

Schools Forum 11 January 2024	
Report from Executive Director of People - Children Services	
Schools Growth Fund 2024/25	
Wards Affected:	All
Key or Non-Key Decision:	N/A
No. of Appendices:	None
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1 Purpose of the Report

- 1.1 This report sets out the allocation criteria for the Growth Fund that will apply in 2024/25 and the 'top slice' from the Schools Block DSG that will fund commitments in 2024/25.

2 Recommendations

- 2.1 Schools' Forum is asked to comment on the proposed allocation of £500,000 to the Growth Fund in 2024/25 which will form a top slice from the Schools Block DSG.
- 2.2 Schools' Forum is asked to note 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 Borough Council:
- a) Bulge classes;
 - i. 1st Year - Fully funding the class in its first academic year
 - ii. 2nd Year - Funding the growth in places between October Censuses.
 - b) Permanent expansions at any school not just maintained schools until the increased PAN works its way through the school e.g. an increase from 2 FE to 3 FE would take 7 years for a primary school and 5 years for a secondary school.
 - c) New places in excess of Planned Admission Numbers (PAN).

3 REASONS FOR RECOMMENDATIONS

3.1 Slough's birth rate rose by 48% over the period from 2001/2 to 2010/11. The effect of this growth along with inward migration to the town has meant that the primary school estate has been increased in capacity by 50% while the secondary school capacity has been increased by 60%.

Primary Places

- 3.2 Birth numbers have reduced year on year since the peak in 2010/11 and 2011/12. This has created a surplus of places in primary schools overall although this is not spread evenly across Slough's planning areas.
- This **west** planning area has seen the largest fall in birth numbers. A number of schools have already reduced their admission numbers, it is likely that a further reduction or two will be required over the next few years. The current surplus places are above the 'target surplus' in all year groups. No additional capacity is required.
 - The **central** planning area is under pressure in many primary year groups, 3 year groups are already full. For October 2023 of the 7 current year groups 5 have less than the target surplus. Further capacity is now required in this planning area.
 - The **east** planning area is very popular and attracts pupils from other planning areas. The October 2023 Census showed that 5 of the 7 current year groups have little or no surplus places. Further capacity is now required in this planning area.
- 3.3 There is a sustained pressure on places in the Central and East Planning Areas as in-year applications have risen to their highest ever levels over the last 18 months. This has required that the LA open 2 bulge classes at the start of the school year, further capacity is required in 2023/24 and future years. One school has admitted up to 31 in a class at SBC's request.
- 3.4 An issue has emerged recently whereby schools have managed partially filled classes down to a level where one less teacher is required in a specific year group. When this happens in areas with a pressure on places it can have an impact on the Growth Fund. To replace a 'lost' class with a bulge class would cost the Growth Fund up to £109K at 2023/24 rates, £164K for secondary schools.

Secondary Schools

- 3.4 The population growth has been impacting secondary schools for some years and 3 new secondary schools and an all-through school have opened. 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.
- 3.5 The peak in Slough's birth numbers reached Year 7 in 2022 and 2023. The increases mentioned above provide sufficient capacity for this peak and the need for additional places is not expected. In other year groups the majority of surplus places are

located at a single school (Grove Academy). This situation needs to be monitored as the recent high rates of in-year applications may change this position.

Lagged Funding

- 3.6 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 are funded. In acknowledgement of this lag the DfE permit LAs to top slice the Schools' Block to use for the 'Growth Fund'. The Growth Fund supports expanding Schools through the period where lag applies.
- 3.7 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 2023/24 at a meeting in January 2023. No variations are proposed within this report for 2024/25.

4 EXPANSION OPTIONS CONSIDERED

- 4.1 All options for creating new places are explored by SBC including:
- Bulge classes – generally classes of 30 pupils, opened to provide capacity for new arrivals and supported by the Growth Fund;
 - Permanent expansions – full forms 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 (usually 5-7 years);
 - 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 – depending on how they are funded by the DfE, they can require support from the Growth Fund – currently no further new schools are planned or required in Slough. 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 operational guide: 2023 to 2024 (updated 23 August 2023)*. Section 29 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.”*

- 5.2 Falling Rolls Funding Section 30 states: “Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next 3 financial years.”

As this only applies where demand is projected to rise in the near future this has previously been discussed and discounted by Schools Forum. It remains a useful option that could support schools in the future should local circumstances change.

Level of Funding – Age Weighted Pupil Unit (AWPU)

- 5.3 The 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. Note that secondary AWPU is based on an average of KS3 and KS4 AWPU funding.

Summary of Criteria Agreed for 2022/23 and 2023/24

- 5.4 **Bulge classes** must be agreed in advance by the LA.
- 5.5 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.
- 5.6 Over the last 8 years Schools Forum has agreed to a one-off payment of additional funding in the second year of bulge classes at academies.
- 5.6.1 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. This might be because the class opened after the School Census or opened before with a low starting number. If a bulge class were to open November 2022 for instance with 20 pupils, then an academy would not receive funding for this class until 22 months later (with Growth Funding supporting the first 10 months).
- 5.6.2 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 may look to open a further bulge class.
- 5.6.3 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 October Census 2022 = 10
NOR October Census 2023 = 20
Fund (20 – 10) = 10 places

5.7 **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. 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. Secondary schools will receive funding for 5 years as pupils move from Year 7 to Year 11. If a school doesn't have an additional class then it wouldn't be entitled to funding, for instance a bulge class leaves the school in the top year while an extra class joins in the lowest year group. In this case the school would have the same number of classes for 2 consecutive years and Growth Funding support wouldn't be necessary.

5.8 In 2023/24 only one school qualified for this funding and in 2024/25, unless new expansions are agreed, no schools will qualify for this funding.

5.9 **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 period that they make each additional place available at the request of the Local Authority. For instance, where a school makes 96 places available into a year group instead of 90 at SBC's request, the school would be funded for 6 additional places for each week that the places are available.

5.10 **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 where possible. This will allow revenue funding to be provided near the start of each term and avoid the need for claw back. In some instances, it may be that the term has already started and places are urgently required by the LA, this would result in funding for a partial term.
- Agreement – The funding is not retrospective and will only apply where it is agreed in advance by SBC that funding will be provided.

- 5.11 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 during the budget build 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.
- 5.12 Payment to Academies - SBC provides funding to growing academies in 2 tranches. The first tranche paid in September/October for the period September to March and the second tranche paid after Easter for the period April to September.
- 5.13 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 due to non-academies (maintained schools) being funded April to March.

Budget requirements for 2024/25

- 5.14 The budget requirement for 2024/25 is:
- | | |
|---------------------------------|--------------|
| Current bulge class commitments | £91K |
| Contingency sum | £409K |
| Total | £500K |
- 5.15 To fund these requirements it is suggested that a top slice from the DSG of £500K is agreed. The underspend from the 2023/24 Growth Fund, projected at c£150K, will be retained as part of the DSG and be used to support expenditure in that year.

6 Financial Implications

- 6.1 The financial implications have been detailed in the body of this paper.

7 ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

8 SUPPORTING INFORMATION

Not applicable

9 Legal Implications

- 9.1 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.

10 Equality Implications

Not applicable

11 CONSULTATION

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