

City of Wolverhampton Council

SCHOOLS' FORUM

Date	5 December 2019
Report title	Growth Fund Update
Contact Officer	David Kirby, Service Manager – School Places and Transport
Telephone number	01902 554152

Summary

This report provides an update on the deployment of the 2018 – 2019 Financial Year Growth Fund payment and outlines estimated Growth Fund allocations in 2019 - 2020 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 the Schools' Forum Scrutiny Sub Group are asked to note:

1. The 2018 - 2019 Growth Fund allocations (Appendix 1).
2. The estimated 2019 - 2020 Growth Fund allocations (Appendix 2).
3. The potential 2020 - 2021 Growth Fund allocation.
4. The improvements made to communication of Growth Fund payments to schools, in response to feedback in Schools' Forum on 6 December 2018.
5. The anticipated upturn in demand for both the Primary and Secondary estates and the need for future Growth Funds to support both phases.

Appendix of Background Papers

Schools' Forum (6 December 2018)

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 - 2017

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 The Education Funding Agency's (EFA) historical method of supporting the revenue requirements of schools expanding to meet basic need was to "...'top slice' their overall schools block funding to fund pupil number growth" ('The national funding formula for schools and high needs 2019 to 2020', July 2018).
- 1.3 For 2019-2020 however, 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).
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 Please note that the adopted strategy entitled 'The Vision for School Organisation 2018-20' reduced the recommended surplus levels the LA work towards to 2% for both primary and secondary. This is brought in line with the basic need funding allocated to LAs, as central government operate a funding level of 2% surplus. Previously recommended surplus levels were 5% for primary and 6% for secondary. This highlights the increasing importance of the Growth Fund payments to support schools who are admitting additional pupils in order to meet basic need.
- 1.8 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 EFA guidance: "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’, February 2017).

- 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 Following queries and feedback in Schools’ Forum on 6 December 2018, the LA is now confirming 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.

Model 1 – Standard Growth Fund Payment

- 2.3 Schools permanently expanding from point of entry as set out in 1.6, 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 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 of Standard Growth Fund Payment

- 2.4 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.

Model 2 – One-off Standard Growth Fund Payment (temporary uplift starting in point of entry)

- 2.5 Schools introducing a temporary bulge from point of entry as set out in 1.6, 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 of One-off Standard Growth Fund Payment (temporary uplift starting in point of entry)

- 2.6 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.

Model 3 – In-year Growth Fund Payment

- 2.7 Schools temporarily uplifting their PAN in a year group other than point of entry, as set out in 1.6, 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. This scenario can be illustrated by the example below.

Example of In-year Growth Fund Payment

- 2.8 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 2018 - 2019 Growth Fund

- 3.1 On 11 January 2018 Schools' Forum agreed to the creation of a Growth Fund of £1.8 million. The total expenditure for Financial Year 2018-2019 was over £1.4 million. Please note that Spring 2018 payments for academies were made in April 2018 and therefore feature in the 2018-2019 Financial Year payments. Please see Appendix 1 for a breakdown of these payments.

4.0 Update on Deployment of 2019 – 2020 Growth Fund

- 4.1 The carry forward from 2018-19 plus the 2019-2020 budget, gives a total available budget of £2,238,225 for Financial Year 2019-2020.
- 4.2 Summer 2019 Growth Fund payments have already been made and a breakdown can be found in the first column of Appendix 2.
- 4.3 Estimated remaining payments for Autumn 2019 and Spring 2020 are also detailed in Appendix 2. This is estimated to be £2,231,821.94.
- 4.4 Please note that at the time of this meeting, 2019 Autumn census data is currently being validated. Consequently, estimated payments detailed in Appendix 2 are based on an indicative number on roll figure from 3 October 2019 and based on an assumption that any additional in-year places not filled at that point, would be filled in Spring 2020 census.

- 4.5 The estimated payments detailed in Appendix 2 (subject to the caveats above) would result in a short fall of £5,947.87, which if needed, will be borrowed forward from the 2020-2021 budget. It should be noted that this is an estimate and does not include any contingency for additional in-year places that may be needed.
- 4.6 Any resources remaining in the Growth Fund at the end of the financial year 2019-2020 will be reported to Schools' Forum by colleagues in Finance and be considered as part of the overall 2019 - 2020 out-turn.

5.0 Deployment of the 2020 - 2021 Growth Fund

- 5.1 Please see Appendix 3 for estimated Growth Fund payments for 2020 – 2021, which is £2 million. This is based on an assumption that all additional in-year places referred to in Appendix 2 have been paid out in the previous financial year. A contingency for additional places that may be needed has been included.
- 5.2 There is a need to introduce additional secondary school places in the City for September 2021. There is also the need to introduce additional primary places for September 2021. It is the intention to continue to use the existing transparent and consistent criteria under which schools qualify for funding as set out in 1.6 above. 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'.
- 5.3 Schools' Forum should note previously confirmed expansion programmes and in year growth requirements.
- 5.4 In order to ensure transparency it is proposed that any 2020 - 2021 Growth Fund deployments would once again be reported to Schools' Forum on a periodic basis.
- 5.5 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.

