
Criteria and Budgets for Additional Funds 2018/19

Report being considered by: Schools Forum
On: 11/12/2017
Report Author: Claire White, Ian Pearson
Item for: Decision **By:** All Forum Members

1. Purpose of the Report

- 1.1 To set out for approval the proposed criteria and budgets for additional funds for 2018/19.

2. Recommendation(s)

- 2.1 To agree the following changes (compared to 2017/18):
- Remove the Falling Rolls Fund from 2018/19.
 - Widen the criteria for primary schools in financial difficulty to enable schools currently not in deficit to apply for funding towards meeting restructuring costs that are required to avoid a deficit.
 - Small amendment to the wording of the growth fund criteria to clarify that funding for an increase to the pupil admission number can only be if this increase is in response to basic need.
- 2.2 Approve the budgets for these funds as follows:
- Growth Fund: £205,000.
 - Schools in Financial Difficulty: £9.64 per pupil (approximately £120,000).
 - Schools with Disproportionate Number of High Needs Pupils: £100,000.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction/Background

- 3.1 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 if it chooses, 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.

Funding for both these funds is from the Schools' Block DSG, and is deducted from the funding that is to be allocated out to primary and secondary schools through the funding formula.

- 3) Funding for schools in financial difficulty where a school phase has agreed to de-delegate this funding (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.

- 3.2 In 2017/18 West Berkshire holds funds for each of these four circumstances. These were reviewed at the last meeting of the Schools' Forum and the school funding consultation also invited views from schools regarding the changes proposed and any other comments on the current criteria.

4. Proposals

- 4.1 2017/18 is the fourth year of using such funds, and the criteria have not been amended for the last two years.
- 4.2 No changes are proposed for the Growth Fund criteria, other than a slight amendment to clarify in paragraph 2.4 that to receive funding the increase in the pupil admission number *must be* in response to basic need. It cannot be due to a school's popularity.
- 4.3 It is proposed that the Falling Rolls Fund is removed. Not many other local authorities make use of such a fund and payments are made based on an assumption of future pupil numbers which may or may not materialise. In four years just one school has qualified (a payment of £23k has been made in 2017/18), yet the pupil numbers for this particular school are now no longer forecast to increase.
- 4.4 It is proposed to widen the criteria for primary schools to access the schools in financial difficulty fund. The proposal is for schools not in deficit but required to restructure to avoid going into deficit, to be eligible to apply for reimbursement of the one off redundancy cost. This will still be subject to the same application and scrutiny process. It is felt by Heads that those who forward plan their restructures and avoid going into deficit are then disadvantaged by not being able to access this fund

- 4.5 No changes are proposed to the criteria for schools with a disproportionate number of high needs pupils.
- 4.6 There were only four responses to the consultation with schools, and all agreed with the proposals. One reiterated that schools who managed their finances prudently to avoid a deficit are disadvantaged by not being able to access the primary schools in financial difficulty fund, so should be able to access it for restructuring costs. One suggested that growth funding should be time limited to a maximum of five years as by this time the school should be viable through the usual budget share; this will encourage efficient deployment and allocation of resources as the school grows and will protect the growth fund against long term, non-sustainable commitments where demographic change falls short of expectation.
- 4.7 The budget for each fund also needs to be agreed. Previous year's budgets and actual are shown in Table 1.

TABLE 1	Growth Fund	Falling Rolls Fund	Primary Schools in Financial difficulty	Additional High Needs Funding
Budget Set 2014/15	250,000	120,000	115,470	48,000
<i>Actual Spend 2014/15</i>	<i>148,341</i>	<i>0</i>	<i>112,297</i>	<i>38,576</i>
Budget Set 2015/16	250,000	40,000	115,110	50,000
<i>Actual Spend 2015/16</i>	<i>158,563</i>	<i>0</i>	<i>18,677</i>	<i>87,966</i>
Budget Set 2016/17	250,000	40,000	117,320	127,690
<i>Actual Spend 2016/17</i>	<i>100,922</i>	<i>0</i>	<i>137,930</i>	<i>114,033</i>
Budget Set 2017/18	162,000	40,000	119,980	100,000

