

SLOUGH SCHOOLS' FORUM
17th January 2018

Growth Fund 2018-19
(Directorate of Children, Learning and Skills)

1 PURPOSE OF REPORT

- 1.1 To ask that Schools' Forum review the allocation criteria for the Growth Fund and agree the criteria; agree the allocation that will apply for 2018-19 and consider two additional issues for funding from the Growth Fund.

2 RECOMMENDATIONS

- 2.1 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:
- a) Bulge classes including at new schools;
 - b) Permanent expansions at maintained schools until a school is full in all year groups; and
 - c) New places in excess of Planned Admission Numbers (PAN).
- 2.2 That the forecast outturn for 2017-18 in Appendix A is noted and the updated allocation of Growth Funding for 2018-19 as shown on Appendix C is agreed.
- 2.3 That consideration is given to providing additional funding to academies in the second year after opening a bulge class to reflect the growth between October Censuses.
- 2.4 That the costs of underwriting places at Grove Academy are noted and consideration is given to utilising a percentage of the 2017-18 Growth Fund underspend to contribute towards this cost.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The birth rate for Slough rose by 48% over the 9 year period from 2006-7 to 2015-16. More than half of existing primary schools expanded over this period and a number of new schools opened; 4 schools are still expanding with larger year groups working their way up through the school. In addition, inward migration to Slough continues

to affect in-year admissions necessitating bulge classes and possibly larger classes going forward.

- 3.2 The population growth began impacting secondary schools some years ago and a large scale growth in provision is now underway. While a number of new free schools have opened in recent years the first expansion of an existing secondary school requiring Growth Fund support was Langley Grammar in 2017 with 2 further secondary schools expanding from 2018.
- 3.3 The prescribed methodology for calculating revenue funding for schools means that growing schools are not fully funded for the extra pupils attending the school. The reason for this shortfall in funding is due to the lag in the period from pupils starting until they appear on the School Census and funding is allocated at a later date. 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.
- 3.5 The funding criteria outlined in Section 5 below is based on the criteria agreed by School's Forum in January 2017 and applied in 2017-18, any variations are indicated.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 All options for creating new places are being explored by Slough including:
 - Bulge classes – classes of 30 pupils, opened to provide capacity for new arrivals and supported by the Growth Fund;
 - Permanent expansions –full form 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;
 - 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 – originally funded by the ESFA with no call on the Growth Fund, a different approach has been taken by the ESFA for Grove Academy. 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 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 Revenue Funding 2018 to 2019 – Operational Guide* (September 2017). Paragraph 95 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.”*

Paragraph 97 states: *The cost of new schools...will also include post-start-up and diseconomy costs...where they are created to meet basic need.*

Level of Funding – Age Weighted Pupil Unit (AWPU)

- 5.2 The methodology for distributing funding is based on AWPU per pupil, reflecting the proportion of the year which is not funded within the school's budget share. For 2017-18 it was agreed to apply the 2017-18 AWPU level with secondary funding based on the average AWPU for KS3 and KS4. It is proposed that a similar system is applied in 2018-19 using up-to-date AWPU rates.

Bulge Classes

- 5.3 Bulge classes must be agreed in advance by the LA following consultation with Slough Education Partnership Board (SEPB). Attached as Appendix B is a table showing the proposed bulge classes for 2018-19 and future years. Analysis of the latest Autumn School Census data suggests that some or all of the bulge classes may open in later years than those shown.
- 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 In 2016-17 and 2017-18, two schools, Marish Primary and Cippenham Primary, received a one-off payment of additional funding in the second year of their bulge classes. Whilst this was not setting a precedent, Schools' Forum is asked to consider supporting current bulge classes in their second year as has happened in recent years. It is

acknowledged that future changes to funding regulations may affect how the Growth Fund can be allocated in 2019-20 and payment may not be possible.

- 5.6 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. If a bulge class were to open November 2016 for instance with 30 pupils, then an academy would not receive funding for this class until 22 months later.
- 5.7 This issue could also apply when an academy opens a class in September 2017 with a small number on roll. 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 would look to open a further bulge class. The bulge class will fill up throughout the year with many pupils starting after the October Census. In the second year after opening the academy would only receive funding for the number on roll at the time of the October Census 2017. For a period of 10 months in the second year the school would absorb the full cost of the bulge class having received funding for a partial class.
- 5.8 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.

Funding Calculation
Fund the difference in number of pupils between the first year Autumn School Census and the second year.
For instance NOR Census 2016 = 10 NOR Census 2017 = 20 Fund (20 – 10) = 10 places

- 5.9 4 primary bulge classes opened in 2017-18, all had less than 15 pupils in the class at the time of the 2017 Autumn Census. It is likely that all 4 classes will have more pupils by the time of the 2018 Autumn Census and be entitled to additional funding in 2019-20 if this option is supported by Schools' Forum. If it is assumed that each class will rise by 10 pupils between censuses then the cost to the 2019-20 Growth Fund would be circa £130K for these 4 classes.

Expansion by a Form of Entry

- 5.10 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.

Larger Classes or Numbers in Excess of PAN

5.11 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 Slough. For instance, where a school makes 96 places available into a year group instead of 90 at Slough's request, the school would be funded for 6 additional places for each full term the places are available.

5.12 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 as a minimum except in the first term which may already have started. This will allow revenue funding to be provided near the start of each term and avoid the need for claw back.

Agreement – The funding is not retrospective and will only apply where it is agreed by Slough that funding will be provided in advance.

5.13 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 at budget build time 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.

5.14 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 because non-academies (maintained schools) are funded April to March.

Underwritten Places at Grove Academy

- 5.15 Grove Academy opened for September 2017 but only after it was agreed with the ESFA that Slough would underwrite the following number of pupils for the first 3 years to ensure the viability of the school. Without this agreement the school would not have opened and Slough would not have had sufficient capacity.

	Year Groups				
	R	1	2	3	7
2017-18	30	30	30	30	120

	1	2	3	4	8
2018-19	30	30	30	30	120

	2	3	4	5	9
2019-20	30	30	30	30	120

- 5.16 For new Free Schools the ESFA only provide funding for the number of pupils on roll on the October Census of the relevant school year. For this reason Slough was asked to fund the empty places in each class to ensure the school has the revenue funding it needs to deliver a full curriculum.
- 5.17 Grove Academy has submitted an estimate of £180K as the value of top-up funding they will be seeking based on their October School Census submission. Details of the calculation have yet to be provided to the LA but it appears that the school has deducted the extra Reception pupils they have on roll from the shortfall in Year 7 pupils, which is helpful and reduces their claim by a significant percentage. A full detailed breakdown of the calculation is expected later this month.
- 5.18 Schools' Forum is asked to consider whether some of the underspend from the 2017-18 Growth Fund budget could be utilised to fund up to 50% of cost. Slough (not Schools Forum) originally agreed to underwrite this cost as there was no time for discussion with Schools Forum at the time. However, the guidance in para 5.1 demonstrates that use of Growth Funding to meet the costs of a new school is allowed and is one of the 3 key aims of the Fund. Any decision would need to first consider the level of funding and contingency sums available in 2018-19.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 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.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

Access Implications

- 6.3 There are no access implications.

7 CONSULTATION

Principal Groups Consulted

- 7 School Organisation Group, Slough Schools Education Forum and all primary schools were consulted on the option of larger classes in late 2015. This was reported to Schools Forum in previous reports.

Method of Consultation

Representations Received

Background Papers

None

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