

Decision Maker: **SCHOOLS FORUM**

Date: **30th November 2023**

Decision Type: Non-Urgent Executive Non-Key

Title: **GROWTH FUNDING UPDATE AND FUTURE PROPOSALS**

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Chief Officer: Jared Nehra, Director of Education

Ward: (All Wards);

1. Reason for report

1.1 The Department for Education (DfE) has updated guidance on Growth Funding.

2. RECOMMENDATION(S)

2.1 The Schools Forum are requested to:

(i) Note the guidance from DfE on the Growth grant funding element of the DSG.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Health and Integration
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Various DSG cost centres
 4. Total current budget for this head: £11.4m after recoupment
 5. Source of funding: DSG Budgets
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not Applicable
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Customer Impact

1. N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

3. COMMENTARY

DfE Growth Scheme

- 3.1 Growth funding is allocated through the national funding formula (NFF) within each local authority's school block. Unlike the other factors in the NFF, a provisional growth allocation is not published.
- 3.2 The growth allocation for each local authority will be £1,550 per new primary pupil and £2,320 per new secondary pupil, plus a lump sum of £76,195 for each brand-new school (these are new schools identified from the latest census data). Allocations are subject to an area cost adjustment (ACA).
- 3.3 **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 revenue cost of new schools.
- 3.4 LAs will not need to submit a disapplication request for an increase to numbers where this is due to a change to the admission limit or a local reorganisation. LAs are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the Schools Forum.
- 3.5 The Schools Forum must also be consulted on the total size of the growth fund from each phase and should be consulted prior to any expenditure from the growth fund being incurred.
- 3.6 LAs will continue to set criteria to determine how to allocate growth funding to schools in their local area.
- 3.7 **The growth fund must not be used to support:**
- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency,
 - general growth due to popularity; this is managed through lagged funding. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice.

From 2024 to 2025 local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).

- 3.8 As a mandatory requirement LA will provide support where a school or academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment).
- 3.9 As a mandatory minimum local authorities will have to provide funding to a level which is compliant with the following formula:

primary growth factor value (£1,550) x number of pupils x ACA
secondary growth factor value (£2,320) x number of pupils x ACA

- 3.10 Funding, either through the growth fund, or by adjusting pupil numbers in the APT, will need to be provided regardless of whether the additional class is within or outside of the PAN.
- 3.11 In addition to the compulsory criteria, compliant criteria would generally contain:
- additional support where a school has extended its age range.
 - support where a school has temporarily increased its PAN, by a minimum number of pupils, in agreement with the authority,
 - support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils.
 - pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need.
- 3.12 Methodologies could include:
- lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class or the estimated start-up costs)
 - per-pupil rate (usually based on age weighted pupil unit (AWPU), and reflecting the proportion of the year which is not funded within the school's budget share)
 - per-pupil rate, with a maximum ceiling
- 3.13 Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.
- 3.14 LAs should report any unspent growth funding remaining at the year end to the Schools Forum.
- 3.15 Funding may be carried forward to the following funding period. As with any other centrally retained budget, and LA can choose to use it specifically for growth.
- 3.16 Any overspend growth funding will form part of the overall DSG surplus or deficit balance.

4. BROMLEY POSITION

- 4.1 Although there is no change to the current regulatory position, it is important that Schools Forum understand the mechanisms that drive the growth grant funding. The growth grant allocation is based on an amount per new primary pupil and per new secondary pupil, plus a lump sum amount for each brand-new school.

Calculation Step	Description
1. Total Funding for primary growth	Total Primary LA growth count x £1,550 x ACA
2. Total funding for secondary growth	Total secondary LA growth count x £2,320 x ACA
3. Total new schools funding	New schools count x £76,195 x ACA
4. Total growth allocation	1 + 2 + 3

- 4.2 In recent years there has been sustained growth in pupil numbers which has been dealt with by adding whole forms of entry which requires up to 7 years funding. The funding received

from DfE supports this additional funding being passed to schools through the core funding calculations.

- 4.3 Bromley is experiencing low growth pressure now, but growth has been a significant issue in past years and is likely to be in the future due to cyclical nature of school rolls.
- 4.4 Growth funding is a mechanism through which Bromley are funded for not only growing schools but also bulge classes, which is not core funding.
- 4.5 Bromley will continue to fund bulge classes by calculating an amount using AWPU and deprivation funding. An example of this is below:-

Example: Class of 30 Bulge pupil numbers.

Using the percentage of deprived pupils in the school and multiply by the following factors:-

- a) Deprivation
- b) FSM
- c) Prior Attainment
- d) EAL

In addition, each pupil in the bulge class will attract full AWPU funding.

- 4.6 There are currently only 2 schools attracting bulge class funding.
- 4.7 Any residual funding from the growth funding (growing schools and bulge classes) is absorbed into the in-year Schools Block calculation.
- 4.8 The growth funding allocation to schools will be finalised in December 2023 allocations from ESFA

5. FINANCIAL IMPLICATIONS

- 5.1 The Growth fund from DfE is an element of the overall DSG allocation withing the Schools Block. It is a mechanism to fund schools via the Local Authority. The funding of Schools for growing schools and bulge classes uses this funding but the two do not necessarily co-relate. Although the funding stays within the Schools Block it may not necessarily be used for growth and may be absorbed into other areas of the Schools Block depending on what funding decisions are made. Conversely, more growth funding may be distributed than grant given.
- 5.2 The remaining financial implications are in the body of the report.

Non-Applicable Sections:	Legal Implications Policy Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	Documents held with Liberata Finance