

City of Wolverhampton Council

SCHOOLS' FORUM

Date	1 December 2022
Report title	Growth Fund Update
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Summary

This report provides an update on the deployment of the 2021–2022 Financial Year Growth Fund payment and outlines estimated Growth Fund allocations in 2022-2023 and 2023-2024 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 2021 - 2022 Growth Fund allocations (**Appendix 1**).
2. Note estimated 2022 - 2023 Growth Fund allocations (**Appendix 2**).
3. Note potential 2023 - 2024 Growth Fund allocations (**Appendix 3**).
4. 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

- [Secondary School Expansion Programme 2023 \(Cabinet Report – 16 November 2023\) Schools Forum \(9 December 2021\)](#)
- Schools' Forum (9 October 2014) Establishment of a Growth Fund to Support Expanding Schools (**Appendix 5**)

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 In 2019-2020, the DfE introduced allocating growth funding to local authorities on a formulaic basis: "In 2019-2020 we introduced a new methodology for the growth factor, designed to distribute this funding based on the actual growth that local authorities experienced between successive October censuses, rather than the amount they have historically chosen to spend." Growth allocation within the DSG is now based on pupil data from the October census, but Local authorities will continue to manage their growth funding locally. ('The national funding formula for schools and high needs 2020 to 2021', October 2019).
- 1.3 The updated guidance 'National funding formula for schools and high needs: 2022 to 2023' states "The basic structure of the schools national funding formula (NFF) is not changing in 2022-2023."
- 1.4 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.
- 1.5 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.
- 1.6 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
- 1.7 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." (Growth and falling rolls fund guidance: 2020 to 2021 - February 2020. Please note this guidance is currently under review)

- 1.8 Please note that the adopted School Organisation strategy entitled 'City of Wolverhampton Education Place Planning 2020-2022' (the strategy) recommends that the LA works towards a 2% level of surplus places for both primary and secondary. This is consistent with the basic need funding allocated to LAs, as central government operate a funding level of 2% surplus. The strategy is currently being refreshed and the 2% level of surplus is being reviewed due to sustained and significant in year growth especially in the primary phase.
- 1.9 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).
- 1.10 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 is **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 2021-2022 Growth Fund

- 3.1 On 9 December 2021, Schools' Forum agreed to the creation of a Growth Fund of £2,000,000 and it was reported that there would be a potential underspend (depending on places being filled).
- 3.2 The total expenditure for Financial Year 2021-2022 was £1,892,919.19 (resulting in a final underspend of £107,080.81). Please see **Appendix 1** for a breakdown of these payments.
- 3.3 There was an underspend from the 2020-2021 budget of £396,237.00, that was carried forward to 2021-2022; providing a total of £503,317.81 to be carried forward to 2022-2023.
- 3.4 Growth fund payments for Spring 2021 were paid in the 2021-2022 financial year and growth fund payments for Spring 2022 were paid in the 2022-2023 financial year.

4.0 Update on Deployment of 2022-2023 Growth Fund

- 4.1 In December 2021, the budget of £2,400,000 for 2022-2023 was approved. The carry forward from 2021-2022 provides a total budget of £2,903,317.81.
- 4.2 Payments for Spring 2022 based on Spring School census (which falls in the 2021-2022 financial year) were paid out to schools in the 2021-2022 academic year. Summer 2022 Growth Fund payments have already been paid. A breakdown of Spring and Summer 2022 payments can be found in the first two columns of **Appendix 2**.
- 4.3 Estimated remaining payments for Autumn 2022 and Spring 2023 are also detailed in **Appendix 2**. This is estimated to be £2,545,207.91.

- 4.4 Please note that at the time of this meeting, 2022 Autumn census data is currently being validated. Consequently, estimated payments detailed in **Appendix 2** are based on an indicative number on roll figure from 6 October 2022 and based on an assumption that any additional in-year places not filled at that point, would be filled in Spring 2023.
- 4.5 The estimated payments detailed in **Appendix 2** (subject to the caveats above) suggest that the growth fund allocation (with the carry forward from 2021-2022) of £2,903,317.81 will be sufficient. There is a projected underspend.
- 4.6 Any resources remaining in the Growth Fund at the end of the financial year 2022-2023 will be reported to Schools' Forum by colleagues in Finance and be considered as part of the overall 2022-2023 out-turn.

5.0 Deployment of the 2023 - 2024 Growth Fund

- 5.1 Please see **Appendix 3** for the requested budget for Growth Fund for 2023 – 2024, which is £1,406,000.
- 5.2 Although the estimated Growth Fund payments and contingency for any additional places that may be required, are calculated at £1,739,431.36, the anticipated underspend from 2022-2023 (£333,431.36) reduces the budget ask. Estimations are based on standard payments for Autumn 2023, with the assumption that all additional in-year places referred to in **Appendix 2** have been paid out in the previous financial year.
- 5.3 The ask for this financial year is lower than 2022-2023 as the peak in demand for Secondary school places (academic year 2022-2023) has passed. 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 approved strategic policy as outlined in the School Organisation strategy.
- 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 2023 - 2024 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 in expanding primary and secondary schools to meet basic need. The City attracts additional DSG funding as a result of the increased number of pupils in the system.
- 5.7 The proposed budget for the 2023-2024 Growth Fund will be presented to Schools' Forum for approval in January 2023.