6.0 Impact

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

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

2018-2019 Financial Year Growth Fund Allocations

Establishment	Spring 18 Growth Fund In-year Payment	Summer 18 Growth Fund In- year Payment	Autumn 2018 Growth fund Standard Payment	Autumn 2018 Growth fund In-year Payment	Spring 19 Growth Fund In-year Payment	Total
Wilkinson Primary		£7,824.67				£7,824.67
Bilston CE Primary			£74,140.05	£7,414.00		£81,554.05
Northwood Park Primary			£35,220.47			£35,220.47
St Andrew's CE Primary			£29,791.37			£29,791.37
Eastfield Primary			£76,914.87			£76,914.87
Dunstall Hill Primary			£124,736.58	£4,157.89		£128,894.47
Fallings Park Primary			£62,624.15	£2,504.97	£1,073.56	£66,202.68
Trinity CE Primary			£68,774.93			£68,774.93
Manor Primary			£90,200.17			£90,200.17
St Mary's Catholic Primary	£6,282.57	£3,472.13	£62,498.29		£5,555.40	£77,808.39
Spring Vale Primary			£41,122.16			£41,122.16
Stowlawn Primary			£25,915.52			£25,915.52
Loxdale Primary			£49,715.52			£49,715.52
Berrybrook Primary	£4,146.60			£8,853.43	£2,951.14	£15,951.17

Establishment	Spring 18 Growth Fund In-year Payment	Summer 18 Growth Fund In- year Payment	Autumn 2018 Growth fund Standard Payment	Autumn 2018 Growth fund In-year Payment	Spring 19 Growth Fund In-year Payment	Total
Wodensfield Primary				£8,031.80		£8,031.80
Edward the Elder Primary				£7,452.84	£2,484.28	£9,937.12
Perry Hall Primary	£5,628.60					£5,628.60
Villiers Primary					£5,195.51	£5,195.51
Total Primary	£16,057.77	£11,296.80	£741,654.08	£38,414.93	£17,259.89	£824,683.47
Our Lady & St Chad's Academy			£220,225.15			£220,225.15
Aldersley High School			£97,340.91			£97,340.91
St Edmund's Catholic Academy				£228,431.74		£228,431.74
St Matthias School				£54,490.25	£2,747.51	£57,237.76
Total Secondary	£0.00	£0.00	£317,566.06	£282,921.99	£2,747.51	£603,235.56
GRAND TOTAL	£16,057.77	£11,296.80	£1,059,220.14	£321,336.92	£20,007.40	£1,427,919.03

Estimated Growth Fund Allocations 2019-2020 Financial Year

Establishment	PAID	ESTIMATED			Total
	Summer 19 Growth Fund In-year Payment	Autumn 2019 Growth fund Standard Payment	Autumn 2019 Growth fund In-year Payment	Spring 20 Growth Fund In-year Payment	
Villiers	£6,394.82		£7,560.88	£5,040.59	£18,996.29
Perry Hall	£5,956.11		£3,527.44	£2,351.63	£11,835.18
Bilston CE		£36,233.08			£36,233.08
Northwood Park		£18,312.00			£18,312.00
Eastfield		£30,152.97			£30,152.97
Dunstall Hill		£126,991.05			£126,991.05
Fallings Park		£64,886.90			£64,886.90
Trinity CE		£96,857.98			£96,857.98
Manor		£98,729.85			£98,729.85
St Mary's Catholic		£61,909.02			£61,909.02
Spring Vale		£61,539.76			£61,539.76
Stowlawn		£41,717.60			£41,717.60
Loxdale		£52,653.57			£52,653.57
Wodensfield			£6,529.96	£932.85	£7,462.81
Edward the Elder			£11,770.90	£5,231.51	£17,002.41
Elston Hall			£10,910.36	£14,547.15	£25,457.51
Bantock			£0.00	£4,257.55	£4,257.55
Woden			£24,598.07	£5,466.24	£30,064.31
Whitgreave			£0.00	£8,523.81	£8,523.81
Total Primary	£12,350.93	£689,983.77	£64,897.62	£46,351.33	£813,583.65

(continued) Establishment	Summer 19 Growth Fund In-year Payment	Autumn 2019 Growth fund Standard Payment	Autumn 2019 Growth fund In-year Payment	Spring 20 Growth Fund In-year Payment	Total
Our Lady & St Chad's Academy		£206,752.82			£206,752.82
Aldersley High School		£157,151.20			£157,151.20
St Edmund's Catholic Academy		£245,946.07			£245,946.07
St Matthias School		£77,224.57			£77,224.57
Ormiston SWB		£160,007.27			
Colton Hills		£136,974.87			£136,974.87
Highfields School		£131,274.81			£131,274.81
Moreton Academy		£169,708.40			£169,708.40
Khalsa Academy		£145,549.19			£145,549.19
Total Secondary	£0.00	£1,430,589.22	£0.00	£0.00	£1,430,589.22
GRAND TOTAL*	£12,350.93	£2,120,572.99	£64,897.62	£46,351.33	£2,244,172.87

* It should be noted that this does not include any contingency for additional in-year places that may be needed.

Estimated 2020 – 2021 Financial Year: Standard Growth Fund Payments

Establishment	Additional Places	Estimated Allocation 2020-21 (based on 2019 - 2020 Funding Formula)
Bilston CE Primary	15	£36,233.08
Eastfield Primary	15	£34,791.89
Dunstall Hill Primary	30	£126,991.05
Fallings Park Primary	30	£72,096.56
Trinity CE Primary	30	£116,229.57
Manor Primary	30	£102,134.33
St Mary's Catholic Primary	15	£61,909.02
Spring Vale Primary	30	£65,935.45
Stowlawn Primary	30	£69,529.33
Loxdale Primary	30	£68,678.56
Maximum Total Primary	255	£754,528.85
Our Lady & St Chad's Academy	40	£212,054.17
Aldersley High School	30	£157,151.20
St Edmund's Catholic Academy	50	£250,965.38
Moreton School	40	£218,978.59
Highfields School	28	£131,274.81
St Matthias School	29	£97,370.11
Maximum Total Secondary	217	£1,067,794.26
Contingency for additional places	-	£177,676.89
GRAND TOTAL	472	£2,000,000.00

Appendix 4

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 2018, 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,