

Appendix B

West Berkshire Council Schools Growth Fund Criteria 2023/24

1. Background

- 1.1 Growth funding is within the Schools Block DSG allocations. For 2023/24 growth funding will be allocated to local authorities using the same methodology as in 2022/23. Growth is measured at middle layer super output area (MSOA) level to detect 'pockets' of growth, counting the increase in pupil numbers in each MSOA in West Berkshire between the two most recent October censuses (October 2021 and October 2022).
- 1.2 The growth factor will be allocated at £1,520 for each primary growth pupil, £2,275 for each secondary growth pupil and £74,700 for each brand new school that opened in the previous year. The growth factor in the national funding formula is a proxy for overall growth costs at a local authority level. There is no expectation for local authorities to use these rates in their local arrangements for funding growth nor that spending on growth will match the sum allocated.
- 1.3 As growth funding is within the schools block, a movement of funding between the schools formula and the growth fund is not treated as a transfer between blocks. If funding is not required for growth, it can be added into the school formula, but if there is a shortfall, this needs to be met from a top slice of the main schools' block allocation. The amount of growth fund is subject to Schools Forum approval.
- 1.4 Local authorities must produce criteria for allocating growth funding, to be agreed by the Schools Forum. The criteria should set out both the circumstances in which a payment is made and a clear formula for the allocation of funding, which may be different for each phase.
- 1.5 Any unspent growth funding remaining at the year end should be reported to the Schools Forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and can be used specifically for growth if the authority wishes. Any over spent growth funding will form part of the overall DSG surplus or deficit balance.
- 1.6 As part of the National Funding Formula (NFF) consultation 2023/24 two options for growth funding under the direct NFF have been outlined. The first option would allow some continuing local flexibility in how growth funding is distributed to schools, but with significantly greater consistency than in the current system. The second option is a national, standardised system without local flexibility, where growth funding is allocated directly to schools as part of their allocations based on information provided by local authorities. The view of the DfE is that the first approach, which retains local control, should be the approach taken under a direct NFF. It is proposed to implement such an approach, retaining some local flexibility but with greater national consistency, in 2024-25, in advance of the introduction of the direct NFF.

2. Purpose

2.1 The growth fund is for the benefit of maintained and academy primary and secondary schools, supporting growth in pre-16 pupil numbers to meet basic need. Special schools and resourced provisions are funded under the 'place-plus' approach and nursery schools are funded based on participation levels.

2.2 The growth fund may only be used to:

- Support growth in pre 16-pupil numbers to meet basic need eg. support a school who has agreed with the authority to provide an extra class in order to meet basic need (either as a bulge class or as an ongoing commitment)
- Support where a school has temporarily increased its pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the authority
- Support KS1 additional classes needed to meet the infant class size regulations
- Meet the cost of new schools, including lead-in costs, post start-up costs and diseconomy of scales costs.

2.3 The growth fund is not to be used to support schools in financial difficulty, general growth due to popularity or schools growing back to their planned admission number (PAN) following a period of low recruitment.

3. Growth Fund Criteria

3.1 Support for schools that are providing additional capacity to meet basic need avoids schools being at a financial disadvantage until the increased pupil numbers are reflected in their budgets. A school would normally be asked to run an additional class as a result of an increased September intake, the funding for those additional pupils is not reflected in the funding until the following year.

- For maintained schools, there is a funding lag period of 7 months, between September and March
- Academies' FY runs from September to August, therefore, academies receive a full 12 months of growth funding. This is paid in two separate payments: 7/12ths of the annual amount (to cover the period Sept – March). The other 5/12ths is paid in April (to cover the period April to August). This additional 5/12ths element for academies is then reimbursed to the LA's Dedicated School's Grant by the ESFA.

3.2 Schools will be invited to apply for the growth fund late in the autumn term, following confirmation of the October census figures, if they meet one of the criteria. In exceptional circumstances, a school may apply at a different point in the year.

Additional Class Funding Primary

3.3 This is payable where a school has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment).

- 3.4 Funding will be £70,250 (equivalent to 20 pupils x basic needs entitlement including ACA). The funding amount provided should be sufficient to cover the cost of a TMS6 teacher with on-costs, a TA plus other costs.
- 3.5 Maintained primary schools will receive funding for the period September to March (7/12ths equivalent to £40,980)
- 3.6 The number of years this funding will be paid will depend on whether the growth is permanent or temporary. For example, an infant school that changes from a 2 form entry to a 3 form entry from September 2023 will typically receive growth funding in 2023/24, 2024/25 and 2025/26.

Secondary Schools Funding

- 3.7 This is payable where a school has *agreed with the authority to take an increased September in-take to meet basic need in the area.*
- 3.8 The staffing structure of secondary schools differs significantly to that of primary schools, the link between pupil numbers and the requirement for additional classes/teachers is less clear. It might be possible for schools to accommodate pupils within the existing curriculum model, without the need for an additional teacher.
- 3.9 Funding will only be provided for permanent growth and will be reviewed on a case by case basis. This is to ensure the increase in pupil numbers directly contributes to increased costs of admitting additional pupils eg. curriculum structure, additional pastoral or support staff. The eligibility for funding will be assessed for each year of permanent growth.
- 3.10 Funding up to £105,300 will be available for academies. Applying the same formula as for primaries, this is based on 20 pupils x average basic needs entitlement including ACA.
- 3.11 Eligible maintained secondaries will receive funding up to £61,400 to cover the period from September to March.

