

REPORT OF HEAD OF SERVICE FOR EDUCATION QUALITY, PROVISION AND EFFECTIVENESS

SCHOOL GROWTH FUND

Purpose of the Report

1. The Forum requested a review of the use of the School Growth Fund to ensure that future funding would be allocated in such a way that
 - A) The money allocated to schools would not exceed the budget available
 - B) No schools were funded twice for the same pupils
 - C) That consideration be given for Growth Fund support in future years where the Local Authority had agreed additional Year 7 places that caused a school to create an additional class where those places were not filled.

Information: Key facts

2. The current DfE guidance on what can and cannot be funded is available in the link (see section 2.2 for details): [Growth and falling rolls fund guidance: 2026 to 2027 - GOV.UK](#). The DfE's 'Schools Operational Guide: 2025 to 2026' states that the growth fund can only be used to:
 - Support growth in pre-16 pupil numbers to meet basic need
 - support additional classes needed to meet the infant class size regulation
 - meet the revenue cost of new schools
 - meet revenue costs, for schools, of removing or repurposing surplus places
3. The growth fund must not be used to support:
 - Schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
 - General growth due to popularity; this is managed through lagged funding. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice
4. The Growth Fund allocation for 2026-2027 is not yet known, however it will be derived from the same formula as for 2025/26. The growth allocations for each local authority will be £1,570 per new primary pupil and £2,350 per new secondary pupil, plus a lump sum of £77,225 for each new school (identified from the latest census data). Allocations are subject to an ACA.

5. A summary of Nottinghamshire's 2024/25 allocation is below to illustrate the process that the DFE will follow when calculating next year's funding which will be based upon the census changes between October 2024 and October 2025.

Example of Calculation used:

	Eligible Pupils	£ per Eligible Pupil	Funding
Primary growth	481.5	£ 1,574.53	£ 758,136.20
Secondary growth	442	£ 2,356.78	£1,041,696.76
New schools (1)			£ 77,448.00
Primary falling rolls (1 MSOA)			£ 142,299.00
Total			£2,019,579.96

Nottinghamshire's Growth Allocation 2022/23 to 2025/26

Year	DSG Growth Allocation £millions
2022/23	4.217
2023/24	4.581
2024/25	3.316
2025/26	2.02

6. The gradual reduction in the ESFA/DFE Growth Funding allocations to Nottinghamshire, and the demands on this budget led to an overspend in the financial year 25/26 of £0.29 million. As a consequence Forum are asked to consider how Growth Funding will be allocated in 2026-2027 to ensure that the allocations made remain within budget.
7. In recent years the largest draw on the Growth Fund has come from the Secondary Sector who have been accommodating the current 'bulge' of secondary pupils, and it is this element of funding that particularly required review.
8. The current growth fund rate per pupil rate for secondary schools was agreed by the Early Years and Schools Forum in June 2024 which confirmed that secondary schools and academies who agreed to admit additional pupils over PAN, at the request of the Local Authority would be funded for the additional pupils at the minimum per pupil rate for the year. For 2025/26 this amount was £6,465. Forum is asked to review the use of the minimum per pupil rate as this exceeds the AWP rate received by schools and increases the pressure on the budget. It is suggested that the revised Growth Fund per pupil amount is brought to Forum once the DFE allocation for 2026-2027 is known.

9. Other Options Considered

Forum was asked to consider the option of allocating Growth Fund support to secondary schools for Y8 places in the exceptional circumstance that the Local Authority had requested the creation of additional Year 7 places, where those places were subsequently not filled as expected consequently causing financial pressures in future years on the school budget. Adding this as an additional criteria was rejected for two reasons. Firstly because it would potentially increase rather than decrease the pressure on this growth budget but secondly

because it would not be permitted under current DFE guidance which clearly prohibits using Growth Fund to support financial difficulties.

10. Recommendation/s

Forum approves that the following will apply to the allocation of Nottinghamshire Growth Funding from April 2026

A) Growth Fund will be used to

- To revenue fund infant/ primary schools where exceptional or over PAN allocations have taken place, resulting in unavoidable breaches of infant class sizes.
- To fund secondary schools **where the Local Authority** has requested over PAN admissions in Year 7 if there is a difference between the GAG funding received by the school for year 7 and the number of places requested.
- To fund the pre-opening costs of new presumption free schools

B) Growth Funding rate

- The agreed rate for primary schools where exceptional or over PAN allocations have taken place, resulting in unavoidable breaches of infant class sizes will be the cost of one M6 teacher.
- The agreed rate for secondary schools fund secondary schools **where the Local Authority** has requested over PAN admissions in Year 7 if there is a difference between the GAG funding received by the school for year 7 and the number of places requested will be confirmed once the DFE confirm the funding available.
- Providing up to £200,000 to new free schools to contribute towards revenue costs incurred prior to opening.

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