

Dear All,

SCHOOLS' FORUM - THURSDAY, 25TH JANUARY, 2024

I am now able to enclose, for consideration at next Thursday, 25th January, 2024 meeting of the Schools' Forum, the following reports that were unavailable when the agenda was printed.

Agenda No Item

9 Growth Fund Update (Pages 1 - 12)

[To receive an update on the deployment of the Growth Fund payment and estimated allocations for future financial years.]

If you have any queries about this meeting, please contact the Democratic Services team:

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City of Wolverhampton Council

SCHOOLS' FORUM

Date	25 January 2024
Report title	Growth Fund Update
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Summary

This report provides an update on the deployment of the 2022–2023 Financial Year Growth Fund payment and outlines estimated Growth Fund allocations in 2023-2024 and 2024-2025 Financial Year. Schools' Forum members are asked to reaffirm growth fund eligibility criteria in accordance with the relevant guidance from the Education Skills and Funding Agency (ESFA).

Decision

Members of Schools' Forum are asked to:

1. Note the 2022 - 2023 Growth Fund allocations (**Appendix 1**).
2. Note estimated 2023 - 2024 Growth Fund allocations (**Appendix 2**).
3. Note potential 2024 - 2025 Growth Fund allocation (**Appendix 3**).
4. Note requirement that if demand is greater than forecasted then a further report may be required to be submitted to Schools' Forum to request funding for additional in year growth fund payments for 2024-2025 (**Section 6**)
5. Note the anticipated demand for both the Primary and Secondary estates and the need for future Growth Funds to support both phases.

Schedule of Background Papers

Schools Forum (1 December 2022)

Schools' Forum (9 October 2014) Establishment of a Growth Fund to Support Expanding Schools

1.0 Background

- 1.1 Schools' Forum first agreed to the establishment of a Wolverhampton Growth Fund on 9 October 2014. In line with this agreement, a Growth Fund has been subsequently retained and deployed.
- 1.2 Growth funding is provided within local authorities' schools block DSG allocations. For 2024 to 2025, it will be calculated using the same methodology as previous year which was introduced for the 2019 to 2020 financial year, based on the growth in pupil numbers between the October 2022 and October 2023 censuses.
- 1.3 Experience has shown that Growth Fund provision is essential to expanding schools as the admission of significant numbers of additional pupils has clear revenue budget implications for the schools concerned (funding is based upon numbers on roll recorded within the preceding autumn term School Census). Without such provision expanding schools would face a likely shortfall in revenue funding until funding allocations reflect actual numbers on roll.
- 1.4 City schools currently qualify for funding through the Growth Fund in the following circumstances:
 - The school or academy has agreed with the Local Authority (LA) to permanently increase its admission limit to meet basic need.
 - The school or academy has agreed with the LA to provide a bulge class to meet basic need.
 - The school or academy has agreed with the LA to expand in-year to meet basic need.
- 1.5 Growth Funds may not be used to support either schools in financial difficulty or to meet the strategic aspirations of schools or trusts who wish to expand to meet their local objectives. This is as per ESFA guidance: "...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.
- 1.6 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.
- 1.7 In all instances the principal basis for allocating additional funding through the Growth Fund is the number of additional children admitted **to meet basic need**; individual schools' funding rates are based upon the pupil led factors of the local funding formula. The Growth Fund also includes a guaranteed minimum level of funding to provide greater security to those schools who are expanding by half a form of entry or more to meet basic need. These schools would be guaranteed to receive at a minimum, the equivalent of the salary of a teacher at the midpoint of the teachers' main scale for each 30 additional places provided (this figure would be adjusted on a pro-rata basis depending on the number of additional places being provided).

1.8 Due to variations in school financial years, it is intended that allocations to maintained schools would reflect the period September to March, whilst allocations to academies reflect the period September to August.

2.0 Deployment Process

2.1 The LA confirms Growth Fund payments to schools once they have been processed. Schools are given the payment reference ID in order to track the receipt of these funds, along with a breakdown of the number of places for which they are being funded. An example of the email they receive is shown in **Appendix 4**.

2.2 DfE guidelines suggest that the Growth Fund must be employed on the same basis for the benefit of maintained schools and academies and this is reflected in the operation of the Wolverhampton Growth Fund.

