

**Title of Report:** Growth Fund Procedure

**Report of:** Darren Collins, Strategic Director, Resources & Digital

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### **Purpose of the Report**

1. To bring to Schools Forum proposed updates to Gateshead's Growth Fund Procedure.

### **Background**

2. Growth funding is an amount of funding from the Schools Block of the Dedicated Schools Grant (DSG) that is held centrally to provide funding to mainstream schools who experience basic need growth.
3. The Growth Fund Procedure has not been updated since 2020, when it was amended to enable funding to follow the children from the closed Thomas Hepburn school to secondary schools taking pupils from the closed school.
4. The proposed updates for the Growth Fund Procedure for 2024 are for the following reasons:
  - To enable funding to follow the child, for children moving from closing primary schools
  - To provide funding to schools taking pupils via the fair access process (FAP) for both primary and secondary pupils where there is no funding available from a preceding school. The Department for Education (DfE) have been asked for guidance on this point to ensure that this is allowable. A response has not yet been received from the DfE.

### **Proposal**

5. Many of the updates are minor and just add clarity. All the amendments are highlighted via the tracked changes for clarity in the draft procedure in appendix 1.
6. The main updates to note are:-
  - The deletion of the reference to reception and year seven pupils
  - The addition of children moving into schools via the fair access process (FAP) to be eligible for growth funding
  - The addition of a section on closing school
  - Updates to the values for lead in costs and maximum values to be claimed for growth
  - Deletion the sentence that growth funding for pupils from closing schools will be at the average per pupil funding for the school
  - The inclusion of data from the admissions team to be used to calculate growth funding

- The update of dates and funding rates in the examples

## **Recommendations**

7. It is recommended that Schools Forum approves the updates to the Growth Fund Procedure, pending information from the DfE on the inclusion of children placed in schools via the FAP process.

### Draft GROWTH FUND PROCEDURE Updated for 2024

#### INTRODUCTION

#### GROWTH FUND INTRODUCTION

From 2019/20 the Dedicated Schools Grant to the Local Authority from the Department of Education (DfE) contains a formula for growth funding in schools by comparing the most recent October pupil numbers to the previous October pupil numbers at the middle supper output level to calculate the growth in pupil numbers.

Local authorities ~~are able to can~~ either use some or all of this growth funding or add additional funding from the schools block to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority or to support new schools. The Growth Fund can also support the costs of pre-opening and the reorganisation of schools s-costs.

The Growth Fund may not be used to support schools in financial difficulty.

As the Growth Fund is within the schools block it is only available for pupils in year groups Reception to year 11 aged 5-15 in mainstream schools. It cannot be used to support growth for nursery, under 5 or post-16 pupils or special schools provision.

The Growth Fund is ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet basic need, to ensure there are enough school places in the local authority area for the benefit of ~~both~~ mainstream maintained ~~schools~~ and academy schoolsies. Any funds remaining at the end of the financial year can be rolled forward into the following year's growth fund.

**Any growth or expansion due to parental preference will not be eligible to be funded from the growth fund, i.e. if pupils could be accommodated in another primary school within a 2 mile radius of the growing primary school.**  
**Ssecondary school applications will be reviewed on a case by case basis.**

#### GATESHEAD CRITERIA FOR ACCESSING GROWTH FUNDING

A growing school is defined as: -

- A school where there is a planned increase in Planned Admission Number (PAN), and ~~which~~ has not had the full set of admission in-take. For example, an increase in PAN in September 202419 may still be having an impact for several years in 2025/26.
- A school where the capacity has been increased, with planned expenditure on buildings, which has been agreed/supported by the Local Authority.
- A school where an increase in pupil numbers has been agreed with, and specified by, the Local Authority as a consequence of a delay in the opening

of a new school or implementation of a capital programme that would have increased the size of a neighbouring school.

- A school/academy [that](#) carries out a formal consultation at either the request of or supported by the Local Authority to increase their PAN.
- [A school that admits pupils above their PAN to accommodate pupil numbers within the Local Authority at the request or supported by the Local Authority](#)
- Schools that admit pupils [in year groups other than reception or year 7](#) because of a closing school at the request of or supported by the Local Authority
- [A new school that has been created with the support of the Local Authority and takes children in for the first time in either reception or year 7](#)
- [A school that admits children via the fair access process, where there is no previous school to re-coup funding from](#)

## PREDICTED OR ACTUAL GROWTH

Where the predicted numbers for a Primary School (excluding nursery classes) for the following September show an increase of more than 16 pupils or 10% of their total roll, due to basic need, that requires the running of an additional class, schools may be able to access additional funding.

Where the predicted numbers for a Secondary School for the following September show an increase of more than 40 pupils or 8% of their total roll (excluding Post-16), due to basic need, that may require the running of an additional class or higher than anticipated staffing levels, they may be able to access additional funding.

Where reception or year 7 numbers increase to the extent that an additional class or classes are required. These instances will be reviewed on an individual basis. Where a school takes pupils not in reception or year 7 due to a closing school at the request of or supported by the Local Authority, there will be no lower limit on this number.

Where a school takes pupils over their PAN in reception or year 7, historic patterns of year 7 intake will be considered as well as children from other LA's.

Children moving school on a nonstandard date, (Start of the autumn term for all schools and start of spring term for reception age children), as these children will be captured in a schools mobility data.

