



## Schools Forum

Date: 30 June 2022

Time: 8:30 to 10.30 am

Venue: Virtual via  
Microsoft (MS) Teams

Paper

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Public

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

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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 2021-22 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 2022-23 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 £959,993 in 2021-22 and £910,113 in 2022-23.
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's) 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 2021-22**

7. For the qualifying secondary schools, the funding of each additional form of entry was set at £48,000 for the seven month period September 2021 to March 2022.
8. For the qualifying primary schools, the funding for each additional classroom was set at £40,000 for the seven month period September 2021 to March 2022.
9. Eligible academies are also entitled to growth funding for the period April 2022 to August 2023. This will be funded from Shropshire's 2022-23 Growth Fund allocation based on £30,000 per additional classroom for primary academies and £35,000 per additional form of entry for secondary academies.
10. Reviews of secondary and primary school pupil allocations for September 2021 identified 2 secondary academy schools were eligible for growth funding in 2021-22 (total £96,000), with another 4 secondary academies receiving funding for the summer term having been allocated growth funding in 2020-21 (total £140,000).
11. The total available from the Growth Fund in 2021-22 was £438,187 leaving £202,187 remaining as unspent at the financial year end. The underspend can either be carried forward into 2022-23 for Growth Fund or used to offset pressures on any other area of spend within the 2021-22 DSG. Shropshire's Growth Fund underspend in 2021-22 has been used to further support the High Needs Block.

### **Growth Fund allocations to Shropshire schools in 2022-23**

12. Shropshire's Growth Fund allocation within the Schools Block of the DSG in 2021-22 is £ 910,113. At the point of allocating the Schools Block for 2022-23 to Shropshire schools and academies, Schools Forum supported the transfer of 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 £949,076 included £544,045 of the Growth Fund element of the Schools Block, leaving £366,068 for Growth Fund allocations to eligible schools and academies in 2022-23.
13. Initial reviews of secondary and primary school pupil allocations for September 2022 has identified 2 primary schools (of which one is an academy) and 2 secondary academies eligible for growth funding, while 2 secondary academies will receive funding from the 2022-23 growth allocation for the summer term 2022 relating to pupil growth from September 2021.
14. A new mainstream primary school will be opening in September 2023 in west Shrewsbury, to be operated by The 3-18 Education Trust. The Trust is eligible of draw down pre-opening costs from the Growth Fund. These costs will be split across the 2022-23 and 2023-24 Growth Funds. A total of £180,000 has been budgeted - £100,000 in 2022-23 and £80,000 in 2023-24.

15. Any Growth Fund balance remaining at the end of 2022-23 can either be carried forward in 2023-24 for growth or used to offset pressures in other areas of the 2022-23 DSG.