

**Report to Hartlepool Schools' Forum 23 March 2022
From Amanda Whitehead – Assistant Director, Education**

Agenda Item 6: Growth Funding Update

1. Introduction

- 1.1 At their meeting on 7 May 2019, Schools' Forum agreed local criteria and methodology for accessing and disbursing the growth fund. The agreed policy is attached at appendix A for ease of reference.
- 1.2 Hartlepool received growth funding through the Dedicated Schools Grant (DSG) for the first time in 2019/20. The growth funding allocation for 2022/23 was confirmed in December 2021.

2. Background

- 2.1 From 2019/20, ESFA (Education and Skills Funding Agency) moved to a new formulaic approach that distributes growth funding on the basis of lagged pupil growth.
- 2.2 Hartlepool received a growth fund allocation of £0.157m in 2019/20, £0.343m in 2020/21 and £0.217m in 2021/22 as part of the Dedicated Schools Grant. Growth fund disbursement was completed in 2019/20, 2020/21 and 2021/22 in line with the policy agreed by Schools' Forum on 7 May 2019.
- 2.3 In December 2021, ESFA published growth funding of £0.275m for Hartlepool for 2022/23.

3. Current Growth Fund Balance

- 3.1 Two secondary schools received growth funding in 2021/22 upon application of the agreed policy for disbursement. Forum Members will recall that pupil number increases attracting growth funding are required to be funded for the full 5 years of secondary school.
- 3.2 The table below shows the current balance against the growth fund before receipt of the 2022/23 allocation.

Growth Fund Reconciliation	£m
Opening balance 31 March 2021	0.243
Growth factor allocation 2021/22	0.217
Growth fund disbursement 2021/22	(0.167)
Balance remaining 31 March 2022	0.293

- 3.3 The balance remaining of £0.293m can be taken to DSG reserves at year-end to meet future growth commitments.

4. **Growth Fund Forecast 2022/23**

- 4.1 The table below outlines expected calls on the growth fund in 2022/23 in line with the agreed policy and the resulting cumulative balance on the growth fund.
- 4.2 There have been no new requests for increases in Pupil Admission Numbers made by the local authority for the academic year starting September 2022.

Growth Fund Forecast 2022/23	£m
Opening balance	0.293
Growth funding 2022/23	0.275
Growth fund disbursement – full year impact of academic year 2021-22	(0.053)
Growth fund disbursement – new 2022-23 academic year commitments	(0.138)
Projected balance remaining 31 March 2023	0.377

- 4.3 The projected balance remaining of £0.377m can be taken to DSG reserves at year-end to meet future growth commitments.
- 4.4 As the growth funding in reserves is increasing, an enquiry has been raised with ESFA to query whether the reserve could be used to increase school budget shares when these are calculated in January. Forum Members will recall that growth funding falls under the schools block.
- 4.5 The ESFA response will be shared with Forum Members at a future meeting.

5. **Recommendations**

- 5.1 Forum is recommended to note the contents of this report.

APPENDIX A**Growth Fund: Proposed Eligibility and Disbursement Process****ELIGIBILITY**

A school would become eligible for growth funding where at least one of the following applies:

1. the authority has requested an increase in PAN (as documented in the Local Authority Co-ordinated Admissions Scheme)
2. the authority has requested a temporary increase in admission numbers
3. the authority requires an additional KS1 class in line with legislation.

A lower limit (de-minimus) will not be applied to the above criteria for pupil number growth.

DISBURSEMENT

1. Where a school has been asked to increase its PAN by the authority (as documented in the Local Authority Co-ordinated Admissions Scheme), the school will receive a per-pupil amount linked to the relevant AWPU. The number of pupils will be calculated as the difference between the previous PAN and the increased PAN. For maintained schools the per-pupil amount will be payable at 7/12ths, and for academies the per-pupil amount will be payable at 12/12ths. This difference reflects the length of the funding lag – maintained schools are affected by a 7 month lag as their funding is updated in line with the latest census in April each year; academy funding is not updated until the following September (in line with their budget year starting 1 Sept).
2. Where a school has been asked to increase admission numbers on a temporary basis, the school will receive a per-pupil amount linked to the relevant AWPU. The number of pupils will be linked to the specific numbers requested by the authority. For maintained schools the per-pupil amount will be payable at 7/12ths, and for academies the per-pupil amount will be payable at 12/12ths.
3. Where a primary school is asked to establish a new KS1 class (in part or whole) by the authority, a lump sum based on M1 – M2 (main scale teacher's pay scale) will be payable. As the staffing commitment is for a full academic year, the lump sum will be payable to maintained schools at 12/12ths (7/12ths in financial year 1 and 5/12ths in financial year 2). The 5/12ths lump sum payable in financial year 2 would be reduced by the value of AWPU per-pupil being received by the school at that point. Academies will be payable at 12/12ths. As a one term 'grace period' is allowed under the legislation, growth funding will only be assigned for the period additional teaching staff is committed to.

TIMING

Although not true in every case, it is likely that growth fund eligibility can be ascertained and costed prior to 1st April each year and therefore built into the school budget planning process. For example, requested PAN increases are reported to Children's Services Committee at the start of February each year.

Growth fund allocations from government will be notified as part of DSG figures published in December each year. A report will be taken to Schools' Forum as part of the annual budget process to assess the likely call on the growth fund (based on eligibility as above) against the DSG growth funding for the year. If there is a shortfall in funding in a particular year, a top-slice to the Schools Block will be proposed to Schools' Forum. If excess funding is forecast, a growth fund reserve contribution can be proposed to mitigate the risk of any shortfall in future years.

Approved by Hartlepool Schools' Forum on 7 May 2019