

Schools Forum 3 October 2023

Report of the Director of Children's Services and Young People

Growth Fund Methodology 2024/25

Purpose

1. To seek approval from Schools Forum to continue to apply the existing eligibility criteria and funding methodology to funding allocated through a growth fund contingency for 2024/25.

Schools Forum Role and Responsibilities

2. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

Recommendation

3. It is recommended that Schools Forum agree the eligibility criteria and funding methodology to be applied to funds allocated from the growth fund contingency in 2024/25.

Background

4. Mainstream schools receive funding based on lagged pupil numbers (funding for the current financial year is based on pupils recorded on the previous October Schools Census). Therefore, where a school experiences a significant increase in pupils at the start of an academic year, no additional funding will be received for these additional pupils until the start of the following financial year for maintained schools and the start of the following academic year for academies (7 month and 12 month lag in funding).

5. From 2019/20 the ESFA introduced a formulaic approach to allocating growth funding to Local Authorities which is based on the actual growth experienced. Growth allocations for 2024/25 will be based on pupil data from the October 2023 census, and will measure growth in pupil numbers from the previous year. Growth is measured within local authorities at middle layer super output areas. Only positive increases in pupil numbers are included, so a local authority with positive growth in one area, and negative growth in another, will not be denied growth funding.
6. ESFA guidelines state that local authorities should continue to make decisions about growth locally and spend may not match precisely the sum allocated. Local authorities will continue to have the ability to 'top slice' their overall schools block funding to fund pupil number growth.
7. The actual value of Growth Funding for 2024/25 will be confirmed by the DfE in December 2023.
8. Based on provisional pupil numbers, and using existing methodology, the 2023/24 growth allocation is sufficient to fund growth in pupil numbers for the period September 2023 to March 2024. Any unused growth fund for 2023/24 will be added to the Schools Specific Contingency balance.
9. It is therefore proposed that the growth funding received for 2024/25 be allocated in accordance with the eligibility criteria and funding methodology attached at Appendix A.

HTCF - Budget Working Group Discussed – Yes – 26 September 2023.

Finance

10. From 1 April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

11. The Schools Forum is a statutory decision making and consultative body constituted in line with the School Standards and Framework Act 1998, and its associated regulations, to enable members of the local school community to work in partnership with Dudley Metropolitan Borough Council when making decisions about school funding and finances.

12. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2023.

Risk Management

13. There are no material risks to the Council's Risk Management Framework resulting from the contents of this report.

Equality Impact

14. This report has no direct implications for the Council's commitment to equality and diversity.

Human Resources /Organisational Development

15. This report has no direct implications for human resources, organisational development or service transformation.

Commercial/Procurement

16. There is no impact on the potential to commercially trade and no impact on our customer base.

Environment / Climate Change

17. This report has no direct implications on the environment or the Council's work in addressing Climate and achieving Net Zero target by 2041.

Council Priorities and Projects

18. The 2022/2025 Council Plan is clear in its ambitions for educational outcomes including raising skills, educational and work potential, increasing good or better schools and closing the gap for disadvantaged pupils. This report relates to the use of the Dedicated Schools Grant funding to support the educational outcomes of children and young people in the borough.



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List of Background Documents

Appendix A – Growth Fund Methodology