

| <b>West Berkshire Schools' Forum</b>            |  |
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| <b>Title of Report:</b>                         | <b>Additional Funding Criteria Proposals for 2016/17</b> |
| <b>Date of Meeting:</b>                         | <b>28<sup>th</sup> September 2015</b>                    |
| <b>Contact Officer(s)</b>                       | <b>Claire White &amp; Ian Pearson</b>                    |
| <b>For Decision by All Members of the Forum</b> |  |

## **1. Introduction**

1.1 Under the current school funding regulations, no in-year adjustments to funding allocations are permitted and all funding to schools has to be allocated through the approved formula. There are, however, four circumstances where the local authority can provide additional funding:

- 1) A growth fund for the purpose of supporting growth in pre-16 pupil numbers to meet basic need; to support additional classes needed to meet infant class size regulation; and to meet the costs of new schools.
- 2) A falling rolls fund where a population bulge is expected in the future but where a good and necessary school or academy currently has surplus places and faces an unmanageable funding shortfall in the short term.

For each of these funds local authorities are required to produce criteria on which any growth funding or falling rolls fund is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of the funding. 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.

- 3) Funding for schools in financial difficulty where a school phase has agreed to de-delegate this funding (currently primary phase only in West Berkshire). There needs to be agreed criteria on how this funding is to be determined and allocated to schools.
- 4) Funding can be used from the high needs block to allocate additional funding to schools which have a disproportionate number of high needs pupils. This has to be determined by a formulaic method.

1.2 In 2015/16 West Berkshire holds funds for each of these four circumstances. These now need to be reviewed and amended where appropriate following experience in using each during the past year, any further guidance from the DfE, and any comments received from the recent consultation with schools.

1.3 Schools' Forum is required to agree the criteria and be consulted on the total sum to be top sliced from the DSG. The Schools Forum will receive regular updates on the use of the funding.

## 2. Proposals for 2016/17

2.1 2015/16 is the third year of using such funds, and in each year the criteria has been amended to be more straightforward and after reviewing the practicalities, examples from other local authorities, and any relevant comments received from schools.

2.2 No comments have been received from schools through the recent school funding consultation. When comparing our criteria to other local authorities, there do not appear to be any better examples to make use of.

2.3 The only proposed change for 2016/17 is to the growth fund for new schools, having received some further clarification on this from the DfE. Although we are not expecting a new school to be opened until September 2017 at the earliest, it is advisable to have the criteria in place now for new schools to be able to estimate its likely funding well in advance, and for the Schools' Forum to be aware of the likely cost to be met from the DSG (we do not receive any additional DSG funding for new schools).

2.4 The change is in relation to diseconomies of scale funding for new schools. The DfE has clarified that whilst a new school is growing to full capacity, the local authority can agree with the new school the number of pupils it requires for it to be financially viable, and use this number for funding the school through the formula. This is instead of an **estimate** of actual pupil numbers being formula funded **plus** diseconomy of scale funding from the growth fund. The advantage is that there is certainty of the funding level at an early stage which is beneficial for both the school, and Schools' Forum in determining costs against the DSG budget. A number of local authorities are now using this method. It is therefore proposed to remove diseconomy of scale funding from the growth fund, and fund via the formula instead. This should make no difference to the amount of funding required overall from the DSG budget.

2.5 The budget for each fund also needs to be agreed, and the proposed amounts are shown below alongside the two previous years budgets:

|                                | Growth Fund    | Falling Rolls Fund | Primary Schools in Financial Difficulty | Additional High Needs Funding |
|--------------------------------|----------------|--------------------|---|-------------------------------|
| <b>Budget set 2014/15</b>      | 250,000        | 120,000            | 115,470                                 | 48,000                        |
| <b>Actual Spend 2014/15</b>    | 148,341        | 0                  | 112,297                                 | 38,576                        |
| <b>Budget set 2015/16</b>      | 250,000        | 40,000             | 115,110                                 | 50,000                        |
| <b>Proposed Budget 2016/17</b> | <b>250,000</b> | <b>40,000</b>      | <b>115,000</b>                          | <b>70,000</b>                 |

2.6 Each of the funds with the proposed changes tracked/highlighted is attached as appendices. Heads Funding Group reviewed and agreed with the proposals for each fund.

**Recommendation:**

- 1. To agree the criteria as set out in each appendix**
  - 2. To agree the funding to be set aside for each fund.**
- (Primary Schools in Financial Difficulty to be agreed by maintained primary school representatives only)**

**Appendices**

Appendix A – Proposed Growth Fund Criteria 2016/17

Appendix B – Proposed Falling Rolls Fund Criteria 2016/17

Appendix C – Proposed Funding for Primary Schools in financial difficulty 2016/17

Appendix D – Proposed Additional SEN Funding 2016/17