
Criteria and Budgets for Additional Funds 2019/20

Report being considered by: Schools Forum
On: 15 October 2018
Report Author: Wendy Howells, Ian Pearson
Item for: Decision **By:** All Forum Members

1. Purpose of the Report

- 1.1 To set out the current criteria and budgets for additional funds, for review by members of the Heads Funding Group to ensure they are still relevant and meet their purpose.

2. Recommendation(s)

- 2.1 Agree any changes to the proposals (in order go out to consultation with schools).

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input 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 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 any increase to the previous year's budget 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 2018/19 the Schools Forum agreed to cease the Falling Rolls fund because only one school in four years had qualified for a payment. Funds are held for each of the other three circumstances. These now need to be reviewed and amended where appropriate. The forthcoming school funding consultation will also invite views from schools.
- 3.3 Schools' Forum will be required to agree the criteria and be consulted on the total sum to be top sliced from the DSG at the DECEMBER meeting. The Schools Forum will receive regular updates on the use of the funding.

4. Proposals

- 4.1 No changes are proposed for the Growth Fund, Financial Difficulty Fund and Additional High Needs Fund.
- 4.2 The criteria for each fund are included in the appendices for members of the group to review and to propose any amendments.
- 4.3 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
<i>Actual Spend 2017/18</i>	<i>126,287</i>	<i>0</i>	<i>55,551</i>	<i>100,972</i>
Budget Set 2018/19	205,000	0	120,020	100,000

- 4.4 The Schools Block allocation for 2018/19 includes £205k for the growth fund. It has been agreed that the budget for the growth fund is to be increased by £76k from the unspent allocation from 2017/18. This is being mindful that in September 2019 a new primary school is due to open, and the additional funding for this will need to be met from the Schools Block DSG. The allocation from the DfE for the Growth Fund is £202k rather than £205k and the additional £3k is not needed due to the increase

in budget from the carry forward amount. It was therefore agreed at Heads Funding Group to remove the £3k which would have added to any deficit carry forward. The funding for 2019/20 will be allocated to local authorities using a new formulaic method based on lagged growth data. Details of the actual formula have not yet been released.

- 4.5 The primary schools in financial difficulty fund has a budget of £120k and it has been agreed that a further £259k be added from the unspent allocation from 2017/18, as it is likely more schools will struggle to balance their budgets and will undergo staffing restructures which will qualify for funding.
- 4.6 The budget for disproportionate number of high needs pupils is currently showing an under spend but this is based on the autumn term number of children which then forms the basis of the spring term estimate. It is recommended that this budget is reviewed later on in the year to accurately estimate the budget required for next year. However funding still needs to be set aside from the High Needs Block in order to fund those schools qualifying.

5. Appendices

Appendix A – Current Growth Fund Criteria 2018/19

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

Appendix C – Current 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 AWPU 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 AWPU 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 AWPU 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

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)	£100,000 x 3/8 Assumes set up costs commence January 2019	£30,000
Extending Age Range (none expected)		£0
Additional Classes x 6	£50,000 x 6 x 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 £120,000 in 2018/19, which equates to at a rate of £9.59 per pupil.
- 1.3 The Schools' Forum is required to set clear criteria for the allocation of this funding. The criteria for 2018/19 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 or is at risk of deficit 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 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 with current indicative funding requirement of £88,600k.

Annex A

Provisional 2018/19 Additional SEN Funding for Schools with Disproportionate large numbers of High Needs Pupils