Increase in Pupil Admission Number (PAN)

- 3.12 This is payable where a school has increased its admission number by 5 or more pupils in agreement with the authority, but this has not necessitated an additional class, though is in response to basic need in the area.
- 3.13 Funding will be 50% of the Basic Needs Entitlement per additional pupil up to a maximum of £33,250 (Primary) and £49,250 (Secondary) pro rata for the remainder of the financial year.

KS1 Classes (infant class size)

- 3.14 This is payable to a school with infant classes which is required to set up an additional class as required by infant class size regulations, and the school cannot accommodate all its additional reception and Key Stage 1 pupils in classes of 30 or less i.e. the total number of pupils in the 3 year groups exceeds a multiple of 30. (see Appendix A for examples).
- 3.15 In order to qualify for the additional funding, the school must have set up an additional class and employed an additional teacher, and must not have exceeded its admission number unless requested to by the LA.

- 3.16 Funding will be £70,250 for each new class, pro rata for maintained schools for the remainder of the financial year. The funding provided should be sufficient to cover the cost of a TMS6 teacher with on-costs, a TA plus other costs.
- 3.17 Before setting up an additional class and employing an additional teacher, schools should be aware that this additional in-year payment is temporary one-off funding for the remainder of the financial year in order to meet the pupil's basic need until full per pupil funding is received the following April (September for an academy). Schools will be required to meet the costs of the additional class from their formula pupil funding and lump sum from the following year. Schools accessing the infant class size funding where pupil numbers are just 2 or 3 above the limit, should carefully consider the longer term financial implications of employing an additional teacher.

New School

- 3.18 **Start-up funding pre opening** costs payable to a new school such as for the Headteacher and other staffing and recruitment costs prior to opening and initial equipping allowance where the school is opening in response to basic need in the area.
- 3.19 Funding will be actual cost of staff appointed and in post prior to the opening of the new school up to a maximum of £80,000, plus a fixed one-off lump sum of £26,000 for all other purchases necessary before the school opens.
- 3.20 **Post opening funding - diseconomies of scale.** The total pupil numbers required by the new school to ensure viability will be agreed in advance with the school on an annual basis whilst the school is growing to full capacity and funding paid via the school formula will be based on this number. This will be reviewed on an annual basis and the estimates adjusted to take into account the actual pupil numbers in the previous funding period. Funding protection will be paid to the school based on the difference between the agreed pupil numbers and the actual pupil numbers for 3 full years.

Extending Age Range

- 3.21 This is payable to a school which has extended its age range and set up a new class in agreement with the authority in response to basic need in the area. Funding is payable from the growth fund where the new pupil numbers have not been added to the school formula funding in agreement with the DfE (i.e. the deadline for such agreement was missed) or the new pupil numbers are greater than the number agreed with the DfE.
- 3.22 Funding will be total Basic Needs Entitlement per additional pupil in the new class (pro rata for the remainder of the financial year).

4. Funding

- 4.1 Schools will be invited to make an application for funding in the autumn term. Funding requests from schools are to be submitted to WBC Schools' Accountancy. In exceptional circumstances, a school may apply at a different point in the year.
- 4.2 The Head of Education, if satisfied that the criteria are met, will recommend approval to the Schools' Forum.
- 4.3 Funding for Sept – March will be paid following Schools' Forum approval. The other 5/12ths for academies is paid in April (to cover the period April to August).

Examples of Infant Class Size Additional In-Year Funding

Example 1

	October 2021 Census	October 2022 Census
Reception Pupil Numbers	23	31
Year 1 Pupil Numbers	20	25
Year 2 Pupil Numbers	22	20
Total Pupil Numbers	65	76
Number of Classes run by school	3	3

Although pupil numbers have increased by 11, and the reception class exceeds 30, under infant class size regulations the school is still only required to run 3 classes, therefore no additional in-year funding will be payable. Total pupil numbers would need to exceed 90 to trigger the requirement for a 4th class.

Example 2

	October 2021 Census	October 2022 Census
Reception Pupil Numbers	20	21
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	20
Total Pupil Numbers	59	61
Number of Classes run by school	3	3

Total pupil numbers have increased by 2 taking the total over 60 and requiring 3 classes. However the school is already running and funding 3 classes within their existing budget, so no additional in-year funding will be payable – their budget requirement for the year has not changed by the admission of these 2 pupils.

Example 3

	October 2021 Census	October 2022 Census
Reception Pupil Numbers	20	21
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	20
Total Pupil Numbers	59	61
Number of Classes run by school	2	3

Same pupil numbers as the above example, except the school were operating with 2 classes. The school is therefore eligible for additional in-year funding if they operate a third class. However if their budget with just 2 extra pupils would not sustain the cost of an additional teacher beyond the following April, then they would need to carefully consider the implications of accepting an additional pupil taking them over 60 (unless exceptions to the regulations apply, such as pupils with a statement of SEN naming the school or pupils moving into the area outside the normal admission round).

Example 4

	October 2021 Census	October 2022 Census
Reception Pupil Numbers	20	30
Year 1 Pupil Numbers	20	20
Year 2 Pupil Numbers	19	21
Total Pupil Numbers	59	71
Number of Classes run by school	2	3

The school were running and funding 2 classes before the September admissions took them over 60 pupils. Additional in-year funding would therefore be payable for the additional class, and the additional 12 pupils will generate enough funding to sustain the cost of the additional teacher from April 2023.