

# City of Wolverhampton Council

## SCHOOLS' FORUM

<b>Date</b>	9 December 2021
<b>Report title</b>	Growth Fund Update
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### Summary

This report provides an update on the deployment of the 2020–2021 Financial Year Growth Fund payment and outlines estimated Growth Fund allocations in 2021-2022 and 2022-2023 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 note:

1. The 2020 - 2021 Growth Fund allocations (**Appendix 1**).
2. The estimated 2021 - 2022 Growth Fund allocations (**Appendix 2**).
3. The potential 2022 - 2023 Growth Fund allocation (**Appendix 3**).
4. 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

School's Forum (3 December 2020)

Schools' Forum (5 December 2019)

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 -2018

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 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).

- 1.8 Please note that the adopted School Organisation strategy entitled 'City of Wolverhampton Education Place Planning 2020-2022' 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. 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.
- 1.9 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 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 2020 - 2021 Growth Fund

- 3.1 On 3 December 2020, Schools' Forum agreed to the creation of a Growth Fund of £1,863,348 and it was reported that there would be a potential underspend (depending on places being filled). The total expenditure for Financial Year 2020-2021 was £1,486,658 (resulting in a final underspend of £376,690). Please see **Appendix 1** for a breakdown of these payments.
- 3.2 Growth fund payments for Spring 2020 were paid in the 2020-2021 financial year and growth fund payments for Spring 2021 were paid in the 2021-2022 financial year. Please note the Covid-19 pandemic is a contributing factor in the amount of underspend this financial year as no new in-year places could be implemented due to the restrictions in place.

### 4.0 Update on Deployment of 2021 – 2022 Growth Fund

- 4.1 In December 2020, the budget of £2 million for 2021-2022 was approved.
- 4.2 Payments for Spring 2021 based on Spring School census (which falls in the 2020-2021 financial year) were paid out to schools in the 2021-2022. Summer 2021 Growth Fund payments have already been paid. A breakdown of Spring and Summer 2021 payments can be found in the first two columns of **Appendix 2**.
- 4.3 Estimated remaining payments for Autumn 2021 and Spring 2022 are also detailed in **Appendix 2**. This is estimated to be £1,930,373.
- 4.4 Please note that at the time of this meeting, 2021 Autumn census data is currently being validated. Consequently, estimated payments detailed in **Appendix 2** are based on an

indicative number on roll figure from 7 October 2021 and based on an assumption that any additional in-year places not filled at that point, would be filled in Spring 2022.

- 4.5 The estimated payments detailed in **Appendix 2** (subject to the caveats above) suggest that the growth fund allocation of £2,000,000 will be sufficient. There is a projected underspend.
- 4.6 Any resources remaining in the Growth Fund at the end of the financial year 2021-2022 will be reported to Schools' Forum by colleagues in Finance and be considered as part of the overall 2021-2022 out-turn.

## **5.0 Deployment of the 2022 - 2023 Growth Fund**

- 5.1 Please see **Appendix 3** for the requested budget for Growth Fund for 2022 – 2023, which is £2,400,000.
- 5.2 Although the estimated Growth Fund payments and contingency for any additional places that may be required, are calculated at £2,796,237, the anticipated underspend from 2021-2022 (£396,237) reduces the budget ask. Estimations are based on standard payments for Autumn 2022, 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 larger than 2021-2022 primarily due to the need to expand the Secondary school estate to accommodate a projected peak in demand for school places. 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 2022 - 2023 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 2022-2023 Growth Fund will be presented to Schools' Forum for approval in January 2022.

## **6.0 Impact**

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

## Appendix 1

### 2020-2021 Financial Year Growth Fund Allocations

Establishment	Spring 20 Growth Fund In-year Payment	Summer 20 Growth Fund In-year Payment	Autumn 2020 Growth fund Standard Payment	Autumn 2020 Growth fund In- year Payment	Total
Bilston CE Primary	£3,222.70			£4,296.95	£7,519.65
Dunstall Hill Primary			£129,525.21		£129,525.21
Fallings Park Primary			£73,202.06		£73,202.06
Trinity CE Primary Academy			£104,926.92		£104,926.92
Manor Primary			£107,228.35		£107,228.35
St Mary's Catholic Primary Academy	£22,496.98				£22,496.98
Spring Vale Primary			£68,594.67		£68,594.67
Stowlawn Primary			£22,341.08		£22,341.08
Loxdale Primary			£69,583.98		£69,583.98
Bushbury Hill Primary			£38,718.30		£38,718.30
Wodensfield Primary	£969.99				£969.99
Edward the Elder Primary	£5,343.92				£5,343.92
Perry Hall Primary		£1,523.57			£1,523.57
Villiers Primary				£3,934.43	£3,934.43