## GROWTH IN PUPIL NUMBERS FROM CLOSING SCHOOLS

[Where schools admit pupils into any year group following a school re-organisation or the closure of a school, the school taking in the additional pupils with the support of the Local Authority will also be entitled to growth funding.](#)

[Children moving into schools via the fair access process where there is no predecessor school to recoup funding from may be entitled to apply for growth funding. These applications will be reviewed on a case-by-case basis.](#)

## LEAD IN COSTS

New schools will be allocated an amount of £~~80,000~~<sup>68,700</sup> (202~~41~~/<sup>252</sup>) that can be used as the governing body see fit to fund any lead in costs and initial resources. This funding is in addition to the lump sum included within each school budget share.

To recognise that schools may require this funding prior to opening, funding is available to schools up to one year (three terms) in advance of the planned opening date. The funding will be phased as follows or paid in the term before opening as one payment:

- £~~250~~<sup>250</sup>,000 three terms prior to opening
- £~~250~~<sup>250</sup>,000 two terms prior to opening
- £~~3028,0700~~<sup>3028,0700</sup> the term before opening

In the event that the academy trust does not proceed with the new school and withdraws academy sponsorship, then any allocation made should be repaid in full to Gateshead Council within 10 working days of notifying Gateshead Council that the sponsor has withdrawn.

## FUNDING A NEW SCHOOL – BUDGET SHARE METHODOLOGY

To calculate the pupil led factors for a new school's budget share, data relating to pupils attending an existing local school deemed most suitable will be used. It could either be a school with the same or a similar catchment area or a school with anticipated similar characteristics. Business Partner – Schools in consultation with Educationgateshead and Schools Forum will decide the most appropriate data set to use.

## FUNDING FOR GROWTH

When applying for growth funding, schools will be required to provide evidence that an additional class or tutor group would be required to meet increasing numbers. (Views will also be sought from appropriate Education Gateshead officers).

Allocations will be calculated per additional pupil using the applicable AWPU rates for Primary, Secondary KS3 and Secondary KS4 pupils.

Amounts payable to maintained schools will be pro-rata for the 7/12th period September to March. Amounts payable to academies will be for the full academic year as academy budgets run from September to August. For new schools this will be dependent on their opening date.

An upper threshold will also be applied so no primary school can receive more than £~~640,000~~ and no Secondary schools more than £~~85,568,500~~ for the 7/12th period September to March and no Primary academy can receive more than £~~10265,000~~ and no Secondary academy more than £1~~4611,5400~~<sup>4611,5400</sup> for the full academic year.

~~For school receiving funding for taking pupils from closing schools not in reception or year 7 funding will be based on the average per pupil funding of that school.~~

Maintained schools will receive 7/12<sup>th</sup> funding and academies for the full academic year.

Initial growth funding allocations would be based on admissions data and demographic forecasts to aid schools with budget setting (May/June). Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October census data, [or data is available from the LA admissions team](#).

The LA will undertake a mid-year review, based on the October Census, but no additional funding would be allocated to schools where funding had already been agreed unless actual growth was at such a level that significant additional costs had been incurred. In instances where schools had not qualified for additional funding based on the original estimates, additional funding would only be allocated if the school could demonstrate additional costs had been incurred to support the additional pupils.

In instances where actual growth was at lower levels than original estimates schools will not be subject to claw-back on any funding already allocated.

Where the growing school numbers require more than one additional class (numbers over 50) funding caps will be doubled.

## AMENDMENTS

It is possible to amend the criteria for allocating growth funding during the year where this becomes necessary, however the revised criteria must be submitted to the EFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

## Appendix A – Examples

### Primary School A - Growth Funding Example

October Census 20~~2318~~ 195 pupils  
Predicted September 20~~2419~~ Numbers (Based on Admissions data and Demographic Forecasts) 216 pupils  
Increase 21 pupils in reception  
Increase % 10.8%  
Growth Funding Allocation per Pupil £~~3,544.192,817.22~~  
Estimated Additional Funding (7/12ths- Sept ~~2419~~ to Mar ~~250~~)  
£~~43,416.3334,510.95~~, therefore would be funded at £~~43,416.3334,510.95~~

### Primary Academy B - Growth Funding Example

October Census 20~~2318~~ 225 pupils  
September 20~~2419~~ Numbers (Based on Admissions data and Demographic Forecasts)  
251 pupils  
Increase 26 pupils in reception  
Increase % 11.5%  
Growth Funding Allocation per Pupil  
£~~3,544.192,817.22~~  
Additional Funding (Full academic year) £~~92,148.9473,247.72~~, therefore will fund at  
£~~92,148.9473,247.75~~.

### Secondary Academy D - Growth Funding Example

October Census 20~~2314~~ 1,374 pupils

October 20~~2418~~ Numbers (Based on Admissions data and Demographer's Forecasts)  
1,415 pupils  
Increase 41 pupils  
Increase % 3%  
Increase in KS3 31  
Increase in KS 4 10  
Growth Funding Allocation per KS3 Pupil £~~4996.893,841.81~~ = £~~154903.5919,096.11~~  
Growth Funding Allocation per KS4 Pupil £~~5,632.694,385.81~~ = £~~56326.9043,858.10~~  
Additional Funding (Full academic year)  
£~~211,230.49162,954.21~~  
Capped to overall limit  
£~~156,50011,400~~