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|  | Coventry Schools Forum 7th December 2023Agenda Item 8 |
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| Education and Skills  |

**Title: Approval of Growth Fund Methodology 2024/25**

**Recommendation**

This item is for the School Forum to approve:

* **The Schools Forum should approve the proposed operation of the 2024/25 growth fund as set out in this report and attached appendix.**
* **The Schools Forum should approve the proposal to conduct a review of bulge class funding for 2025/26 to ensure funding is available where bulge classes do not fill by October 24 census.**

**Voting:** All Members

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## Executive Summary

### The Schools Forum are required on an annual basis to approve the proposed level of budget for the Growth Fund and the operation of that fund.

## Background

### The Growth Fund is a portion of the Dedicated Schools Grant (DSG) Schools Block which enables local authorities (LAs) to support schools with significant in-year pupil growth which is not otherwise immediately recognised by the lagged funding system.

### In Coventry the Schools Forum have chosen to use the Growth Fund to support schools to:

##### Provide additional classes needed to meet the infant class size regulation. (i.e. Class Size funding)

##### Provide additional classes in agreement with the LA to meet pre-16 basic need growth. (i.e. Increasing Forms of Entry & Secondary Growth)

* Take significant numbers of new pupils outside the usual admissions window process (i.e. In-year Admissions).

##### Statutorily the Growth Fund also funds schools that meet the criteria of a ‘growing’ school and subsequently their funding allocations are calculated based on estimated pupil numbers (i.e., Implicit Growth).

### The overall picture with regards to pupil number growth in the city has changed in recent years. Previously, birth rate data indicated that there would be a year-on-year reduction in pupil numbers entering into Reception each year.

### This birth rate trend has continued, however as discussed at previous School Forum meetings, there has been a significant increase in the number of in-year admissions due to an increase in migration rates into the city.

### This means that the projected pupil number data for 2024/25 is very different to what pupil number projections were showing when the Growth Fund was last reviewed in 2019.

### As such at the last meeting, Schools Forum requested that the Schools Forum Sub-Group carried out a review of the Growth Fund to ensure the Growth Fund allocation was being utilised in the best way possible.

## School Forum Sub-Group Meeting

### The Schools Forum Sub-Group met on 21st November 2023 and considered all existing aspects of the Growth Fund whilst also considering proposals for new ways to utilise the funding and the following proposals were recommended by the Sub-Group:

## Class size funding, in-year admissions funding & increasing forms of entry funding would operate in the same way as before. Full details of these can be found in appendix 1.

## Planned Secondary growth would operate in the same manner as previously, however, the value distributed is to change. This is due to a change in the regulations and the old value based on the cost of a teacher plus 10% for overheads was below the minimum value to be distributed as per 2024/25 Growth Fund guidance. The value specified in the guidance is the new unit cost used from 2024/25. Full details of how this will work can be found in appendix 1.

## A new element of Growth Funding is proposed to help support Secondary Capacity. The sub-group felt that it was appropriate to provide funding to schools who have vacant places in Years 7 & 8 to ensure those schools do not cap their Published Admission Number (PAN) which will in turn help to provide sufficient places in those year groups. Full details can be found in appendix 1.

## A second new element of Growth Funding was proposed to fund bulge classes. The sub-group felt that schools should receive the basic entitlement value for each place in the bulge class. Full details can be found in appendix 1.

## Affordability

### At the last sub-group review in 2019, the sub-group recommended that the Growth Fund does not carry forward surplus or deficit balances into the following financial year, instead ensuring that the Growth Fund is affordable in each year. This years sub-group agreed with that methodology.

### This means that if the Growth Fund is not affordable in any given year, spend must be reduced in order to make it affordable again.

### The Sub-Group proposes that in the event that the Growth Fund is not affordable, the steps for reducing growth allocations to point of affordability should be:

#### Step 1 – reduce in-year admissions funding for all schools & class size funding for full form of entry schools.

#### Step 2 – reduce class size funding for half form of entry schools.

#### Step 3 – reduce the number of places funded under secondary capacity.

#### Step 4 – reduce the funding for each place in a bulge class. This cannot drop below the minimum funding that must be provided as per the 2024/25 Growth Fund guidance.

## Growth Fund 2025/26

### In theory, any bulge class taken before October 2024 should only be funded from the growth fund in 2024/25. Thereafter schools would receive funding for their bulge class(es) via their National Funding Formula budget share as the bulge class would be in place for the October 2024 census.