- 4.8 The Schools Block allocation for 2018/19 includes £202,000 for the growth fund & falling rolls fund. The expected requirement for growth funding in 2018/19 is £205,000 for six bulge classes plus pre-opening costs for the new primary school opening in September 2019. It is proposed that the budget for the growth fund is set as per this estimated requirement. Any unspent allocation from 2017/18 should be carried forward and added to this fund in 2018/19. This is being mindful that additional funding for the new primary school from September 2019 will need to be met from the Schools Block DSG. All unspent growth funding up to the end of 2016/17 was reallocated back to schools in 2017/18. The funding arrangements for the next two years will require the growth fund to be met from the Schools Block DSG and there are no plans yet for the DfE to fund this element on in year requirements – it is currently being allocated based on historical budgets.
- 4.9 The primary schools in financial difficulty fund should continue at the current level, as it is likely more schools will have difficulty in balancing their budgets and will undergo staffing restructures which will qualify for funding.
- 4.10 It is apparent that the number of schools with a disproportionate number of high needs pupils is continuing to grow, and funding needs to be set aside from the high needs block at the current level of spend, in order to fund those schools qualifying.

5. Appendices

Appendix A – Proposed Growth Fund Criteria 2018/19

Appendix B – Proposed Funding for Primary Schools in Financial Difficulty Criteria
2018/19

Appendix C – Proposed Additional High Needs Funding Criteria 2018/19

Appendix A

Growth Fund Criteria 2018/19

1. Background

- 1.1 Under the current School Funding Regulations, local authorities can set up 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 which are required to provide extra places in order to meet basic need within the authority and to meet the cost of new and reorganised schools including pre-opening and diseconomy costs. It can also include funding schools where very limited pupil number growth requires an additional class as required by infant class size regulations. It cannot be used for general growth in pupil numbers at a school due to a school's popularity.
- 1.2 The growth fund is ring-fenced so that it can only be 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 and have clear objective trigger points for a school to qualify for payment and provide a clear formula 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, and will receive reports on the use of the funding.
- 1.5 The criteria and funding for 2018/19 as agreed by the Schools' Forum at its meeting on 11th December 2017 is set out below.

2. Growth Fund Criteria

2.1 New School

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*.

Funding will be actual cost of staff appointed and in post prior to the opening of the new school up to a maximum of £75,000, plus a fixed one-off lump sum of £25,000 for all other purchases necessary before the school opens.

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 meet any diseconomies of scale and the school will not require additional funding from the growth fund.

2.2 Extending Age Range (including new schools)

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.

Funding will be total AWPUP per additional pupil in the new class (pro rata for the remainder of the financial year).

2.3 Provision of an Extra Class

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).

Funding will be total AWPUP per additional pupil in the new class up to a maximum of £50,000 per class (approx. 17 pupils in primary, 11 pupils in secondary) pro rata for the remainder of the financial year. £50,000 will pay for a full time teacher at mid scale, a term time only Teaching Assistant, and approximately £9,000 for other costs.

2.4 Increase in Pupil Admission Number (PAN)

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.

Funding will be 50% of the AWPUP per additional pupil up to a maximum of £25,000 (approx. 17 pupils in primary, 11 pupils in secondary) pro rata for the remainder of the financial year.

2.5 KS1 Classes (infant class size)

This is payable to 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).

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.

Funding will be a fixed sum of £40,000 for each new class (to pay for a mid scale teacher plus a teaching assistant), 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 (approximately 11 additional pupils are needed to pay for a midscale teacher, or 9 additional pupils for a newly qualified teacher).

3. Funding to be Top sliced from DSG

3.1 The sum to be set aside in 2018/19 is as follows:

Estimated Requirement	Calculation	Total
New School (pre-opening costs for new primary opening in September 2019)	$\text{£}100,000 \times 3/8$ Assumes set up costs commence January 2019	£30,000
Extending Age Range (none expected)		£0
Additional Classes x 6	$\text{£}50,000 \times 6 \times 7/12$	£175,000
Increase in PAN (none expected)		£0
Infant classes (covered above)		£0
Contingency		£0
TOTAL DSG REQUIREMENT		£205,000

3.2 Funding requests from schools 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.

3.3 Any overspends in year will be met from a top slice of the following years DSG allocation. Any underspends will be carried forward and reallocated to all schools through the following years funding formula.

