



**Report to:** Schools' Forum

**Date:**

**Report of:** Jaswinder Didiaily

**Title:** Growth Fund 2023/24

**Status:** For Discussion

## 1. Introduction

Local Authorities are permitted to retain 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. Both the amount and criteria must be agreed by Schools' Forum and in accordance with criteria set by the Department for Education.

The growth fund must not be used to support:

- schools in financial difficulty
- general growth due to popularity - this is managed through lagged funding

Pupil number growth arises from two key sources: increased birth rates and in-year net migration into the City's schools. This is covered in Part A of this report.

In-year admissions will be required in the event of school or school phase closure to manage pupil displacement as part of Basic Need. This is covered in part B of this report.

New schools or school phases will be required to meet future Basic Need, particularly for secondary provision. This is covered in part C of this report.

The Financial Requirements for Growth Funding 2023/24 are detailed in part D of this report and in the supporting Appendix 1.

None of the Growth Fund is retained or used by the LA for any other purposes. The purpose of this report is to seek agreement to the allocation and criteria for 2023/24.

## **Part A: Funding for growth to meet Basic Need; increased births and in-year cohort growth from migration**

### **A1. 2023/24 Basic Need Growth Fund Requirement**

To enable the Local Authority to fulfil its duty to secure sufficient primary and secondary school places, maintained schools and academies may admit additional pupils' part way through a financial year.

It is proposed that the Growth Fund to provide sufficient school places is set at £7.268m for 2023/24 in order to accommodate ongoing and new expansion projects to address demand during 2023/24. Please see that attached appendix that outlines the funding proposals.

### **A2. Criteria to determine in year allocation**

The proposed criterion for 2023/24 has been simplified from the previous year. It covers growth through:

- Basic need expansions (permanent and bulge) approved by the local authority as these are not captured in the October census until the following year. Schools will be eligible to receive additional funding equivalent to 7/12 of the basic sum for the agreed numbers of pupils. *Due to academies' financial year starting in September, they will be funded based on a full year and 5/12 entered into the recoupment tab of the APT. There will be no clawback if less than 25 pupils appear.*

### **A3. Funding Rates for Growth to meet Basic Need**

Growth funding to meet Basic Need will be allocated in line with the AWPU funding rates used in Birmingham's 2023/24 Fair Funding Formula, subject to sufficient funding being available within the Growth Fund. Schools who meet criteria points 1 will automatically be funded for the agreed places without the need for a business case.

Please Note

- The Growth Fund cannot be used to allocate funding for general increases in pupil numbers or where the school has for example missed pupil numbers in submitting the October census returns
- Given the Growth Fund to meet Basic Need is cash limited BCC will reserve the right to scale back the AWPU rate to remain within budget

### **A4. Part A. Recommendations**

- a) Schools' Forum to agree the criteria and rates as set out above

## **Part B: Funding for growth in pupil numbers resulting from school closure**

### **B1. School Closure Funding criteria**

In the unusual event of school closure, local schools will be required to admit additional pupils across multiple year groups where dispersal of existing pupils is required. This is considered Basic Need and does not include schools which are closing through academy conversion. Where applicable pupil places should be funded at an enhanced rate above AWPU in recognition of the additional support that the receiving school put in place (and would previously have been funded from elements of the school budget other than the AWPU). This may include personalised funding for pupils with additional or complex needs, including those in need of Alternative Provision and/or specialist support; subject to there being sufficient funding within the retained School Budget Share from the closing school.

It is expected that the School Budget Share for the period of the financial year that the school is to be closed will be retained by the Local Authority and can be made available as Growth Fund to fund the places provided for pupils displaced from the school that is being closed.

The funding made available from school closure, to be redistributed through Growth Fund, is entirely separate from the identified cash-limited pot agreed to fund basic need growth.

### **B2. School Phase Closure (as a result of a Change of Age Range) Funding criteria**

In the event of school reorganisation and a change of age range leading to the closure of a phase of education (for example an all-through school removing its primary provision to become a secondary school), local schools will be required to admit additional pupils across year groups where dispersal of existing pupils is required.

It is expected that the School Budget Share for the period of the financial year that the school phase is to be closed will be retained by the Local Authority and can be made available as Growth Fund to provide for pupils displaced from the school that is being closed.

The funding made available from school phase closure, to be redistributed through Growth Fund, is entirely separate from the identified cash-limited pot agreed to fund basic need growth.

### **B3. Funding Rates for additional places required in the event of School Closure or School Phase Closure**

There is no expectation of a mainstream school or school phase closure during 2023/24. It is proposed that Schools' Forum agrees that in the event of an unplanned school or phase closure, decisions regarding funding levels for pupil transfers are delegated to the Local Authority Education team and reported back to Schools' Forum. All funding for pupil transfers must be managed within the 'School Budget Share' funding available to the Local Authority from the point of closure.

### **B4. Part B Recommendations**

Schools' Forum to agree to an approach whereby in the exceptional circumstance of a school/phase closure the funding rate for transferred pupils is tailored to individual school and pupil circumstances subject to sufficient funding within the retained School Budget Share from the closing school or closing school phase.

## **Part C: Funding for new schools or new school phases to meet Basic Need**

### **C1. New Schools or New School Phase Funding Criteria**

To enable the Local Authority to fulfil its duty to secure sufficient primary and secondary school places in line with Basic Need, new schools or phases may be proposed, for example a new school under the Free School presumption route, or a primary school becoming an all-through school. We would ask the Forum to note that there is 1 new Secondary School that opened September 2022 as part of the DfE's Free School initiative, BOA Digital (120 PAN).

In calculating individual schools' funding formula from DSG, Birmingham City Council proposes to allocate funding from September 2024 through School Budget Share by using forecast pupils in the Fair Funding formula. For these new schools or school phases an individual schedule will be provided detailing the funding allocated for new places, in line with the Funding Agreement. This process means the Growth Fund will be targeted for each new intake and for any additional classes opening across multiple year groups.

### **C2. Set-Up Allocations for New Schools or New School Phases**

It is proposed that the allocations agreed for new schools or new school phases for 2023/24, is as follows:

- For the new schools, they will be funded at PAN to reflect their agreed new intake.
- Other capacity building costs and set up costs will be received directly through the DfE's central free school programme. No free schools are proposed through the LA's presumption route for 2023/24.

### **C3. Funding Rates for Growth to meet Basic Need**

Funding for new schools or new school phases will be allocated in line with the AWPU funding rates used in Birmingham's 2023/24 Fair Funding Formula, subject to sufficient funding being available within the Growth Fund.

Please Note

- The Growth Fund cannot be used to allocate funding for general increases in pupil numbers or where the school has for example missed pupil numbers in submitting the October census returns
- Given the Growth Fund to meet Basic Need is cash limited BCC will reserve the right to scale back the AWPU rate to remain within budget

### **C4. Part C. Recommendations**

- a) Schools' Forum to agree the criteria and rates as set out above

**Part D: Overall funding requirements to meet Basic Need (including new schools) and school or school phase closures**

**D1. 2023/24 Basic Need Growth Fund Requirement**

It is proposed that the Growth Fund after allowing for the above requirements under Parts A-C is set at £7.268m for 2023/24. Please see attached Appendix 1 that outlines the funding details.

**D2. Part D. Recommendations**

- a) Schools' Forum to agree the criteria and the Growth Fund of £7.268m as set out above and in Appendix 1
- b) The growth fund of £7.268m will be subject to changes in the event of school closures or school phase closures (as outlined in Part B). Reports will be presented to school forum detailing any changes in the growth fund budget.

DRAFT