

SLOUGH SCHOOLS' FORUM
13th May 2021

Growth Fund 2020-21 and 2021-22
Directorate of People (Children)

1 PURPOSE OF REPORT

- 1.1 To provide Schools' Forum with the outturn of the Growth Fund for 2020-21 and provide details of the projected outturn for 2021-22.
- 1.2 To introduce an alternative method for presenting and distributing April to August funding to academies.

2 RECOMMENDATIONS

It is recommended that Schools' Forum:

- 2.1 Note that April to August commitments to Academies are presented in a new way and are now shown as commitments against the 'top slice'.
- 2.2 Note the outturn for 2020-21 in Appendix B and agree the updated allocations of Growth Funding for 2021-22 as shown in Appendix C.
- 2.3 Note that a higher top slice is required for 2022-23 (the catch-up year) in order that academies can be paid for the full year at the start of the academic year with the extra funding being recouped from the DfE.

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. Birth numbers have reduced since the peak in 2011-12. Inward migration to Slough has slowed recently but continues to affect in-year admissions. Bulge classes and larger classes are the main solution where local shortages emerge.
- 3.2 The population growth has been impacting secondary schools for some years and 3 new secondary schools and an all-through have opened in recent years. 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 without capital funding from SBC.
- 3.3 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 funding is allocated.

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. Schools' Forum agreed the methodology to be applied in 2021-22 at a meeting in January 2021 and Appendix C is based on the agreed criteria. No variations to criteria applied in 2020-21 were put forward 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 Revenue Funding 2021 to 2022 – Operational Guide* (December 2020). Paragraph 247 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 249 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)

- 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 2020-21 and 2021-22

- **Bulge Classes** - These must be requested and agreed in advance by the LA. Schools receive funding as though the class was full from the date of opening until March the following year and academies receive funding until August. Academies also receive a one-off payment in the second year of bulge classes to reflect a lag in funding beyond the first year.
- **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** - Support for Grove Academy has been agreed on an ad-hoc basis in recent years but this is not required for 2021-22.

Financial Outturn 2020-21

- 4.3 The outturn for 2020-21 is shown in Appendix B. The unspent funding to be carried forward is £65.4K. This is considerably less than the figure reported to Schools' Forum in January 2021 as the April to August 2020 commitment for academies shown in Appendix A (the 2019-20 outturn summary) is charged to this year's Growth Fund. The reason for this is explained below.

April to August Payments to Academies

- 4.4 Previous Growth Funding reports to Schools' Forum have treated the April to August payments to academies separately as the funding is recouped from the DfE. The previous methodology was used for many years in Slough but this is not in line with current best practice. Academies should receive 12 months worth of growth funding within the financial year the changes take place.
- 4.5 Although this means extra costs appear to be recorded against the Growth Fund, the reality is that the recouped funding is first added to the DSG then top sliced. The net result to the DSG is almost unchanged.
- 4.6 There is one difference, as the Growth Fund will fund April to August payments 7 month's earlier than at present. The reason for changing is to get rid of the lag in funding for Academies growth fund. Payments for both elements of an academy's growth fund will now be paid at the same time in September.
- 4.7 As there is no desire to change the recorded top slice for 2021-22 at this point the transition year will be 2022-23. The top slice for 2022-23, the catch-up year, is estimated at £1.1m. This could be higher if an academy bulge class opens in 2021-22 and if AWPU rates rise.

5 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 5.1 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

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

Access Implications

- 5.3 There are no access implications.

6 CONSULTATION

Principal Groups Consulted

Slough Education Partnership Board, SASH and SPHA are consulted on the wider expansion policy of the council on a regular basis.

Method of Consultation

Representations Received

Background Papers

None

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