



Walsall Council

Schools Forum

Date 5 March 2024

Report title Growth Funding

Purpose of report

This report outlines the demographic challenges facing the school estate and highlights the need to support expanding schools.

The policy sets out the criteria for the application of Growth Funding for schools with regard to both planned and exceptional growth resulting from demographic (Basic Need) change within Walsall.

The policy also sets out the provision of financial support for KS1 schools with regards to Infant Class Size rules.

Recommendations

Members of the Schools Forum are asked to:

- a) Note the need to ensure that expanding schools are effectively supported in order to receive appropriate revenue support to meet increased pupil numbers
- b) Note that the existing locally adopted approach to supporting pupils in expanding schools is not in line with the Education Funding Agency's recommended approach
- c) Note that the proposed Growth Fund would exclusively support the revenue needs of expanding schools and not be used for any other purpose
- d) Note that any resources remaining in a Growth Fund at the end of the financial year would be reported to Schools' Forum and be added to the following year's Dedicated Schools Grant
- e) Note that the establishment of the Growth Fund would be of benefit to the entire school estate
- f) Agree to the establishment of a Growth Fund to support the needs of pupils in expanding schools.
- g) Agree to monitor the use of the Growth Fund and to receive a periodic update specifying any use of this fund.

Background

Levels of demand for schools in Walsall have increased considerably in recent years. In order to meet demand, the Council has recently invested heavily in the provision of a



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significant number of additional school places in areas of high demand across the borough. Recent school expansion schemes have been successful with the vast majority of additional places being occupied.

Local Authorities are permitted to retain an element of Dedicated Schools Grant (DSG) funding to support Primary and Secondary schools (including Academies and Free Schools) with significant in-year growth in pupil numbers from Reception to year 11. Pupil number growth arises from two key sources: increased birth rates and in-year net migration into our schools.

Proposal

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.

It is recognised that taking on additional pupils has revenue budget implications for the schools concerned (as funding is based upon the preceding autumn term School Census). Without the provision of this support, expanding schools would face a shortfall in revenue funding for seven months until the funding allocations reflect actual numbers on roll.

A growth policy may differentiate between school phases but applies equally to mainstream schools and academies. Growth funding does not apply to special schools where growth is addressed through the place commissioning process.

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
- meet revenue costs, for schools, of removing or repurposing surplus places

From financial year 2024/25, local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).

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



Criteria for Growth Funding

In Walsall any school that meets the criteria below will be assessed for growth funding each year and so this growth (and associated funding) may occur before the PAN has officially increased.

1) Growth Funding Policy for Primary schools (YR to Y6)

Growth funding would be provided to a primary school where:

- a) The Council agree that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth, not simply popularity growth or one school's desire to increase capacity. This excludes pupils admitted as a result of an admission appeal.
- b) The Council agree that the creation of an additional class is necessary OR that pupils can be accommodated within an existing foundation class but that this requires additional teaching assistant support to maintain required staffing ratios and is directly related to exceeding PAN. This is directly related to exceeding PAN.
- c) The Council agree that a school's compulsory school-age range needs to increase. The additional classes created would be funded (e.g. when an infant school is converted into a primary school, the school would be funded for each additional junior class created).

Where an additional class is required in a specific area, but agreement is unable to be reached to fund one individual school; the funding allocation may be split between two or more schools. If a school meets the criteria above, growth funding will only be provided for the first academic year that the additional class is created.

The growth funding provided would be calculated based on the agreed increase in schools admission number for its intake cohort in an academic year x 7/12ths x AWPU rate.

2) Growth Funding Policy for Secondary schools (Y7 to Y11)

Growth funding would be provided to a Secondary school where:

- An increase in pupils of more than 5%, measured by the agreed increase in schools admission number for its intake cohort in an academic year, adjusted by the number on roll (NOR) in the preceding October Census x 7/12ths x AWPU rate.

Financial implications/Value for Money

Growth funding forms part of the Mainstream Schools Block Unit of DSG which for 2024/25 totals £282.959m. The amount of funding attracted based on numbers of



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pupils totals £279.103m, with the value per primary pupil being £5,369 and £6,969 per secondary pupil. In addition, the Schools Block has attracted £2.371m relating to premises costs and £1.485m pupil growth funding.

The growth funding is allocated to LA's using the formulaic approach, based upon lagged growth data, for example, 2024/25 funding will be based on the difference between October 2023 census and October 2022 census.

Walsall are proposing to ring fence the full £1.485m for growth funding as suggested by the DfE. This will then be passed on to schools meeting the criteria as per the proposed growth fund policy.

The growth funding paid to schools will be calculated based on the agreed increase in schools admission number for its intake cohort in an academic year x 7/12ths x AWPU rate. (To note, the AWPU rate for secondary key stage 3 school placements for 2024/25 is £5,032.45 per child.) This will provide funding to support the additional children in the school from September to March. Ongoing funding will then be provided through the annual mainstream schools funding formula.

Academies budgets are annualised and therefore funding to support growth would be agreed for the following 12 months (September to September) however this would be funded from the growth funding allocation across 2 different financial years (e.g. funding for September 2024 – September 2025 would be funding 7/12th from 2024/25 growth fund and 5/12th from 2025/26 growth fund.)

Updates on the spend to date and funds remaining will be shared with Schools Forum on a regular basis and any unspent funds at the end of the financial year will be carried forward to the following year to support further future growth.

Legal Implications

No legal implications to this report

School Improvement

This will reduce pressure on places within the borough and improve teaching experience and environment leading to better outcomes.

Members eligible to vote

Schools Forum