2.3 **Model 1 – Standard Growth Fund Payment:** Schools permanently expanding from point of entry as set out in 1.5, will receive a Growth Fund payment which is always based on the Autumn census number on roll for point of entry (Reception for Primary and Year 7 for Secondary). The LA recognise that schools will have a shortfall in funding in the long term, until the increased Published Admission Number (PAN) is recorded in all year groups within the preceding Autumn term census (on which funding is based). For this reason, growth fund payments for permanent expansions will continue for seven years in primary schools and five years in secondary schools. This scenario can be illustrated by the example below.

Example: School A agrees with the LA to permanently increase its admission limit from 120 to 180 to meet basic need in time for Allocation Day. For the next seven (primary) or five (secondary) years, the schools' funding will not reflect the increase in PAN. Consequently, the LA will pay for any additional places filled at point of entry, above 120 (up to 180), which are recorded in the Autumn term census. See 1.9 and 1.10 for details of how the funding is calculated.

2.4 **Model 2 – One-off Standard Growth Fund Payment (temporary uplift starting in point of entry):** Schools introducing a temporary bulge from point of entry as set out in 1.5, will receive one Growth Fund payment based on Autumn census number on roll for that particular cohort. The LA recognise that schools would be behind in their revenue funding in the short term, and for this reason they are paid growth fund for each additional place filled in Autumn census to make up for this temporary short fall. This scenario can be illustrated by the example below.

Example: School B agrees with the LA to provide an additional 15 places at point of entry to meet basic need, making its PAN 60. The school's funding will temporarily not reflect the increase in PAN until the following year, consequently the LA will pay for any additional places filled at point of entry, above 45 (up to 60), which are recorded in that Autumn term census. See 1.9 and 1.10 for details of how the funding is calculated.

2.5 **Model 3 – In-year Growth Fund Payment:** Schools temporarily uplifting their PAN in a year group other than point of entry, as set out in 1.5, will receive a Growth Fund payment based on the number on roll for that cohort in the next termly census. The number on roll for this cohort will continue to be tracked in termly censuses and funded, until all additional places are filled, up to the agreed PAN or until the cohort reaches the end of Year 6 or 11. This scenario can be illustrated by the example below.

Example: School C agrees with the LA to temporarily uplift its PAN from 60 to 66 in Year 3 to meet basic need. The school's funding will temporarily not reflect the increase in PAN, consequently the LA will pay for any additional places filled above 60 (up to 66) which are recorded in the following termly censuses, until the additional places in this cohort are filled. See 1.9 and 1.10 for details of how the funding is calculated.

3.0 Update on Deployment of 2022-2023 Growth Fund

- 3.1 On 1 December 2022, Schools' Forum agreed to the creation of a Growth Fund of £2,400,000 and it was reported that there would be a potential underspend if including the carry forward from 2021-22 (dependent upon on places being filled).
- 3.2 The total expenditure for Financial Year 2022-2023 was £2,595,812.60. Please see **Appendix 1** for a breakdown of these payments.
- 3.3 Growth fund payments for Spring 2022 were paid in the 2022-2023 financial year.

4.0 Update on Deployment of 2023-2024 Growth Fund

- 4.1 In January 2023, the budget of £1,700,000 for 2023-2024 was approved.
- 4.2 Payments for Spring 2023 based on Spring School census (which falls in the 2022-2023 academic year) were paid out to schools in the 2023-2024 financial year. Summer 2023 and Autumn 2023 Growth Fund payments have also been paid in financial year 2023-2024. A breakdown of payments can be found in **Appendix 2**.
- 4.3 Estimated payments Spring 2024 are also detailed in **Appendix 2**. This is estimated to be a total of £294,910.12.
- 4.4 Estimated payments detailed in **Appendix 2** for Spring 2024 are based on an assumption that any additional in-year places not filled in this Term would be filled in Summer 2024.
- 4.5 The payments (actual and estimated) detailed in **Appendix 2** (subject to the caveats above) suggest that the growth fund allocation of £1,700,000 will not be sufficient as the total spend between Spring 2023 and Spring 2024 is estimated to be £2,204,845.09. There is a projected overspend of £504,845.09.
- 4.6 The City of Wolverhampton Council has a statutory duty to ensure sufficient school places are available across the City and must introduce additional places when they are required, therefore the predicted overspend is due to a number of factors. There has been a significant increase in the number of families arriving into the City that require a school place, especially in the Primary phase, that could not have been predicted. The historic in year demand trend has changed recently, for example, on average 10 forms of entry (300 pupils) growth were usually seen from when a cohort started in Reception to the end of Year 6. The current Year 5 cohort (when it was Year 4 in academic year 2022/23) had already grown by 9 forms of entry (270 pupils) this growth has continued month on month and is anticipated to exceed 10 forms of entry by the time it reaches the end of Year 6 in Summer 2025.
- 4.7 For academic year 2022-2023 there were 1,308 applications for an in year primary school place (compared to 1,207 in 2021/22 and 797 in 2020/21) from families moving