6.0 Impact

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

2021-2022 Financial Year Growth Fund Allocations

Establishment	Spring 2021 Growth Fund In-year Payment	Summer 2021 Growth Fund In-year Payment	Autumn 2021 Growth fund Standard Payment	Autumn 2021 Growth fund In-year Payment	Total
Bilston CE Primary			£31,988.44		£31,988.44
St Bartholomew's CE Primary			£52,450.43		£52,450.43
Lanesfield Primary			£11,170.54		£11,170.54
Manor Primary			£109,920.08		£109,920.08
St Mary's Catholic Primary Academy	£5,624.25			£17,883.51	£23,507.76
Spring Vale Primary			£74,507.68		£74,507.68
Stowlawn Primary			£52,752.24		£52,752.24
Loxdale Primary			£77,316.55		£77,316.55
Elston Hall Primary	£7,540.40			£4,083.83	£11,624.23
Woden Primary		£1,920.84			£1,920.84
Whitgreave Primary	£1,089.62				£1,089.62
Rakegate Primary	£3,092.46	£8,808.41		£2,569.12	£14,469.99
Oak Meadow Primary				£4,588.83	£4,588.83
Stowheath Primary				£5,136.52	£5,136.52
Holy Rosary Catholic Primary				£14,109.08	£14,109.08

Total Primary	£17,346.73	£10,729.25	£410,105.96	£48,370.89	£486,552.83
Our Lady & St Chad Catholic Academy			£243,690.73		£243,690.73
Aldersley High School			£175,071.76		£175,071.76
Moreton School	£11,530.03	£10,474.18	£314,225.42	£6,284.51	£342,514.14
Highfields School			£138,977.68		£138,977.68
St Edmunds Catholic Academy			£285,477.66		£285,477.66
Wednesfield High Academy			£220,634.39		£220,634.39
Total Secondary	£11,530.03	£10,474.18	£1,378,077.64	£6,284.51	£1,406,366.36
GRAND TOTAL	£28,876.76	£21,203.43	£1,788,183.60	£54,655.40	£1,892,919.19
BUDGETED APPROVED					£2,000,000.00
DIFFERENCE (UNDERSPEND) 2021-2022					£107,080.81
UNDERSPEND FROM 2020-2021					£396,237.00
UNDERSPEND TO BE CARRIED FORWARD TO 2022-2023					£503,317.81

Appendix 2

Estimated Growth Fund Allocations 2022-2023 Financial Year

Establishment	PAID (2022-2023 financial year)		ESTIMATED			
	Spring 2022 Growth Fund In-year Payment	Summer 2022 Growth Fund In-year Payment	Autumn 2022 Growth fund Standard Payment	Autumn 2022 Growth fund In-year Payment	Spring 2023 Growth Fund In-year Payment	Total
Bilston CE Primary				£5,504.38	£2,359.02	£7,863.40
Trinity CE Primary Academy				£27,272.17	£18,280.15	£45,552.32
St Bartholomew's CE Primary			£54,528.82			£54,528.82
Edward the Elder Primary					£11,947.14	£11,947.14
Spring Vale Primary			£77,343.92			£77,343.92
Stowlawn Primary			£57,767.21			£57,767.21
Elston Hall Primary		£1,763.54			£33,859.96	£35,623.50
Bantock Primary					£2,535.42	£2,535.42
Whitgreave Primary					£1,194.49	£1,194.49
Rakegate Primary				£7,964.44	£1,137.78	£9,102.22
Oak Meadow Primary	£1,966.64			£4,747.36		£6,714.00
Loxdale Primary			£80,527.75			£80,527.75
Holy Rosary Catholic Academy				£14,272.25		£14,272.25
Hill Avenue Academy			£35,852.01			£35,852.01
Total Primary	£1,966.64	£1,763.54	£306,019.70	£59,760.61	£71,313.96	£440,824.45

Our Lady & St Chad Catholic Academy			£253,976.31			£253,976.31
Aldersley High School			£341,141.66			£341,141.66
St Matthias School			£37,708.65			£37,708.65
Moreton School	£20,948.36		£418,190.60			£439,138.96
Highfields School			£154,312.70			£154,312.70
St Edmunds Catholic Academy			£284,184.45			£284,184.45
Wednesfield High Academy			£263,438.36			£263,438.36
Ormiston SWB Academy			£170,644.23			£170,644.23
Colton Hills Community School			£184,516.70			£184,516.70
Total Secondary	£20,948.36	£0.00	£2,108,113.64	£0.00	£0.00	£2,129,062.00
GRAND TOTAL	£22,915.00	£1,763.54	£2,414,133.34	£59,760.61	£71,313.96	£2,569,886.45
APPROVED BUDGET						£2,400,000.00
CARRY FORWARD UNDERSPEND FROM 2021-2022						£503,317.81
TOTAL BUDGET						£2,903,317.81
ANTICIPATED UNDERSPEND FOR 2022-2023						£333,431.36

Estimated 2023–2024 Financial Year: Standard Growth Fund Payments

Establishment	Additional Places	Estimated Allocation 2023-24 (based on 2022/2023 Funding Formula)
Stowlawn Primary	30	£82,524.58
Spring Vale Primary	30	£77,343.92
Loxdale Primary	30	£80,527.75
St Bartholomew's CE Primary	15	£54,528.82
Hill Avenue Academy	15	£67,222.51
Maximum Total Primary	120	£362,147.58
St Matthias School	10	£37,708.65
Moreton School	30	£196,026.84
Highfields School	28	£154,312.70
St Edmund's Catholic Academy	50	£296,025.47
Wednesfield High Academy	50	£306,323.67
Ormiston SWB Academy	30	£170,644.23
Colton Hills Community School	49	£188,360.79
Maximum Total Secondary	247	£1,349,402.35
Contingency	-	£27,881.43
Grand Total	367	£1,739,431.36
Minus underspend from 2022-2023	-	£333,431.36
Budget Required	-	£1,406,000.00

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,