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|  | | Coventry Schools Forum 21st September 2023  Agenda Item 7 |
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| Education and Skills | |

**Title: Approval of Update to Growth Fund 2023/24**

**Recommendation**

This item is for the School Forum to approve:

* **The Schools Forum should approve the updated value and operation of the 2023/24 growth fund as set out in this report and attached appendix.**

**Voting:** All Members

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## Executive Summary

### The Schools Forum are required to approve the updated operation & subsequent level of budget for the 2023/24 Growth Fund.

### There is an additional cost of £294k compared to what was approved at the January 2023 meeting.

## 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 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. The Schools Forum granted approval of a surplus budget of £900k at the January 2023 meeting.

### This surplus budget was all used in order to fund the overspend on the school funding formula.

### Coventry is experiencing a larger than normal level of in-year admissions which is causing a net increase in the number of pupils attending Coventry schools. This is putting pressure on sufficiency levels across all year groups as surplus places are being utilised.

### The largest net increase in pupil numbers was last academic year (2022-2023). A strategy for how to ensure sufficiency of places is being developed in partnership with Coventry schools. As the growth is due to in-year and not increasing birth rate, temporary bulge classes will be utilised to address the issue.

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| **Net Cohort Growth** | **R** | **Yr 1** | **Yr 2** | **Yr 3** | **Yr 4** | **Yr 5** | **Yr 6** | **Total Cohort Growth** | **Average Growth for each year group** | **Number of Extra Classes** |
| **01/09/2019 - 31/08/2020** | **86** | **103** | **16** | **-6** | **-59** | **5** | **-40** | 105 | 15 | 3.5 |
| **01/09/2020 - 31/08/2021** | **32** | **23** | **41** | **26** | **46** | **59** | **34** | 261 | 37 | 8.7 |
| **01/09/2021 - 31/08/2022** | **106** | **109** | **79** | **66** | **96** | **73** | **4** | 533 | 76 | 17.8 |
| **01/09/2022 - 31/08/2023** | **133** | **160** | **183** | **108** | **130** | **81** | **71** | 866 | 124 | 28.9 |

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| **Net Cohort Growth** | **Yr 7** | **Yr 8** | **Yr 9** | **Yr 10** | **Yr 11** | **Total Cohort Growth** | **Average Growth for each year group** | **Number of Extra Classes** |
| **01/09/2019 - 31/08/2020** | **5** | **3** | **34** | **85** | **4** | 131 | 26 | 4.4 |
| **01/09/2020 - 31/08/2021** | **29** | **116** | **-17** | **60** | **-43** | 145 | 29 | 4.8 |
| **01/09/2021 - 31/08/2022** | **40** | **54** | **52** | **90** | **2** | 238 | 48 | 7.9 |
| **01/09/2022 - 31/08/2023** | **75** | **90** | **58** | **70** | **-13** | 280 | 56 | 9.3 |

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## Approval of the 2023/24 Growth Fund

### The Schools Forum is required to approve the operation of the Growth Fund and be consulted on its total size.

### As outlined in section 2 the Growth Fund we receive from the DFE changes each year in line with increases in pupil numbers. For 2023/24 this has meant an increase of £781k to £2,660k. This increase in allocation meant we held a surplus of £900k at budget setting.

### Given the significant growth in pupil numbers outlined in section 2, funding is required in 2023/24 to enable schools to meet this increase in pupil numbers.

### The DfE have announced that from 2024/25 LAs will be required to provide growth funding to where a school has agreed with the LA to provide an extra class to meet basic need in the area. As a minimum LAs will have to provide funding to both primary and secondary schools which is compliant with the following formula:

Primary growth factor value (£1,550) x number of pupils x Area Cost Adjustment

### In order to minimise disruption in 2024/25 it is proposed that the additional funding that is required in 2023/24 is calculated on the basis of the above formula with one adjustment, the 2023/24 primary growth factor value of £1,520 is used instead of the 2024/25 figure of £1,550.

### Work is still ongoing to determine how many classes are needed and from when to meet need, however, estimates indicate that approximately 15 classes will be required from January 2024 and this would result in funding of ca £294k being distributed to the schools via the Growth Fund

### As outlined in section 2 the growth fund budget was set with a surplus of £900k. However, this surplus was used to fund the overspend on the school funding formula, therefore this additional funding will be funded from the DSG reserve.

## 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.

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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 | 13/09/2023 | 14/09/2023 |
| Rachael Sugars | Head of Education Improvement and Standards | Education and Skills | 13/09/2023 | 14/09/2023 |

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: Bulge class eligibility criteria and funding methodology**

Designed to support schools or academies that have agreed with the LA to take an additional class to support basic need. Funding is allocated on the bases of the primary growth factor value for each pupil after an area cost adjustment.

**Eligibility Criteria:**

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

**Funding Formula:**

* If the class is required from September, then the following funding formula is used:

Primary growth factor value (£1,520) x number of pupils x Area Cost Adjustment

* This means that if one class is required from September,
  + a lump sum of £45,754.31 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 £78,435.96 will be paid 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 September (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.
* Where classes start later in the year than September, allocations will be paid pro-rata.