Appendix B

Funding for Primary Schools in Financial Difficulty Criteria 2018/19

1. Background

- 1.1 Under School funding reform, from April 2013 local authorities have been required to delegate to all schools the contingency previously held for schools in financial difficulty. Each phase in the maintained sector has the option of de-delegating this funding to continue to have this funding centrally retained.
- 1.2 At the Schools' Forum meeting held on 11th December 2017, the primary school members of the Forum opted to continue to de-delegate this funding in 2018/19 at a rate of £9.64 per pupil. The amount totals **£120,140 [TO BE UPDATED WITH FINAL AMOUNT IN JANUARY]** in 2018/19.
- 1.3 The Schools' Forum is required to set clear criteria for the allocation of this funding. The criteria for 2017/18 was reviewed and agreed by the Schools' Forum at its meeting on 11th December 2017 and is set out below.

2. Contingency for Schools' In Financial Difficulty Criteria (Maintained Primary Schools Only)

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' Accountancy Service **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' Accountancy Service.
3. Additional funding may be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:
 - Short term downturn in pupil numbers - to maintain current staffing structure where evidence can be provided that the numbers are likely to recover within a 2 - 3 year period and where downsizing of staff and resultant redundancy costs in order to balance the budget on a short term basis would not be an efficient use of resources.
 - Sudden permanent downturn in pupil numbers in a school causing concern (i.e. Ofsted category of notice to improve or worse) - to maintain current staffing levels on a temporary basis where to reduce the staffing levels immediately in order to balance the budget would be detrimental to the recovery of standards in the short term.
 - Unforeseen sudden permanent downturn in pupil numbers - to cover staffing costs during a short term interim period whilst restructuring takes place and in order where possible to avoid redundancies (such as through natural wastage).
 - Redundancy payments, where the staffing reductions are required in order to balance the budget, but these costs will put the school further into a deficit position and taking the school longer to recover the deficit.

- Any other one off costs incurred on recovery of the deficit, such as specialist consultancy advice/support. (it was agreed by Schools' Forum on 11th July 2016 that where West Berkshire's Accountancy Service are engaged for such support, the cost can be charged direct to this fund without making a separate bid).

Additional Circumstance (from April 2018):

Schools not currently in deficit but required to restructure to avoid going into deficit, may also make a bid for reimbursement towards their one-off redundancy costs.

In order to access this funding, a school will need to complete and submit an application to the WBC Schools' Finance Manager who will arrange a panel (usually the next Heads Funding Group) to assess the application. The school will be invited to present their case in person to the panel and answer questions. The panel will also be provided with benchmarking information produced by Schools' Accountancy (which will be shared with the school prior to the meeting). The panel will recommend the amount and duration of the financial support to Schools' Forum for approval or not.

Appendix C

Additional High Needs Funding Criteria 2018/19

1. Background

- 1.1 Local authorities can provide additional targeted support to individual schools from its high needs block where it would be unreasonable to expect the first £6,000 of support for that schools high needs pupils to be met by them from its (pre 16) formula funding due to an exceptional number of such pupils on its roll.
- 1.2 The guidance from the DfE has stated that the additional funding paid to schools should be formulaic based on the number of high needs pupils in each school. It cannot take into account lower level needs of pupils. The formula or criteria should be as clear and simple as possible, and should be devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their **disproportionate number** of high needs pupils or their characteristics.
- 1.3 The Schools' Forum agreed the methodology at its meeting on 11th December 2017, and this is set out below.