Criteria and Budgets for Additional Funds 2019/20

Cost Centre	SCHOOL	Relevant Data			Indicative Funding		
		Total Pre 16 Pupil No.s (Oct 2017 Census) less RU Pupils	Mainstream Pre 16 Pupil No.s Receiving Top Ups January 2018	Notional SEN Budget 2018/19	Average No. of Pupils Formula Funded	High Needs Pupils Above Average (unrounded)	Indicative Add'l Funding £6,000
	Primary				2.06%	1% above LA avg	
	Secondary				2.45%	1% above LA avg	
91000	Aldermaston Church of England Primary School	158	4	39,219	3.26	0.74	4,452
91100	Basildon Church of England Primary School	142	3	48,956	2.93	0.07	431
91300	Beedon Church of England Controlled Primary School	49	2	16,401	1.01	0.99	5,938
91400	Beenham Primary School	73	0	18,581	1.51	0.00	0
91200	Birch Copse Primary School	422	3	92,843	8.70	0.00	0
91500	Bradfield Church of England Primary School	145	1	42,041	2.99	0.00	0
91600	Brightwalton Church of England Aided Primary School	94	1	24,293	1.94	0.00	0
91700	Brimpton Church of England Primary School	56	1	16,471	1.15	0.00	0
91800	Bucklebury Church of England Primary School	120	1	37,313	2.47	0.00	0
91900	Burghfield St. Mary's Church of England Primary School	211	3	43,648	4.35	0.00	0
92000	Calcot Infant School & Nursery	219	0	41,225	4.52	0.00	0
92100	Calcot Junior School	288	1	130,059	5.94	0.00	0
95222	Chaddleworth St. Andrew's C of E Primary School	25	0	14,118	0.52	0.00	0
92400	Chieveley Primary School	206	3	40,402	4.25	0.00	0
95900	Cold Ash St. Mark's Church of England Primary School	190	1	34,467	3.92	0.00	0
92200	Compton Church of England Primary School	185	1	51,348	3.81	0.00	0
92300	Cumridge Primary School	101	1	16,453	2.08	0.00	0
92500	Downsway Primary School	215	5	66,694	4.43	0.57	3,399
92800	Enborne Church of England Primary School	61	0	26,834	1.26	0.00	0
92900	Englefield Church of England Primary School	102	3	19,763	2.10	0.90	5,380
93000	Falkland Primary School	453	4	115,647	9.34	0.00	0
93100	Fir Tree Primary School & Nursery	195	2	59,547	4.02	0.00	0
93200	Francis Baily Primary School	550	7	156,846	11.34	0.00	0
93400	Garland Junior School	216	2	64,163	4.45	0.00	0
93500	Hampstead Norreys Church of England Primary School	85	0	22,811	1.75	0.00	0
93600	Hermitage Primary School	195	4	59,639	4.02	0.00	0
93700	Hungerford Primary School	384	4	112,651	7.92	0.00	0
92700	The Ilsleys' Primary School	69	0	13,905	1.42	0.00	0
93800	Inkpen Primary School	79	2	23,424	1.63	0.37	2,226
93900	John Rankin Infant & Nursery School	258	4	65,927	5.32	0.00	0
93922	John Rankin Junior School	313	6	108,545	6.45	0.00	0
94100	Kenet Valley Primary School	202	3	84,600	4.17	0.00	0
94200	Kintbury St. Mary's Church of England Primary School	162	2	42,179	3.34	0.00	0
94300	Lambourn Church of England Primary School	184	1	78,486	3.79	0.00	0
94400	Long Lane Primary School	209	3	56,181	4.31	0.00	0
95800	Mortimer St. John's Church of England Infant School	174	3	55,115	3.59	0.00	0
97500	Mortimer St. Mary's Church of England Junior School	216	3	61,206	4.45	0.00	0
94500	Mrs. Bland's Infant & Nursery School	171	0	45,612	3.53	0.00	0
94600	Pangbourne Primary School	198	4	53,033	4.08	0.00	0
94700	Parsons Down Infant School	198	1	54,474	4.08	0.00	0
94800	Parsons Down Junior School	293	2	98,966	6.04	0.00	0
94900	Purley Church of England Infants School	113	3	37,179	2.33	0.67	4,019
95000	Robert Sandilands Primary School & Nursery	240	3	84,431	4.95	0.00	0
95100	Shaw-cum-Donnington Church of England Primary School	90	2	29,151	1.86	0.14	865
95200	Shefford Church of England Primary School	39	0	18,444	0.80	0.00	0
95300	Speenhamland Primary School	279	2	103,871	5.75	0.00	0
95400	Springfield Primary School	303	4	77,718	6.25	0.00	0
95500	Spurcroft Primary School	463	2	140,196	9.55	0.00	0
95700	St. Finian's Catholic Primary School	187	1	63,328	3.86	0.00	0
97700	St. John the Evangelist Infant & Nursery School	179	0	37,890	3.69	0.00	0
97800	St. Joseph's Catholic Primary School	202	4	78,854	4.17	0.00	0
96200	St. Nicolas Church of England Junior School	258	1	65,591	5.32	0.00	0
96100	St. Pauls Catholic Primary School	326	0	115,739	6.72	0.00	0
96300	Stockcross Church of England Primary School	101	1	17,805	2.08	0.00	0
96400	Streathley Church of England VC Primary School	102	0	22,635	2.10	0.00	0
96500	Sulhamstead and Upton Noret C of E VA Primary School	107	2	28,360	2.21	0.00	0
99700	Thatcham Park Church of England Primary School	377	1	119,130	7.77	0.00	0
96600	Theale Church of England Primary School	291	4	51,731	6.00	0.00	0
96700	Welford and Wickham Church of England Primary School	95	1	25,217	1.96	0.00	0
96800	Westwood Farm Infant School	175	2	46,851	3.61	0.00	0
96900	Westwood Farm Junior School	227	3	59,935	4.68	0.00	0
97000	Whitelands Park Primary School	314	4	100,343	6.47	0.00	0
98700	The Willows Primary School	358	5	148,302	7.38	0.00	0
99400	The Wincombe School	418	5	133,379	8.62	0.00	0
97300	Woolhampton Church of England Primary School	92	0	22,111	1.90	0.00	0
97400	Yattendon Church of England Primary School	74	0	24,321	1.53	0.00	0
98900	Denefield School	951	6	292,781	23.25	0.00	0
98800	The Downs School	901	12	212,489	22.03	0.00	0
99000	John O'Gaunt Community Technology College	355	19	194,834	8.68	10.32	61,916
99100	Kenet School	1,398	14	487,793	34.18	0.00	0
99200	Little Heath School	1,289	17	323,479	31.52	0.00	0
99300	Park House School	800	10	284,919	19.56	0.00	0
99800	St. Bartholomew's School	1,274	12	306,819	31.15	0.00	0
99500	Theale Green Community School	447	2	154,667	10.93	0.00	0
99900	Trinity School & Performing Arts College	777	19	362,328	19.00	0.00	1
99600	The Willink School	872	20	187,708	21.32	0.00	0
	PRIMARY TOTAL	13,276	141		274	4	26,710
	SECONDARY TOTAL	9,064	131		222	10	61,917
	TOTAL ALL SCHOOLS	22,340	272		495	15	88,626