into the City. Increase in demand is partly due to a number of Government schemes, such as, the Afghanistan Relocation Scheme, Asylum Seeker and Refugee schemes (Afghanistan/Sudan/Ukraine) and the Hong Kong British National (Overseas) Visa Scheme. More recently there has been a recruitment drive by the Royal Wolverhampton NHS Trust that has seen a significant increase in families arriving in City from Nigeria.

- 4.8 Figure 1 illustrates the impact on the budget of the significant increase in demand for in year places, detailing the estimated Growth Fund Payments for academic year 2023-24 (as at December 2022) against the growth fund payments that will be paid out for Autumn 2023 and anticipated for Spring 2024.

Phase	Estimated 2023-2024 Growth Payments (as at December 2022)		Current Forecast 2023-24 Growth Fund Payments					
	Number of standard places	Cost	Current Forecast Standard Places	Current Forecast Standard Places cost	Difference of	Current Forecast In year places (Autumn 2023 and Spring 2024)	Current Forecast In Year Places cost	Current forecast Cost
Primary	120	£362,147.58	104	£321,485.61	-11%	106	£295,691.62	£617,177.23
Secondary	247	£1,349,402.35	235	£1,370,824.38	2%	60	£161,169.70	£1,531,994.08
Contingency for future in year uplifts		£27,881.43						
Total	367	£1,739,431.36	339	£1,692,309.99		166	£456,861.32	£ 2,149,171.31

The estimated standard growth fund payments are 11% lower than anticipated for primary but 2% higher for secondary. The overall total ask is currently 24% higher than anticipated.

5.0 Deployment of the 2024 - 2025 Growth Fund

- 5.1 Please see **Appendix 3** for the requested budget for Growth Fund for 2024 – 2025, which is £1,400,000.
- 5.2 Estimations are based on standard payments for Autumn 2024, with the assumption that all additional in-year places referred to in **Appendix 2** have been paid out in the previous financial year. A contingency calculated primarily from the 2023-24 in year ask has been included to take account of the continued anticipated increase in cohort growth.
- 5.3 Although the number of schools to receive standard payments is fewer, demand for in year places is increasing significantly. It is the intention to continue to use the existing transparent and consistent criteria under which schools qualify for funding as set out in 1.5 above. Any additional places will be introduced in line with the strategic policy as outlined in the School Organisation strategy which is currently being refreshed.
- 5.4 Schools' Forum should note previously confirmed expansion programmes and in year growth requirements.
- 5.5 In order to ensure transparency it is proposed that any 2024 - 2025 Growth Fund deployments would once again be reported to Schools' Forum on a periodic basis.
- 5.6 Please note that it is anticipated there will be a requirement to deploy a Growth Fund in subsequent financial years to support the needs of pupils to meet basic need. The City attracts additional DSG funding as a result of the increased number of pupils in the system.

6.0 Additional Growth Fund Budget Requirements for 2024-25

- 6.1 Appendix 3 details the schools where additional places have been implemented to ensure sufficiency. There is a contingency amount of £417,726.78 for new in year places for both primary and secondary schools.
- 6.2 However, and as explained in paragraph 4.6 in year demand is not abating and there may be a requirement for additional growth fund payments to support schools in meeting demand. If the current contingency in Appendix 3 is insufficient, as demand is greater than forecasted, a further report may be required to be submitted to Schools' Forum.

