



Schools Forum

Date: 17 June 2021

Time: 8:30 to 10.30 am

Venue: Virtual via
Microsoft (MS) Teams

Paper

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Public

Growth Fund Allocations 2020-21 and 2021-22

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Summary

Growth funding for schools is provided through local authorities' Schools Block national funding formula allocations. Introduced in 2019-20, growth funding is allocated to local authorities using a formulaic method based on lagged growth data.

Growth funding enables local authorities to support schools, including academies, with significant in-year pupil growth which is not otherwise immediately recognised by the lagged funding system.

The growth fund can 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.

Recommendation

Schools Forum is asked to:

- note the individual allocations made to schools from Shropshire's Growth Fund in 2020-21 and the use of the year end underspend to support the ongoing pressure on the Dedicated Schools Grant (DSG) High Needs Block
- note the current allocations from Shropshire's 2021-22 Growth Fund.

REPORT

1. Growth funding enables local authorities to support schools with significant in-year pupil growth, which is not otherwise immediately recognised by the lagged funding system.

2. The Growth Fund for schools is provided within local authorities' Schools Block allocations as part of the DSG, calculated through a national formula based on lagged pupil growth data. Shropshire received Growth Fund allocations of £976,988 in 2020-21 and £959,993 in 2021-22.
3. In November 2018, Schools Forum agreed the Growth Fund element of the Schools Block be held centrally and allocated for growth funding directly to Shropshire schools meeting the Department for Education's (DfE) eligibility criteria.
4. The DfE allows the Growth Fund to 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.
5. The DfE states that the Growth Fund may not be used to support:
 - schools in financial difficulty
 - general growth due to popularity, which is managed through lagged funding.
6. In line with the DfE's expectations for allocating the Growth Fund, Shropshire's Schools Forum agreed the following in November 2018:
 - where the predicted numbers for a school (excluding nursery classes and Post 16) for the following September show an increase, due to basic need, requiring the running of additional classes they may be able to access additional funding
 - where schools have chosen to admit above their Published Admission Number (PAN) to meet parental preference from outside their agreed planning area and not basic need they will not be eligible to receive funding from the Growth Fund in recognition that the local authority could have secured places for the children concerned at other schools
 - the requirement for additional classes or forms of entry will be reviewed on a case by case basis
 - allocations will be based on appropriate costs of resourcing additional classes
 - initial growth funding requests will be evaluated using admission data and demographic forecasts to aid schools with budget setting - where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October census data
 - in instances where actual growth was at lower levels than original estimates, schools will not be subject to claw-back on any funding already allocated
 - for maintained schools any growth funding is available to the end of the financial year, while for academies any growth funding is available to the end of the academic year

- to avoid double funding, any maintained primary school attracting funding from the Growth Fund will not receive funding from the de-delegated pupil growth contingency in that financial year.

Growth Fund allocations to Shropshire Schools in 2020-21

7. Reviews of secondary and primary school pupil allocations for September 2020 identified 4 secondary schools and 4 primary schools eligible for growth funding in 2020-21.
8. For the secondary schools, the funding of each additional form of entry was set at £48,000 for the seven month period September 2020 to March 2021.
9. For the primary schools, the funding for each additional classroom was set at £40,000 for the seven month period September 2020 to March 2021.
10. Eligible academies are also entitled to growth funding for the period April 2021 to August 2022. This will be funded from Shropshire's 2021-22 Growth Fund allocation based on £30,000 per additional classroom for primary academies and £35,000 per additional form of entry for secondary academies.
11. After calculating individual school budgets in line with the National Funding Formula in 2020-21, £667,055 was set aside for Growth Funding from the total allocation of £976,988, which allowed the balance of £309,933 to be included in the transfer of £842,000 (the maximum 0.5 % allowable) from the Schools Block to the High Needs Block to support the ongoing cost pressures in this area of spend.
12. The total spend from the Growth Fund in 2020-21 was £377,000 leaving £290,055 remaining as unspent at the financial year end. The underspend can either be carried forward into 2021-22 for Growth Fund or used to offset pressures on any other area of spend within the 2020-21 DSG. Shropshire's Growth Fund underspend in 2020-21 has been used to further support the High Needs Block overspend.

Growth Fund allocations to Shropshire Schools in 2021-22

13. Shropshire's Growth Fund allocation within the Schools Block of the DSG in 2021-22 is £959,993. At the point of allocating the Schools Block for 2021-22 to Shropshire schools and academies, Schools Forum supported the transfer of up to 0.5% of the total Schools Block to the High Needs Block to support the ongoing pressures on this budget area. The 0.5% transfer of £876,000 included £521,993 of the Growth Fund element of the Schools Block, leaving £438,000 for Growth Fund allocations to eligible schools and academies in 2021-22.
14. Initial reviews of secondary and primary school pupil allocations for September 2021 has not identified any new schools eligible for growth funding from September 2020, while with three secondary academies will receive funding from the 2020-21 growth allocation for the summer term 2021 relating to pupil growth from September 2020.

15. A presumption process to secure an operator for the new maintained school in west Shrewsbury was completed in the second half of 2020, with the academy trust who will run the school approved by the Regional Schools Commissioner in December 2020. With the school planned to open in September 2022, the trust is eligible of draw down pre-opening costs from the Growth Fund. These costs will be split across the 2021-22 and 2022-23 Growth Funds.
16. Any Growth Fund balance remaining at the end of 2021-22 can either be carried forward in 2022-23 for growth or used to offset pressures in other areas of the 2021-22 DSG.