2. Methodology and Process

- 2.1 There will be an additional payment to schools where the actual number of pre 16 high needs pupils (i.e. pupils in mainstream receiving top ups) is significantly (1%) above the average of all schools in West Berkshire.
- 2.2 Where the actual number of pre 16 high needs pupils per school is 1% above the West Berkshire average (the average is calculated using the number of high needs pupils in January 2018 and shown in the pink column on the attachment), each additional high needs pupil will attract £6,000 in addition to the top up. The number of additional pupils will be calculated on a proportionate basis rather than rounding up or down to whole pupil numbers to avoid a funding cliff-edge.
- 2.3 The funding will be paid pro rata each term based on the actual number of pre 16 pupils receiving top ups at that time for the number of days in that term i.e. calculated and paid in April, October and January.
- 2.4 The attached table **[NOTE THIS TABLE WILL BE UPDATED]** shows for each school how many high needs pupils equals the average + 1% (the pink column) before qualifying for additional funding in 2018/19. Schools will receive £6,000 per 1.0 high needs pupils they have on roll *above this average number*. Note that funding may be a proportion of £6,000 if the calculation is less than 1.0.
- 2.5 The amount of funding to be set aside for this purpose in the high needs budget will be £100,000.

Provisional 2017/18 Additional SEN Funding for Schools with Disproportionate large numbers of High Needs Pupils