### However, there is a chance that a bulge class is not filled by the October 24 census, and this would mean that schools would have incurred the costs of putting on a class but would not receive funding for a full class through the National Funding Formula.

### Schools Forum cannot vote on the operation of the 2025/26 Growth Fund until next year, however, it would be useful to be able to provide schools with some reassurance that this issue will be considered by a review of the growth fund for 2025/26.

## Who does the report affect?

### The issues in this report affect all mainstream schools and academies in the city as all are potentially eligible for growth funding depending on the circumstances of their school.

**Report author(s):**

**Name and job title: Paul Hammond, Lead Accountant**

**Service: Financial Management**

**Tel and email contact: 024 7697 2635**

**Paul.Hammond@coventry.gov.uk**

Enquiries should be directed to the above person.

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| Contributor/approver name | Title | Directorate or organisation | Date doc sent out/ | Date response received or approved |
| Sarah Kinsell | Finance Manager | Financial Management | 27/11/2023 | 30/11/2023 |
| Rachael Sugars | Head of Education Improvement and Standards | Education and Skills | 27/11/2023 | 30/11/2023 |

This report is published on the Schools Forum Section of the council's website:

<http://www.coventry.gov.uk/meetings/committee/26/schools_forum>

**Appendix 1: Growth Fund eligibility criteria and funding methodology**

Increasing Form of Entry Funding:

Designed to support a school or academy that has agreed with the LA to provide an extra class from the next September to support basic need (either as a bulge class or as an on-going commitment). This funding is used in the primary sector to fund Reception & Key Stage 1 only, ensuring compliance with the Admissions (Infant Class Sizes) Regulations[[1]](#footnote-1).

Funding is allocated based on the costs of a Teacher and a Teaching Assistant from the point that the new class is required, until the school’s next budget share comes into effect.

 **Eligibility Criteria:** (all criteria must be met)

- The institution has agreed with the LA to provide an additional class.

- After removing 'exempt pupils', an additional class is required by the infant class size regulations when comparing the most recent October census with a rolled forward position that assumes the next September intake is at full capacity.

**Funding Formula:**

- A lump sum of £48,253.33 will be paid to eligible maintained schools for the period covering 1st September until 31st March (7/12ths of the year).

- A lump sum of £82,720.00 will be paid to eligible academies for the period covering 1st September until 31st August (12/12ths of the year). Academies are funded until 31st August because their funding is lagged. The additional cost of this funding will reduce amount of academy recoupment making it cost neutral to the Dedicated Schools Grant.

Class Size Funding:

Designed to support a school or academy where overall pupil numbers in Reception and Key Stage 1 (as at the previous October Census) attract less funding through the budget share than is needed to notionally fund the number of classes required.

This is to ensure that schools can adhere to the Admissions (Infant Class Sizes) Regulations.

 **Eligibility Criteria:**

- After removing 'exempt pupils', overall pupil numbers in Reception and in Key Stage 1 (as at the previous October Census) exceed a multiple of 30 by 28 or fewer pupils.

**Funding Formula**:

- The amount of Class Size funding provided to a school will be equal to £56,919 pro-rated by the proportion of under-funded classes - which is based on the cost of a Teacher. This allocation covers the whole financial year.

- The pro-rata will be calculated using the equation below, with negative results being treated as zero.

 Pro-rata = ((YRc-(YRn/28))+(KS1c-(KS1n/28)))

 where...

 YRc = No of Reception classes required by Infant Class Size Regulations

 YRn = Reception Pupil Number

 KS1c = No of Key Stage 1classes required by Infant Class Size Regulations

 KS1n = Key Stage 1 Pupil Number

In-year Admissions Funding:

Designed to support a school or academy that receives a significant level of new admissions into the school at non-standard points of entry.

**Eligibility Criteria:**

 - The school has received in year admissions due to basic need pressure in the previous calendar year in excess of 16.7% of its number of YR-Y11 pupils (as recorded on the most recent October census). Pupils admitted to schools through the intake of new year group classes in September shall not be classified as in-year admissions for the purposes of this fund.

**Funding Formula:**

- Funding will be paid for each in-year admission above the 16.7% threshold as defined above. For each in-year admission above the 16.7% threshold primary phase will receive £3,574.50 and secondary phase will receive £5,296.12.

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*Note: Where detailed above, if the number of pupils on roll for a particular year group (NOR) is greater than the number of places for that year group (PAN) any pupils exempt from the minimum class size calculations are removed from that year group's NOR before calculating the school's eligibility for Increasing Form of Entry funding or Class Size funding. For the purposes of explaining this calculation methodology these will be called 'exempt pupils' are those groups of pupils as defined by the School Admissions (Infant Class Sizes) (England) Regulations.*

Secondary Growth

Year 7 funding

1. *Over one-year*

Designed to support a secondary school or academy that has agreed with the LA to take an additional year 7 class to support basic need.

