

City of Wolverhampton Council

SCHOOLS' FORUM

Date	6 December 2018
Report title	Growth Fund Update
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Summary:

This report provides an update on the deployment of the 2017 - 2018 Growth Fund and outlines estimated 2018 - 2019 Growth Fund allocations. 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 2017 - 2018 Growth Fund allocations (**Schedule 1**).
2. Note estimated 2018 - 2019 Growth Fund allocations (**Schedule 2**).
3. Note potential 2019 - 2020 Growth Fund allocation and changes to Funding Formula
4. Note the anticipated upturn in 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 (11 January 2018)
Cabinet (November 2017)
Council (September 2017)
Cabinet (September 2017)
Cabinet (June 2017)
Schools' Forum (February 2017)
Schools' Forum (19 January 2017) Centrally Managed and De-Delegated Services 2017/18
Cabinet (20 July 2016) School Place Planning
Schools' Forum (13 January 2016) Centrally Retained Dedicated Schools Grant and De-Delegated Services 2016/17
Schools' Forum (13 January 2016) Growth Fund update
Schools' Forum (9 July 2015) Growth Fund Update
Schools' Forum (9 October 2014) Establishment of a Growth Fund to Support Expanding Schools

1.0 Background

- 1.1 As previously reported to Schools' Forum, Department for Education (DfE) Regulations enable Local Authorities (LAs), with the express agreement of their Schools' Forum, to create a Growth Fund to support the revenue needs of schools which are required to provide additional places *to meet basic need*.
- 1.2 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.
- 1.3 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 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 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 to meet basic need.
- 1.6 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.

2.0 Update on Deployment of 2017 - 2018 Growth Fund

- 2.1 On 27 February 2017 Schools' Forum agreed to the creation of a Growth Fund of £950,000.
- 2.2 2017 - 2018 Growth Fund allocations were a total of £940,000. **Schedule 1** provides further detail of individual school allocations.

3.0 Update on Deployment of 2018 - 2019 Growth Fund

- 3.1 On 11 January 2018 Schools' Forum agreed to the creation of a Growth Fund of £1.8 million.
- 3.2 Please note that at the time of this meeting, 2018 Autumn census data is currently being validated. Consequently, any 2018 - 2019 Growth Fund payments (**Schedule 2**) for standard or in-year expansion allocations are yet to be processed.

- 3.3 Estimated payments detailed in **Schedule 2** are based on an indicative number on roll figure from 4 October 2018.
- 3.4 Any resources remaining in the 2018 - 2019 Growth Fund at the end of the financial year will be reported to Schools' Forum in July 2019 and be considered as part of the overall 2018 - 2019 out-turn.
- 3.5 The estimated payments detailed in **Schedule 2** (subject to the caveats above) would result in a remaining resource of circa £396,000, which would be carried forward to supplement the 2019 - 2020 Growth Fund.

4.0 Deployment of the 2019 - 2020 Growth Fund

- 4.1 As previously reported to Schools' Forum the Education Funding Agency's (EFA) recommended method of supporting the revenue requirements of schools expanding to meet basic need is to "...top-slice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need" (EFA July 2015).
- 4.2 "In 2019 - 2020, the DfE are introducing a formulaic approach to allocating growth funding to local authorities to ensure that this funding is distributed fairly and consistently. Growth allocations for 2019 - 2020 will be based on pupil data from the October 2018 census. Local authorities will continue to manage their growth funding locally in 2019 - 2020 as they did in 2018 - 2019." ('The national funding formulae for schools and high needs 2019 to 2020', July 2018)
- 4.3 Growth Funds ensure the provision of an appropriate, *timely* revenue stream to support expanding schools. The provision of resources in a timely manner reduces the risk of a reduction in the performance of individual establishments and enables schools to meet the needs of their pupils more effectively.
- 4.4 Growth Funds "...*The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools*" (EFA Schools Revenue Funding 2017 to 2018 – Updated February 2017).
- 4.5 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.
- 4.6 It is the intention to continue to use the existing transparent and consistent criteria under which schools qualify for funding as set out in 1.4 above.
- 4.7 In line with our approved strategies for standard school expansions (i.e. the managed introduction of additional places at standard year of entry), the principal basis for allocating additional funding to schools would be the number of additional children admitted (as at October Census 2019). Individual schools' funding rates would be based upon the pupil led factors of the funding formula. However, in order to provide schools expanding to meet basic need greater security, it is proposed that a guaranteed minimum level of funding is once again included. Expanding 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).

