

<b>West Berkshire Schools' Forum</b>	
<b>Title of Report:</b>	<b>School Funding Reform – Criteria for Growth Fund / Contingency Funding</b>
<b>Date of Meeting:</b>	<b>21<sup>st</sup> January 2012</b>
<b>Contact Officer(s)</b>	<b>Claire White</b>
<b>For Decision</b>	

## **1. Background**

1.1 Under School funding reform, from April 2013 local authorities can create a growth fund from the DSG in advance of allocating school budget shares. The purpose of the growth fund is to support maintained schools and Academies facing significant pupil number growth. It can also include funding schools where very limited pupil number growth requires an additional class as required by infant class size regulations.

1.2 The growth fund will need to be ring-fenced so that it is only used for the purpose of supporting growth in pre 16 pupil numbers to meet basic need. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula.

1.3 Local authorities are required to provide on a transparent and consistent basis the criteria on which any growth funding is to be allocated. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid.

1.4 The Schools' Forum is required to agree the criteria and the total sum to be top sliced from each phase. The Schools' Forum will receive regular reports on the use of the funding.

1.5 Maintained primary schools have also opted to de-delegate funding for schools in financial difficulty. The Schools' Forum is required to set criteria for the allocation of this funding.

## **2. Growth Fund (All Maintained and Academy Schools)**

2.1 The recommended criteria for the growth fund is as follows:

*If a school experiences significant pupil number growth between the October Census which generates the funding for the following financial year and the following September, the school will be entitled to additional funding for the period September to March for maintained schools or September to August for Academies/Free schools, if the following criteria are met:*

1. *Primary - Reception to Year 2 (infant class size) only:*  
A school with infant classes which is required to set up an additional class in the Autumn term 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)
2. *Primary (where infant class size not applicable) only:*  
There has been growth of 15% in the number of pupils in one year group
3. *Secondary only:*  
There has been growth of 20% in the number of pupils in one year group
4. *The school has not exceeded its admission number unless requested to by the LA.*
5. *The school has been required to set up an additional class for that year group and employ an additional teacher.*

*The funding will be:*

- a. *For Infant Class size only: the equivalent of the cost of a teacher at M3 (£30,539) for each new class (or the equivalent September 2013 rates if higher), pro rata for the remainder of the financial year PLUS an amount of £200 per additional pupil for learning resources.*
- b. *For all other: 50% of the current per pupil funding (AWPU) pro rata for the remainder of the financial year.*

*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. Schools will be required to meet the costs of the additional class from their formula pupil funding and lump sum from the following financial 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 (11 additional pupils are needed to pay for a M3 teacher, or 9 additional pupils for a M1 teacher).*

2.2 The sum to be set aside is £100,000, which will pay for approximately 3 additional classes from September 2013.

2.3 Funding requests are to be submitted to Schools' Finance who will make payment following approval by the Head of Education if he is satisfied that the criteria are met. All approvals will be reported to Schools' Forum.

### **3. Contingency for Schools' In Financial Difficulty (Maintained Primary Schools Only)**

3.1 The funding for schools in financial difficulty is required to be delegated from April 2013. Each school phase in the maintained sector has the option of de-delegating the funding and continuing to have a centrally retained budget. The primary phase only has opted for de-delegation, and the amount totals £114k in the current year.

3.2 In order for primary schools to access this funding, a clear set of criteria needs to be set. The recommended criteria is as follows:

*If a school has a deficit budget it may be allocated additional support funding. If a school can meet the following criteria, a bid for additional funding can be made by the school to be considered by the Schools' Forum:*

- 1. The school has sought and followed the advice of the Schools' Finance Advisor prior to going into deficit*
  - 2. The school has (up to) a five year robust deficit recovery plan in place which has been discussed with and verified by the Schools' Finance Advisor.*
  - 3. Additional funding may be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:*
    - Payment to maintain current staffing levels to help cover a temporary downturn in pupil numbers, and evidence can be provided that the numbers are likely to recover within a 2 - 3 year period making downsizing of staff and resultant redundancy costs unreasonable.*
    - Payment to maintain current staffing levels on a temporary basis in a school causing concern (i.e. Ofsted category of notice to improve or worse), where to reduce the staffing would be detrimental to the recovery of standards in the short term.*
    - Payment to cover staffing costs during a short term interim period whilst restructuring takes place due to an unforeseen sudden permanent downturn in pupil numbers*
    - Redundancy payments, where the redundancies are required in order to balance the budget over a 3 – 5 year period, but these costs will put the school further into deficit if not met (as per the Severance Funding Policy).*
- 3.3 In order to access this funding, a school will need to present in person (with the support of the Schools' finance Advisor) a case to a panel as agreed by Primary Heads, who after consideration of the case, will recommend the amount and duration of the financial support to Schools' Forum for approval or not.*

## **Appendices**

Appendix A – Examples of Infant Class Size Additional In-Year Funding

## Examples of Infant Class Size Additional In-Year Funding

### Example 1

	<b>October 2012 Census</b>	<b>October 2013 Census</b>
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 4<sup>th</sup> class.

### Example 2

	<b>October 2012 Census</b>	<b>October 2013 Census</b>
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**

	<b>October 2012 Census</b>	<b>October 2013 Census</b>
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**

	<b>October 2012 Census</b>	<b>October 2013 Census</b>
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 2014.