Cost Centre	SCHOOL	Relevant Data			Indicative Funding		
		Total Pre 16 Pupil No.s (Oct 2016 Census excl RU)	Mainstream Pre 16 Pupil No.s Receiving Top Ups January 2017	Notional SEN Budget 2017/18	Average No. of Pupils Formula Funded	High Needs Pupils Above Average (un rounded)	Indicative Add'l Funding
	Primary				1.99%	1% above LA avg	
	Secondary				2.46%	1% above LA avg	
91000	Aldermaston Church of England Primary School	185	5	34,653	3.68	1.32	7,897
91100	Basildon Church of England Primary School	143	3	24,472	2.85	0.15	915
91300	Beedon Church of England Controlled Primary School	46	0	11,561	0.92	0.00	0
91400	Beenham Primary School	82	0	17,191	1.63	0.00	0
91200	Birch Copse Primary School	424	3	64,270	8.44	0.00	0
91500	Bradfield Church of England Primary School	142	2	28,477	2.83	0.00	0
91600	Brightwalton Church of England Aided Primary School	100	1	14,093	1.99	0.00	0
91700	Brimpton Church of England Primary School	50	1	11,691	1.00	0.00	26
91800	Bucklebury Church of England Primary School	129	1	22,389	2.57	0.00	0
91900	Burghfield St. Mary's Church of England Primary School	206	3	29,456	4.10	0.00	0
92000	Calcot Infant School & Nursery	230	0	45,796	4.58	0.00	0
92100	Calcot Junior School	279	3	91,677	5.56	0.00	0
95222	Chaddleworth St. Andrew's C of E Primary School	29	1	11,526	0.58	0.42	2,535
92400	Chieveley Primary School	209	2	25,742	4.16	0.00	0
95900	Cold Ash St. Mark's Church of England Primary School	197	1	23,546	3.92	0.00	0
92200	Compton Church of England Primary School	185	1	34,594	3.68	0.00	0
92300	Curridge Primary School	103	0	12,328	2.05	0.00	0
92500	Downsway Primary School	209	5	33,736	4.16	0.84	5,030
92800	Enborne Church of England Primary School	65	0	16,067	1.29	0.00	0
92900	Englefield Church of England Primary School	98	4	14,144	1.95	2.05	12,292
93000	Falkland Primary School	450	6	58,917	8.96	0.00	0
93100	Fir Tree Primary School & Nursery	191	3	54,462	3.80	0.00	0
93200	Francis Baily Primary School	541	5	96,470	10.77	0.00	0
93400	Garland Junior School	217	1	48,824	4.32	0.00	0
93500	Hampstead Norreys Church of England Primary School	88	0	13,825	1.75	0.00	0
93600	Hermitage Primary School	193	2	32,084	3.84	0.00	0
93700	Hungerford Primary School	392	1	84,459	7.81	0.00	0
92700	The Ilsleys' Primary School	57	0	7,368	1.13	0.00	0
93800	Inkpen Primary School	76	1	14,433	1.51	0.00	0
93900	John Rankin Infant & Nursery School	260	5	46,502	5.18	0.00	0
94000	John Rankin Junior School	280	5	55,496	5.58	0.00	0
94100	Kennet Valley Primary School	194	2	52,515	3.86	0.00	0
94200	Kintbury St. Mary's Church of England Primary School	140	3	23,570	2.79	0.21	1,274
94300	Lambourn Church of England Primary School	196	1	51,893	3.90	0.00	0
94400	Long Lane Primary School	208	2	31,134	4.14	0.00	0
95800	Mortimer St. John's Church of England Infant School	181	0	23,458	3.60	0.00	0
97500	Mortimer St. Mary's Church of England Junior School	216	5	39,652	4.30	0.70	4,194
94500	Mrs. Bland's Infant & Nursery School	169	0	38,266	3.37	0.00	0
94600	Pangbourne Primary School	205	2	35,361	4.08	0.00	0
94700	Parsons Down Infant School	217	0	39,579	4.32	0.00	0
94800	Parsons Down Junior School	308	5	67,252	6.13	0.00	0
94900	Purley Church of England Infants School	112	3	21,570	2.23	0.77	4,619
95000	Robert Sandilands Primary School & Nursery	246	3	56,621	4.90	0.00	0
95100	Shaw-cum-Donnington Church of England Primary School	94	2	19,788	1.87	0.13	770
95200	Sheffield Church of England Primary School	29	0	6,933	0.58	0.00	0
95300	Speenhamland Primary School	281	3	72,017	5.60	0.00	0
95400	Springfield Primary School	301	6	49,912	5.99	0.01	39
95500	Spurcroft Primary School	433	1	89,943	8.62	0.00	0
95700	St. Finian's Catholic Primary School	197	1	35,083	3.92	0.00	0
97700	St. John the Evangelist Infant & Nursery School	180	1	27,122	3.58	0.00	0
97800	St. Joseph's Catholic Primary School	210	2	40,579	4.18	0.00	0
96200	St. Nicolas Church of England Junior School	258	2	46,370	5.14	0.00	0
96100	St. Pauls Catholic Primary School	325	0	56,432	6.47	0.00	0
96300	Stockcross Church of England Primary School	101	1	12,089	2.01	0.00	0
96400	Streatley Church of England VC Primary School	98	0	16,224	1.95	0.00	0
96500	Sulhamstead and Ufton Nerve C of E VA Primary School	101	2	15,996	2.01	0.00	0
99700	Thatcham Park Church of England Primary School	385	3	81,860	7.67	0.00	0
96600	Theale Church of England Primary School	275	3	43,737	5.48	0.00	0
96700	Welford and Wickham Church of England Primary School	94	1	14,799	1.87	0.00	0
96800	Westwood Farm Infant School	172	2	29,114	3.42	0.00	0
96900	Westwood Farm Junior School	219	2	37,267	4.36	0.00	0
97000	Whitelands Park Primary School	316	1	79,975	6.29	0.00	0
98700	The Willows Primary School	344	2	103,779	6.85	0.00	0
99400	The Wincombe School	390	5	85,869	7.77	0.00	0
97300	Woolhampton Church of England Primary School	92	0	12,553	1.83	0.00	0
97400	Yattendon Church of England Primary School	73	0	12,697	1.45	0.00	0
98900	Denefield School	919	6	231,517	22.58	0.00	0
98800	The Downs School	898	12	132,595	22.06	0.00	0
99000	John O'Gaunt Community Technology College	336	18	118,258	8.26	9.74	58,470
99100	Kennet School	1,362	15	346,200	33.46	0.00	0
99200	Little Heath School	1,281	22	228,317	31.47	0.00	0
99300	Park House School	793	8	201,503	19.48	0.00	0
99800	St. Bartholomew's School	1,264	8	212,021	31.05	0.00	0
99500	Theale Green Community School	537	7	120,284	13.19	0.00	0
99900	Trinity School & Performing Arts College	740	18	253,132	18.18	0.00	0
99600	The Willink School	862	17	130,708	21.18	0.00	0
PRIMARY TOTAL		13,216	131		263	7	39,591
SECONDARY TOTAL		8,992	131		221	10	58,470
TOTAL ALL SCHOOLS		22,208	262		484	16	98,060