



Schools Forum

Date: 15 June 2023

Time: 8:30 to 10.30 am

Venue: Virtual via
Microsoft (MS) Teams

Paper

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Public

Growth Fund Criteria and Allocations 2022-23 and 2023-24

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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 2022-23
- note the current allocations for growth funding for 2023-24 and the proposals for funding this
- note the planned changes the Government is proposing for growth funding through their proposals for implementing the direct national funding formula following consultation.

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.
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.
7. The Government response to the consultation on implementing the direct national funding formula includes reference to their proposals to introduce further requirements on how local authorities can operate their growth and falling rolls funding, while allowing some local flexibility. They are fundamentally seeking greater consistency and transparency.
 8. They are looking to implement minimum requirements for 2024-25 given that some local authorities will have already committed growth funding for future years.
 9. The Government response notes:
 - the new requirements will apply in all circumstances where a school has agreed with the local authority to host an additional class to meet basic need
 - local authorities will not be required to provide funding where growth results from parental choice or an academy has admitted above their PAN by their own choice
 - minimum requirements will be placed on funding levels
 - final guidance will be published in the Schools Operational Guide in July 2023
 - changes will be made to how growth funding is recorded in the annual proforma tool (APT).

Growth Fund allocations to Shropshire schools in 2022-23

10. For the qualifying secondary schools, the funding of each additional form of entry was set at £48,000 for the seven month period September 2022 to March 2023.
11. For the qualifying primary schools, the funding for each additional classroom was set at £40,000 for the seven month period September 2022 to March 2023.
12. Eligible academies are also entitled to growth funding for the period April 2023 to August 2024. This is funded from Shropshire's 2023-24 Growth Fund allocation based on £30,000 per additional classroom for primary academies and £35,000 per additional form of entry for secondary academies.
13. Reviews of secondary and primary school pupil allocations for September 2022 identified two primary schools (one maintained and one academy) and two secondary academies were eligible for growth funding in 2022-23, with another two secondary academies receiving funding for the summer term having been allocated growth funding in 2021-22 (total cost of £246,000).
14. A new mainstream primary school – Bowbrook Primary - 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, which will be split across the 2022-23 and 2023-24 financial years. The Trust has claimed £37,053 in pre-opening costs in 2022-23. The current estimate for 2023-24 is £81,000.

15. The total available from the Growth Fund in 2022-23 was £366,068 leaving £82,866 remaining as unspent at the financial year end. The underspend is being carried forward into 2023-24 for forecast Growth Fund requirements.

Growth Fund allocations to Shropshire schools in 2023-24

16. The submission of the annual proforma tool (APT) for 2023-24 – which details the local authority's Schools Block funding formulae in accordance with statutory requirements – highlighted a number of issues for Shropshire. In previous years Shropshire's Schools Block allocation had enabled officers to fully deliver the national funding formula (NFF), transfer up to 0.5% to the High Needs Block to meet funding pressures in this area and provide for up to £300,000 in growth funding to Shropshire schools requiring it.
17. Significant changes in the formula characteristics for Shropshire for 2023-24 means that, while ensuring that the NFF is fully delivered for the county's schools, the 'headroom' available for transferring funding out of the Schools Block and/or meeting the requirements for growth funding in the next academic year, has been significantly reduced. While the former is not an issue for 2023-24 given the balanced position for the High Needs Block, there is a gap in the funding available for growth funding. The estimated figure available is a very modest £17,844.
18. This position is further compounded by the fact that there is a greater call for growth funding for the 2023-24 academic year, due in the main to the exceptionally large secondary transfer group for September 2023, which has required a number of secondary schools to increase class sizes in Year 7 and, in a number of cases, admit another form of entry.
19. Initial reviews of secondary and primary school pupil allocations for September 2023 has identified one primary academy and five secondary academies as being eligible for growth funding, while one primary academy and two secondary academies will receive funding from the 2023-24 growth allocation for the summer term 2023 relating to pupil growth from September 2022. As referenced above there is also the call on growth funding for the pre-opening costs for Bowbrook Primary to the end of August 2023. The current estimated growth funding requirement is £423,088.
20. The funding available for growth funding within the Schools Block of the DSG in 2023-24 is only £17,844. A balance of growth funding brought forward from previous years of £285,202 means there is a total of £303,046 available to allocate in 2023-24. This leaves a shortfall of £120,042 to be met from other DSG balances in 2023-24.