7.0 Impact

- 7.1 The allocation of resources from the Dedicated Schools Grant impacts on the funding directed to schools.

8.0 Financial Implications

- 8.1 The tables in this report's Appendices show the growth Fund allocations to schools as agreed by the Council. The amounts shown are the full cost, however in the case of academies the Council is required to fund a full academic year but can reclaim five months of this funding from the ESFA in the following year.
- 8.2 As shown in Appendix 1 there was an in year overspend against growth fund in 2022-2023, however the actual cost to the Council was £1.6 million against overall funding available of £1.8 million, leaving £200,000 to be carried forward into 2023-2024.
- 8.3 In 2023-2024 the budget for in year payments was set at £1.7 million, and this was based on the payments after recoupment being £1.2 million (funded by the £200,000 underspend in 2022-2023 and a contribution from the 2023-2024 schools block of £1.0 million).
- 8.4 The current forecast in year expenditure is £2.2 million, which will reduce to £1.6 million after academy recoupment, which means there will be a forecast deficit of £350,000 in 2023-2024.
- 8.5 Appendix 3 shows the forecast expenditure for 2045-2025. After deducting the academy recoupment amount, including the deficit from 2023-2024, will be in the region of £1.3 million. This is included in the proposed local funding formula, which will be received by Schools forum at the January meeting.

[JB/19012024/A]

2022-2023 Financial Year Growth Fund Allocations

Establishment	Spring 22 Growth Fund In- year Payment	Summer 22 Growth Fund In- year Payment	Autumn 2022 Growth fund Standard Payment	Autumn 2022 Growth fund In- year Payment	Total
Bilston CE Primary				£2,752.19	£2,752.19
St Bartholomew's CE Primary			£54,528.82		£54,528.82
Hill Avenue Academy			£35,852.01		£35,852.01
Spring Vale Primary			£77,343.92		£77,343.92
Stowlawn Primary			£55,016.39		£55,016.39
Loxdale Primary			£80,527.75		£80,527.75
Elston Hall Primary		£1,763.54		£21,162.47	£22,926.01
Trinity CE Primary				£9,394.82	£9,394.82
Rakegate Primary				£5,309.62	£5,309.62
Oak Meadow Primary				£8,138.33	£8,138.33
Holy Rosary Catholic Primary				£14,272.25	£14,272.25
Total Primary	£0.00	£1,763.54	£303,268.89	£61,029.68	£366,062.11
Our Lady & St Chad Catholic Academy			£253,976.31		£253,976.31
Aldersley High School			£329,171.77		£329,171.77
Colton Hills			£322,904.22		£322,904.22

Moreton School	£20,948.36		£398,587.91		£419,536.27
Highfields School			£154,312.70		£154,312.70
Ormiston SWB			£170,644.23		£170,644.23
St Edmunds Catholic Academy			£284,184.45		£284,184.45
St Matthias School			£37,708.65		£37,708.65
Wednesfield High Academy			£257,311.89		£257,311.89
Total Secondary	£20,948.36	£0.00	£2,208,802.13	£0.00	£2,229,750.49
GRAND TOTAL	£20,948.36	£1,763.54	£2,512,071.02	£61,029.68	£2,595,812.60
BUDGETED APPROVED					£2,400,000.00
DIFFERENCE (OVERSPEND) 2022-23					-£195,812.60

