

Budget for Additional Funds 2025/26

Report being considered by: Schools' Forum on 20th January 2025

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

1. Purpose of the Report

- 1.1 To set out the proposed 2025/26 budgets for the Growth Fund and Additional High Needs fund.
- 1.2 To note the updated Growth Funding Criteria 2025/26.

2. Recommendation

- 2.1 Agree that the 2025/26 Department for Education (DfE) allocation for growth is distributed to all schools via the school formula. The DfE have not issued an estimating tool this year and the growth allocations will be communicated to each local authority within their DSG settlement in December.
- 2.2 To set the Additional High Needs fund at £200k.

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: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>

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		

<p>B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		x		
<p>Data Impact:</p>		x		
<p>Consultation and Engagement:</p>				

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 2023 and October 2024 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) £1,570 for each primary growth pupil
 - (2) £2,350 for each secondary growth pupil
 - (3) £77,225 for each new school which opened in the previous year.
- 4.3 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 Allocation Estimate 2025/26

- 5.1 In prior years the DfE have issued an annual growth calculator to generate illustrative growth allocations. However, this year this has not been made available. In 2024/25 growth funding was £502.5k.
- 5.2 Although there is a decrease in primary pupil numbers within the authority, there may be one or more of the MSOA’s that have an overall growth, thereby generating eligible primary growth. However, without the growth calculator it is difficult to estimate as to what value this may be.

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5.3 There is actual growth in secondary school pupil numbers & thereby some funding will be generated for some of this growth.

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 31.03.24 was £817k. Support for Highwood Copse as a new school has now finished, however, 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 31.3.26. Based upon the unconfirmed pupil data, Trinity School may be eligible for growth funding in 2025/26. A contingency has been built in to cover two cases per year. This gives an estimated balance of £538k at 31.03.26 prior to adding any 2025/26 growth allocation.

	Growth	Balance
Balance 31.03.24		-817,216
<i>Trinity 2023/24</i>	43,875	-773,341
<i>Highwood Underwriting</i>	33,345	-739,996
<i>Trinity 2024/25</i>	54,833	-685,166
Est Balance 31.03.25		-685,166
<i>Contingency</i>	147,050	-538,116
Est Balance 31.03.26		-538,116

6.5 In 2024/25, it was agreed that the projected balance of the growth fund was sufficient and the 2024/25 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 31.03.26, it is proposed to once again add the DSG growth funding allocation for 2025/26 into the school formula and allocate to schools. Some of this allocation will be required to support the increase in pupil numbers at Highwood Copse (Sept 2025 - March 2026) via the APT. The remainder would be distributed to all schools.

6.7 A summary table is shown below:

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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	0	179,519	817,216
2024/25 <i>to date</i>	0	132,053	685,166
2025/26 <i>est</i>	0	147,050	538,116

7. Additional High Needs Funding

7.1 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 £200k.

Additional High Needs Funding	Budget £	Spend £
2018/19	100,000	87,500
2019/20	100,000	183,048
2020/21	100,000	69,836
2021/22	40,000	217,640
2022/23	42,000	286,696
2023/24	65,000	179,519
2024/25	150,000	157,239
2025/26	200,000	

8. Proposals

- To distribute the 2025/26 growth funding DfE allocation to all schools via the school formula.
- To set the Additional High Needs fund at £200k.

9. Appendices

9.1 Appendix A – Criteria for Growth Fund 2025/26.