Funding is allocated based on minimum amount mandated in the 2024/25 Growth Fund guidance from the point that the new class is required, until the school’s next budget share comes into effect.

 **Eligibility Criteria**: (all criteria must be met)

* The institution has agreed with the LA to provide an additional class.
* A minimum of one additional full class is forecast to be required for the coming September year 7 intake (based on 30 pupils per class) when comparing to the number of classes needed based on the previous September intake pupil number less any of those pupils that were placed on appeal.

 **Funding Formula**

* A lump sum of £46,657.36 will be paid pro-rata (based on the number of additional classes required) to eligible maintained schools for the period covering 1st September until 31st March (7/12ths of the year).
* A lump sum of £79,984.04 will be paid pro-rata (based on the number of additional classes required) to eligible academies for the period covering 1st September until 31st August (12/12ths of the year) as their funding is lagged by a further 5 months until 1st Sept (rather than 1st April). The additional cost of this funding will reduce the amount of academy recoupment making it cost neutral to the Dedicated Schools Grant.
* The pro-rata will be calculated using the equation below, with results less than 1 being treated as zero.

Pro-rata = ((Y7f/30)-(Y7n/30))

where...

    Y7f = Forecast year 7 Pupil Number for coming Sept intake (based on planning data)

    Y7n= Previous September’s Year 7 Intake Pupil Number in less any placed on appeal

Secondary Growth continued…

1. *Over two-years*

Designed to support a secondary school or academy that has agreed with the LA to take an additional year 7 class to support basic need, but has implemented this across over a two year period (for example 0.5FE one year followed by a further 0.5FE the following year)

Funding is allocated based on minimum amount mandated in the 2024/25 Growth Fund guidance from the point that the full new class is required, until the school’s next budget share comes into effect.

Year 7 and Year 8 Funding

The eligibility criteria and funding formula for the ‘over two-years’ element of the secondary growth fund are identical, other than that references to the ‘prior year’ instead refer to the period two years prior

Year 8 & 9 funding

Designed to support a secondary school that received Year 7 funding (see above) within the last two financial years, as that expanded year 7 group progresses into year 8 or year 9. Funding will be allocated using the same pro-rata as determined for it’s previous Year 7 funding, but will be reduced on a pro-rata basis where forecast Y7 numbers were not reached.

 **Funding Formula**

* A lump sum of £46,657.36 will be paid pro-rata (based on the number of additional classes required) to eligible maintained schools for the period covering 1st September until 31st March (7/12ths of the year).
* A lump sum of £79,984.04 will be paid pro-rata (based on the number of additional classes required) to eligible academies for the period covering 1st September until 31st August (12/12ths of the year) as their funding is lagged by a further 5 months until 1st Sept (rather than 1st April). The additional cost of this funding will reduce the amount of academy recoupment making it cost neutral to the Dedicated Schools Grant.
* The pro-rata will be calculated using the equation below

Y8 Pro-rata = Y7 Pro-rata - ((Y7a-Y7fp)/30)

where...

     Y7a= Previous September’s Year 7 actual Intake Pupil Number in less any placed on appeal

   Y7fp = Forecast year 7 Pupil Number for previous Sept intake (based on planning data)

Secondary Capacity

Designed to support a secondary school that has surplus places in Years 7 or 8 to ensure sufficient places can be maintained in those year groups.

**Funding Formula**

* Funding is provided to schools who have more than 5 vacant places in either Year 7 or Year 8.
* Funding is calculated on the basis of basic entitlement for secondary pupils. This means that schools will receive £5,296.12 for every eligible vacant place above the 5th vacant place.
* For example, if a school has 30 vacant places in year 7, they would receive 25 x £5,296.12

Bulge Classes

Designed to support schools who have agreed to take a bulge class as funding will not be available through the National Funding Formula budget shares immediately.

**Funding Formula**

* Funding is calculated on the basis of the basic entitlement amount being paid for every available place in a bulge class.
* This means that primary schools will receive £3,574.50 per place in a bulge class & secondary schools will receive £5,296.12 per place in a bulge class.
* These values will be paid pro-rata where a bulge class starts after April.
1. <http://www.legislation.gov.uk/uksi/2012/10/pdfs/uksi_20120010_en.pdf> [↑](#footnote-ref-1)