Estimated Growth Fund Allocations 2023-24 Financial Year

Establishment	PAID (2023-24 financial year)				ESTIMATED	Total (Autumn 2023- Spring 2024)	Grand Total Spring 2023- Spring 2024)
	Spring 23 Growth Fund In- year Payment	Summer 23 Growth Fund In- year Payment	Autumn 2023 Growth fund Standard Payment	Autumn 2023 Growth fund In-year Payment	Spring 24 Growth Fund In- year Payment		
Bilston CE Primary		£10,016.26		£23,371.28	£1,252.03	£24,623.31	£34,639.57
Claregate Primary				£2,584.99	£3,323.56	£5,908.55	£5,908.55
Goldthorn Park Primary				£9,640.77	£19,281.54	£28,922.31	£28,922.31
Trinity CE Primary Academy	£13,384.89	£2,091.39		£5,019.33	£40,154.66	£45,173.99	£60,650.27
St Bartholomew's CE Primary			£57,291.76			£57,291.76	£57,291.76
Edward the Elder Primary	£3,117.01	£5,844.40				£0.00	£8,961.41
Fallings Park Primary					£7,566.91	£7,566.91	£7,566.91
Spring Vale Primary			£80,898.71			£80,898.71	£80,898.71
Springdale Primary				£10,589.38	£4,538.31	£15,127.69	£15,127.69
Stowlawn Primary			£80,051.07		£5,082.61	£85,133.68	£85,133.68
Elston Hall Primary	£2,970.52				£11,882.08	£11,882.08	£14,852.60
Bantock Primary	£2,722.50				£2,722.50	£2,722.50	£5,445.00
St. Mary's Catholic Primary					£38,286.80	£38,286.80	£38,286.80
St. Luke's CE Primary				£11,273.77		£11,273.77	£11,273.77
Rakegate Primary	£2,407.88				£4,815.76	£4,815.76	£7,223.64
Oak Meadow Primary					£11,530.88	£11,530.88	£11,530.88
Northwood Park Primary				£23,906.65	£41,438.19	£65,344.84	£65,344.84
Woodfield Primary					£17,429.62	£17,429.62	£17,429.62
Loxdale Primary			£84,094.57			£84,094.57	£84,094.57
Hill Avenue Academy			£19,149.50			£19,149.50	£19,149.50
Total Primary	£24,602.80	£17,952.05	£321,485.61	£86,386.17	£209,305.45	£617,177.23	£659,732.08
St Matthias School			£39,878.65			£39,878.65	£39,878.65

The Khalsa School		£13,118.93		£75,565.03	£4,198.06	£79,763.09	£92,882.02
Moreton School			£166,465.68			£166,465.68	£166,465.68
Highfields School			£164,007.00			£164,007.00	£164,007.00
St Edmunds Catholic Academy			£300,220.41			£300,220.41	£300,220.41
Wednesfield High Academy			£300,593.22			£300,593.22	£300,593.22
Ormiston SWB Academy			£201,627.83			£201,627.83	£201,627.83
Colton Hills Community School			£198,031.59		£81,406.61	£279,438.20	£279,438.20
Total Secondary	£0.00	£13,118.93	£1,370,824.38	£75,565.03	£85,604.67	£1,531,994.08	£1,545,113.01
GRAND TOTAL	£24,602.80	£31,070.98	£1,692,309.99	£161,951.20	£294,910.12	£2,149,171.31	£2,204,845.09
APPROVED BUDGET						£1,700,000.00	
ANTICIPATED DIFFERENCE (OVERSPEND)						-£504,845.09	

Estimated 2024–2025 Financial Year: Standard Growth Fund Payments

Establishment	Additional Places	Estimated Allocation 2024-25 (based on 2023-24 Funding Formula)
Stowlawn Primary	30	£88,945.64
Spring Vale Primary	30	£80,898.71
Loxdale Primary	30	£84,094.57
St Bartholomew's CE Primary	15	£57,291.47
Hill Avenue Academy	15	£71,384.14
Maximum Total Primary	120	£382,614.53
Moreton School	30	£208,082.10
Ormiston SWB Academy	30	£201,627.83
Colton Hills Community School	49	£189,948.76
Maximum Total Secondary	109	£599,658.68
Contingency (to include in year uplifts)	-	£417,726.78
Grand Total	229	£1,400,000.00
Budget Required	-	£1,400,000.00

Example of Growth Fund email sent to schools:

Dear Headteacher

This email is to inform you that your school will shortly be receiving a Growth Fund payment of £7,452.84 with the reference 123456789.

This Growth Fund payment is based on the validated census figures of Autumn term xxxx, for year groups that qualify for growth fund payments as previously agreed with the Local Authority.

A detailed breakdown for this payment is included below, please note that the current cost per additional place filled is £3,726.42.

Year Group	Number on Roll at Autumn 18 Census	Places Funded	Growth Fund Payment	Payment Type	Additional notes
3	32	2	£7,452.84	In Year - Tracked Payment	Two remaining places to be filled and funded.

If you have any questions regarding this Growth Fund Payment please contact school.organisation@wolverhampton.gov.uk.

Kind regards