Forum agreed the methodology to be applied in 2024-25. Appendices B and C are based on these agreed criteria. No variations to the criteria applied in 2023-24 were proposed or agreed.

## **4 Supporting Information**

- 4.1. 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 operational guide: 2023 to 2024 (updated 23 August 2023)*. Section 29 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)**

- 4.2 The agreed 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.

### Summary of Criteria Agreed for 2023-24 and 2024-25

- **Bulge Classes** - These must be requested and agreed in advance by the LA.
- **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.
- **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.
- **New Schools** – No new schools are planned.

### Financial Outturn 2023-24

4.3 The expenditure for 2023-24 is shown in Appendix A.

### 2024-25 Funding Requirements

4.4 Projected requirements for 2024-25 are shown in Appendix B. Note that there are no longer any permanent expansions being supported. The top slice agreed in January 2024 was £500K.

4.5 The underspend in growth funding in 2023/24 will be transferred to a ringfenced DSG reserve. It is proposed to use a portion of this 2023/24 underspend to support the increase in requirements for 2024/25.

### 2025-26 Funding Requirements

4.6 Appendix C shows Growth Fund estimates for 2025-26. A large contingency is recommended given the forecast pressures on school places.

## 5 Financial Implications

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

## 6 ALTERNATIVE OPTIONS CONSIDERED

6.1 Paying academies for the whole year in advance rather than in 2 tranches – this was discounted as it crossed 2 financial years.

6.2 Showing academic years on a single sheet rather than financial years – discounted as it was less clear how the Growth Fund would fund April to August payments to academies.

## **7 Legal Implications**

- 7.1 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.

## **8 Equality Implications**

- 8.1 Not applicable