

Report Title	Growth Funding Changes for 2024/25
Meeting	Schools Forum
Meeting Date	20 February 2024
Chair	Jenny Sims
Report Author(s)	Jack Cutler, Acting Head of Pupil Based Commissioning
Open/Exempt	Open

1. Summary

- 1.1. This report provides an update on the methodology for distributing funding to support growing schools from 2024/25. This report follows the exceptional briefing note that was shared with Forum members in January 2024.

2. Recommendation(s)

- 2.1. To note this change to the methodology for allocating growth funding, effective from April 2024.

3. Background and Key Information

- 3.1. As part of the move to a fully national funding formula the DfE have introduced a nationally set growth policy which will replace the local area growth policy from 2024/25.
- 3.2. Sutton has a current local policy in place that provides any school with £57k per class of 30 pupils for either a permanent or temporary (bulge class) expansion where this has been agreed with the LA. This funding is prorated for part-class pupil numbers. Under the current growth policy, the requested growth must exceed the school's built capacity before triggering the growth payment.
- 3.3. In September 2023, the DfE released the Schools Funding Operational Guide that announced that for the first time, in 2024/25, local authorities will be required to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class (temporary), or as an ongoing commitment (permanent). The LA is obliged to accept the national growth funding formula.
- 3.4. In December 2023, the DfE Confirmed that Sutton as an area will receive £121,283 through the growth factor within the local area to support pupil growth.
- 3.5. From 2024/25, a minimum funding level for growth has been introduced as mandatory, alongside this requirement. This minimum funding rate must be compliant with:

Min. growth funding rate = Primary growth factor value (£1,550) x number of pupils x ACA

where ACA is the Area Cost Adjustment factor applicable to the home LA. This applies to all types of school (i.e. not just primary).

- 3.6. The minimum growth rate (MGR) above applies only to the period covering September to March. This is because funding for maintained schools is provided to cover this period before the lagged funding system ‘catches up’ from the subsequent April through the subsequent year’s NFF. Since academies are funded on an academic year basis, they would receive additional funding (at a rate of an additional five-sevenths of the allocation) to cover a full year’s growth funding before the system ‘catches up’. In other words, the ‘full year’ growth funding rate would be equal to:

Academy min. growth funding = MGR x 12 / 7.

- 3.7. The national growth funding formula provides £87k per 30 pupils (full year effect), £30k higher per annum than the existing local Sutton policy.
- 3.8. As a result of this mandatory change, the cost to the Growth fund for 24/25, based on agreed mainstream growth, is £301,637.
- 3.9. In addition to this change, a further mandatory requirement is that growth is provided where a temporary or permanent expansion has been requested by the Local Authority where such an expansion does not necessarily increase the school above its built capacity. For example, where a school has previously reduced its Published Admission Number (PAN), but has subsequently been asked to open a bulge class which would take the school back to, or still within that original PAN, the mandatory minimum growth payment must be provided to that school.

4. Implications

- 4.1. Due to these mandatory changes impacting how growth payments must be made to schools for 2024/25, this has had the effect of increasing the growth the LA will need to pay out to schools from £386,136 under the existing Sutton Growth Fund policy to £585,230 across a full year period for the NFF growth factor.
- 4.2. The growth payments required for 24/25 at school level are set out in Appendix A.

4.3. Appendices

Appendix Letter	Appendix Title
A	School Level Growth payments for 24/25 financial year

Appendix A - School Level Growth payments for 24/25 financial year

NEW	Apr-Aug 24/25	Sep-Mar 24/25	Notes
Avenue	24,083		Year 5 bulge class 23/24
Carshalton Boys Sports College	36,551		Year 7 bulge class 30 places) 23/24
Carshalton High School for Girls	36,551		Year 7 bulge class (30 places) 23/24
Cheam High School	24,367		Year 7 20 places 23/24
Glenthorne High School	52,390		Year 7 43 places 23/24
Oaks Park High School	73,102		Year 7 60 places 23/24
Overton Grange School	36,551		Year 7 bulge class (30 places) 23/24
Carshalton Boys Sports College		51,171	Year 7 bulge class (30 places) 24/25
Carshalton High School for Girls		51,171	Year 7 bulge class (30 places) 24/25
Cheam High School		34,114	Year 7 20 places 23/24
Oaks Park High School		114,009	Year 7 60 places 23/24
Overton Grange School		51,171	Year 7 bulge class (30 places) 23/24
	283,594	301,636	585,230