- 4.8 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. It is understood that the ESFA would adjust the relevant recoupment to reflect the extra cost to cover the period April to August.
- 4.9 In line with the current approach for schools that expand in-year, it is proposed that allocations will be made on a termly basis and be informed by actual pupil numbers as recorded in the School Census. It is proposed that schools who expand in-year will receive an allocation that equates to the higher of;
- a. The equivalent of half of the salary of a teacher at the mid-point of the teachers' main scale for each additional 15 places provided (pro-rata depending on the number of places provided)
 - b. An allocation based upon the number of additional pupils admitted, calculated on the pupil led factors of the funding formula (pro-rata across the financial year).
- 4.10 There is a need to introduce additional secondary school places in the City for September 2019. Any additional places will be introduced in line with the approved strategic policy as outlined in 'The Vision for School Organisation 2018 – 2020: City of Wolverhampton Education Place Planning.
- 4.11 Schools' Forum should note previously confirmed expansion programmes and in year growth requirements.
- 4.12 As a result the estimated amount for the 2019 - 2020 growth fund is £2.7 million. However, this is subject to any changes in the funding formula.
- 4.13 In order to ensure transparency it is proposed that any 2019 - 2020 Growth Fund deployments would once again be reported to Schools' Forum on a periodic basis.
- 4.14 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.

5.0 IMPACT

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

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financial ✓ **governance** ✓ **educational** ✓ **other directorates** ✓

Academic Year 2017 - 2018 Growth Fund Allocations Paid

Establishment	Standard and In-Year Payments
Bilston CE Primary	£82,129
Dunstall Hill Primary	£129,135
Eastfield Primary	£79,366
Fallings Park Primary	£99,839
Manor Primary	£91,696
Northwood Park Primary	£106,312
St Andrew's CE Primary	£30,681
St Mary's Catholic Primary	£160,002
Trinity CE Primary	£71,784
Westacre Infant	£23,259
Wilkinson Primary	£57,166
Berrybrook Primary	£4,146
Perry Hall Primary	£5,629
Total	£941,144

Academic Year 2018 - 2019 Estimated Growth Fund payments

Standard Payments (Autumn 2018)

Establishment	Estimated Total Allocation 2018 - 2019
Bilston CE Primary	£74,100
Northwood Park Primary	£35,200
St Andrew's CE Primary	£32,000
Eastfield Primary	£77,000
Dunstall Hill Primary	£124,700
Fallings Park Primary	£62,600
Trinity CE Primary	£68,800
Manor Primary	£92,200
St Mary's Catholic Primary	£62,500
Spring Vale Primary	£41,100
Stowlawn Primary	£26,000
Loxdale Primary	£52,100
Total Primary	£748,300
Our Lady & St Chad's Academy	£200,200
Aldersley	£97,300
Total Secondary	£297,500
GRAND TOTAL	£1,045,800

SCHOOLS' FORUM**Schedule 2 continued****Academic Year 2018 - 2019 Estimated Growth Fund payments**

In-Year Payments (Full Academic Year 2018 - 2019)

Establishment	Estimated Total Allocation 2018 - 2019
Bilston CE Primary	£7,400
Perry Hall	£17,200
Berrybrook	£11,800
Dunstall Hill Primary	£4,200
Fallings Park Primary	£3,600
Wodensfield	£8,000
Edward the Elder	£12,400
St Mary's Catholic	£5,600
Total Primary	£70,200
St Edmund's	£228,400
St Matthias	£59,000
Total Secondary	£287,400
GRAND TOTAL	£357,600