

Budget for Additional Funds 2024-25

Report being considered by: Schools Forum on 4th December 2023

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Item for: Decision **By:** All School Members/Forum Members

1. Purpose of the Report

- 1.1 To set out the proposed 2024-25 budgets for the Growth Fund and Additional High Needs fund.

2. Recommendations

- 2.1 Agree that the 2024-25 Department for Education (DfE) allocation for growth and falling rolls is distributed to all schools via the school formula. This is estimated to be in the region of £647k.
- 2.2 To set the Additional High Needs fund at £150k.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?

Yes: ☒

No: ☐

3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		
Consultation and Engagement:	Heads' Funding Group			

4. Introduction

- 4.1 The main formula funding a school receives is retrospective and based on pupil numbers from the previous October census. Growth funding is allocated by the Department for Education (DfE) by formula and forms part of the Schools Block DSG allocation. It is allocated to meet the cost of increases in pre-16 pupil numbers either in new schools or bulge classes set up to meet basic need.
- 4.2 The formula for allocating growth funding to each local authority is based on the observed differences between the primary and secondary number on roll between the October 2022 and October 2023 school censuses. The growth is measured within each 'middle layer super output area' (MSOA). In West Berkshire there are 22 MSOAs. Changes in pupil numbers between the two censuses are identified for each MSOA, and any areas with a reduction in pupil numbers are discounted. Growth factor values are then applied:
- (1) £1,550 for each primary growth pupil
 - (2) £2,320 for each secondary growth pupil
 - (3) £76,195 for each new school which opened in the previous year.
- 4.3 In 2024-25 the DfE will allocate for the first time, funding based on growth and falling rolls. Falling rolls funding will be allocated based on the reduction in pupil numbers that MSOAs within each local authority's experience. It is based on the observed differences between the primary and secondary number on roll in each MSOA in a local authority between the most recent October pupil census (2023) and the census in the previous October (2022). Funding will be £140,000 for each MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
- 4.4 Funding is set aside annually from the high needs block to fund schools with a disproportionate number of high needs pupils that meet the agreed criteria.

5. West Berkshire Growth & Falling Rolls Allocation Estimate 2024-25

- 5.1 The DfE issue a growth calculator to generate illustrative growth allocations for 2024-25. Pupil numbers by school (September 2023) have been provided by the Education Place Planning team based upon school ESS SIMS data. These have been checked for reasonableness but there may obviously be some variation to those recorded on the October 2023 census.
- 5.2 Although there is a decrease in primary pupil numbers within the authority, three of the MSOA's have an overall growth (70 pupils in total), thereby generating eligible primary growth.
- 5.3 There is actual growth in secondary school pupil numbers. Four of the MSOA's have an overall growth in secondary pupils (163 pupils in total), thereby generating eligible secondary growth.
- 5.4 One MSOA has a reduction in primary pupils greater than 10%. Based upon the estimated figures, £140k of primary falling rolls funding will be generated. NB the decrease for this MSOA is just over 10%, so an increase of 3 pupils in the actual census count compared to the estimate would prevent this funding.

- 5.5 The illustrative growth & falling rolls allocation for 2024-25 is £647k. The actual value will be confirmed in December 2023.

	Eligible primary growth (a)	Eligible secondary growth (b)	ACA (c)	Allocation for primary growth (a)*(c)* £1,550	Allocation for secondary growth (b)*(c) *£2,320	Total illustrative growth allocation	Primary falling rolls funding (incl ACA)	Total illustrative growth and falling rolls allocation
2024-25 Estimate	70	163	1.036065	£111,610	£390,596	£502,206	£145,049	£647,256
2023-24 Actual	166	266	1.0348	£260,315	£625,033	£885,347		£885,347

6. Growth Fund

- 6.1 The Schools Forum must be consulted on the total size of the growth fund and criteria for use. The criteria formed part of the Schools Funding consultation and was supported.
- 6.2 As it 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.
- 6.3 The growth fund balance at 31.03.23 was £996.7k. Support for Highwood Copse will continue be drawn from the fund over the next two year years, estimated to be around £139k between 2023-25. Additionally, some of the allocated growth fund will need to be used annually to support Highwood Copse as a growing school. This is because the funding allocated by the DfE via the Authority Proforma Tool (APT) is based upon lagged pupil numbers and, as such, as an authority we will need to estimate and fund the increase in pupil numbers each year.
- 6.4 The table below shows the estimated draw on the growth fund up to 31.3.25. Based upon the unconfirmed pupil data, in addition to the agreed Highwood underwriting, Trinity School may also be eligible for growth funding in 2023-24. A contingency has been built in to cover two cases per year. This gives an estimated balance of £532k at 31.03.25 prior to adding any 2024-25 growth allocation, estimated at £502k.

	Diseconomies of Scale	Growth	Balance
Balance 31.03.23			-996,735
<i>Highwood Underwriting</i>	80,950		-915,785
<i>Contingency</i>		148,400	-767,385
Est Balance 31.03.24			-767,385
<i>Highwood Underwriting</i>	58,300		-709,085
<i>Contingency</i>		176,640	-532,445
Est Balance 31.03.25			-532,445

- 6.5 In 2023-24, it was agreed that the projected balance of the growth fund was sufficient and the 2023-24 allocation was added into the school formula and allocated to schools and not used to further increase the growth fund.

6.6 Based upon the projected growth fund balance at 31.03.25, it is proposed to once again add the DSG growth funding allocation for 2024-25 into the school formula and allocate to schools. Some of this estimated £502k allocation will be required to support the increase in pupil numbers at Highwood Copse (Sept 2024 - March 2025) via the APT. This is estimated to be in the region £70k. The remainder would be distributed to all schools.

6.7 A summary table is shown below:

Growth Fund	Top up £	Spend £	Cumulative Balance £
2019/20	655,800	183,048	665,962
2020/21	904,945	69,836	1,501,071
2021/22	0	217,640	1,283,431
2022/23	0	286,696	996,735
2023/24 <i>to date</i>	0	51,404	945,331

7. Falling Rolls Fund

7.1 2024-25 is the first year the DfE will allocate funding based on growth and falling rolls. The forecast allocation for falling rolls is £140k.

7.2 LA's continue to have discretion over whether to operate a falling rolls fund. Where LA's operate a fund, they will only be able to provide funding where the 2022 school capacity data (SCAP) shows that school places will be required in the subsequent 3 to 5 years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years.

7.3 The decision as to whether a Falling Rolls fund should be reinstated formed part of the Schools Funding consultation. Although there was some support, the majority did not want a falling rolls fund. If it were to be reinstated then the Schools Forum would need to agree both the value of the fund and the criteria for allocation. If not reinstated, it would be proposed to add the £140k into the funding formula for distribution.

8. Additional High Needs Funding

8.1 Funding needs to be set aside from the high needs block in order to fund those schools qualifying for additional high needs funding. It is proposed that be increased to £150k.

Additional High Needs Funding	Budget £	Spend £
2018/19	100,000	83,609
2019/20	100,000	68,001
2020/21	100,000	33,550
2021/22	40,000	51,609
2022/23	42,000	86,321
2023/24	65,000	170,000
2024/25	150,000	

9. Proposals

- To distribute the 2024-25 growth and falling rolls DfE allocation to all schools via the school formula.
- To set the Additional High Needs fund at £150k.