Elston Hall Primary		£3,141.84		£3,770.20	<b>£6,912.04</b>
Bantock Primary				£2,651.54	<b>£2,651.54</b>
Woden Primary	£8,491.72				<b>£8,491.72</b>
Whitgreave Primary	£5,448.11			£2,625.30	<b>£8,073.41</b>
Rakegate Primary	£1,030.82	£4,123.28			<b>£5,154.10</b>
Oak Meadow Primary	£4,542.03				<b>£4,542.03</b>
<b>Total Primary</b>	<b>£51,546.27</b>	<b>£8,788.69</b>	<b>£614,120.57</b>	<b>£17,278.42</b>	<b>£691,733.95</b>
Our Lady & St Chad Catholic Academy			£223,152.60		<b>£223,152.60</b>
Aldersley High School			£162,977.12		<b>£162,977.12</b>
St Matthias School			£66,078.04		<b>£66,078.04</b>
Moreton School		£12,716.67	£178,715.39	£14,186.72	<b>£205,618.78</b>
Highfields School			£137,097.81		<b>£137,097.81</b>
<b>Total Secondary</b>	<b>£0.00</b>	<b>£12,716.67</b>	<b>£768,020.96</b>	<b>£14,186.72</b>	<b>£794,924.34</b>
<b>GRAND TOTAL</b>	<b>£51,546.27</b>	<b>£21,505.36</b>	<b>£1,382,141.53</b>	<b>£31,465.14</b>	<b>£1,486,658.29</b>
<b>BUDGETED COST</b>					<b>£1,863,348.69</b>
<b>Difference (underspend)</b>					<b>£376,690.40</b>

## Appendix 2

### Estimated Growth Fund Allocations 2021-22 Financial Year

Establishment	PAID (2021-22 financial year)		ESTIMATED			Total
	Spring 21 Growth Fund In-year Payment	Summer 21 Growth Fund In-year Payment	Autumn 21 Growth fund Standard Payment	Autumn 21 Growth fund In-year Payment	Spring 22 Growth Fund In-year Payment	
Bilston CE Primary			£31,988.44			£31,988.44
Manor Primary			£113,845.79			£113,845.79
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
Holy Rosary Catholic Primary Academy				£14,109.08		£14,109.08
Stow Heath Primary				£5,136.52		£5,136.52
Loxdale Primary			£77,316.55			£77,316.55
Elston Hall Primary	£7,540.40				£16,335.33	£23,875.73
Bantock Primary					£4,908.73	£4,908.73
Woden Primary		£1,920.84				£1,920.84
Whitgreave Primary	£1,089.62				£1,166.63	£2,256.25
Rakegate Primary	£3,092.46	£8,808.41		£2,569.12		£14,469.99
St Bartholomew's CE Primary			£52,450.43			£52,450.43
Oak Meadow Primary				£7,866.57	£5,244.38	£13,110.95



Lanesfield Primary			£11,170.54			£11,170.54
<b>Total Primary</b>	<b>£17,346.73</b>	<b>£10,729.25</b>	<b>£414,031.67</b>	<b>£47,564.81</b>	<b>£27,655.07</b>	<b>£517,327.53</b>
Our Lady & St Chad Catholic Academy			£243,690.73			£243,690.73
Aldersley High School			£175,071.76			£175,071.76
Wednesfield High Academy			£232,246.73			£232,246.73
Highfields School			£144,322.97			£144,322.97
Moreton School	£11,530.03	£10,474.18	£314,225.42		£46,086.40	£382,316.03
St Edmund's Catholic Academy			£285,477.66			£285,477.66
<b>Total Secondary</b>	<b>£11,530.03</b>	<b>£10,474.18</b>	<b>£1,395,035.27</b>	<b>£0.00</b>	<b>£46,086.40</b>	<b>£1,463,125.87</b>
<b>GRAND TOTAL</b>	<b>£28,876.76</b>	<b>£21,203.43</b>	<b>£1,809,066.94</b>	<b>£47,564.81</b>	<b>£73,741.47</b>	<b>£1,980,453.40</b>
<b>BUDGETED APPROVED</b>						<b>£2,000,000.00</b>
<b>Underspend from 2020-21</b>						<b>£376,690.40</b>
<b>Difference</b>						<b>£396,237.00</b>

## Estimated 2022–2023 Financial Year: Standard Growth Fund Payments

Establishment	Additional Places	Estimated Allocation 2022-2023 (based on 2021/2022 Funding Formula)
Spring Vale Primary	30	£74,507.68
Stowlawn Primary	30	£79,128.36
Loxdale Primary	30	£77,316.55
St Bartholomew's CE Primary	15	£52,450.43
Hill Avenue Academy	15	£67,004.02
<b>Maximum Total Primary</b>	<b>120</b>	<b>£350,407.04</b>
Our Lady & St Chad Catholic Academy	40	£243,690.73
Aldersley High School	60	£350,143.52
St Edmund's Catholic Academy	50	£285,477.66
Moreton School	70	£439,915.59
Highfields School	28	£149,668.27
Wednesfield High Academy	50	£290,308.41
Colton Hills Community School	49	£183,486.97
Ormiston SWB Academy	30	£182,588.00
St Matthias School	10	£63,184.87
<b>Maximum Total Secondary</b>	<b>387</b>	<b>£2,188,464.01</b>
<b>Underwriting of places for Free School (Wednesfield Technology Primary School)</b>	<b>50</b>	<b>£225,000.00</b>
<b>Contingency</b>	<b>-</b>	<b>£32,365.95</b>
<b>Grand Total</b>	<b>557</b>	<b>£2,796,237.00</b>
<b>Minus underspend from 2021-22</b>	<b>-</b>	<b>£396,237.00</b>
<b>Budget Required</b>	<b>-</b>	<b>£2,400,000.00</b>

**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](mailto:school.organisation@wolverhampton.gov.uk).

Kind regards,