

<b>Service Area:</b>	Learning and Early Support / Schools Finance
<b>Presented By:</b>	Martin Wilby and David Baxter
<b>Report:</b>	Growth Funding report
<b>Date:</b>	1 December 2023
<b>Purpose Of Report:</b>	Proposals to formalise Growth Fund Criteria
<b>Is a Decision Required?</b>	Yes

## Schools Forum – 1 December 2023

### Growth Funding – proposed principles and criteria

As in recent years, a Dedicated School Grant Central Budget Retention 2023-2024 [for mainstream maintained schools and academies] has been agreed for Growth funding. The following table is an extract from the annual report to Kirklees Cabinet:

#### Growth funding within the Schools Block

Budget provision	£	Notes
Pupil Growth Fund	600,000	Supports mid-year basic need pupil growth of sufficient scale to trigger a new class arrangement. Also supports schools struggling to meet the KS1 class size regulation. PGF is only allocated where a school cannot address the issue from its own budget resources
Future pupil growth	600,000	The Schools Block allocation includes an element of funding towards the cost of future pupil growth within the system. For 2023-2024, the balance of the growth funding needs to be retained by the LA to support those schools in the system affected by planned changes to address demand for pupil places in the area, e.g., new schools growing by one year group per annum, schools asked to vary their admission number to take in additional pupils in a 'bulge' class arrangement.
<b>TOTAL</b>	<b>£1,200,000</b>	

#### Proposals:

Subject to Schools Forum approving the principles and criteria contained in Part 1 and Part 2 below it is proposed that:

- Officers will continue to allocate growth funding within these constraints and within the approved budget.
- Officers will provide School Forum with monitoring information at least bi-annually. Should the Growth Fund budget be at risk of overspend, Officers will bring an exceptions report to Schools Forum at the earliest opportunity.
- Schools Forum will act as an appeal body should a school disagree with an officer decision.
- Any underspend at the end of the year will be reported to Schools Forum alongside the overall DSG position and associated proposals.
- The principals and criteria will remain in place into future financial years until agreed otherwise by Schools Forum.

## Part 1 - Pupil Growth Fund – Key Stage 1 (KS1) – principles and criteria

### Criteria for the Operation of the Fund

1. The Pupil Growth Fund can only be used in the following circumstances:
  - a. When, at any point since the last October pupil census declaration, a school experiences an increase in pupil numbers that is sufficiently large enough to force the creation of a new class base (or class bases) \* **OR**

[\*except where the increase in pupil numbers is a direct result of a structural change, such as an expansion to a school's age range – these costs would be addressed from sources other than the Pupil Growth Fund].

- b. When a school with KS1 provision, during the funding year, has a pattern of KS1 pupil numbers where the base AWPU funding they attract is unlikely to cover the cost of the requisite number of class bases as specified by the KS1 minimum class size regulations. (In practical terms this is most likely to be the case when a school has fewer than 15 pupils on the way to the last multiple of 30 children – see the example below).

E.g. A primary school has 130 pupils within KS1 (i.e., Reception + Years 1 and 2) and therefore needs 5 KS1 class bases/teachers to remain legal. It only has 10 Age-Weighted Pupil Unit (AWPU) allocations towards the fifth class arrangement so may struggle to afford the required number of classes.

**AND...**

2. **The school cannot afford to meet the cost of this class (or classes) from its existing resources.** The school would need to demonstrate that this is the case via its budget plan for the relevant funding year.

### Basis of Pupil Growth Fund allocations –

Providing the school meets the criteria set out at 1 above, the Fund will look to make the following allocations –

**For schools in category 1a** – the funding allocated shall be calculated from the relevant AWPU value for the pupils in the class base(s) in question multiplied by the number of additional pupils. The result will be applied pro rata to the remaining number of months in the funding year.

**For schools in category 1b** – the funding allocated will be initially calculated by taking the notional cost of a class base (currently £52,560), as used in the former KS1 Class Size funding factor and paying one thirtieth of this sum for every “missing” KS1 pupil up to the next highest multiple of 30, pro rata for the remaining number of months in the funding year.

E.g. For the example school at 1b above, the maximum payment would be £52,560 divided by 30 multiplied by 20 missing pupils = £35,040. If the problem had been triggered by a pupil number increase in September then the full year £35,040 would be reduced to a 7/12ths allocation (if the school was maintained by the authority. Maintained schools are funded for financial years rather than academic years).

**The cost to the Growth Fund would be mitigated if it was determined that the school could afford to meet part of the cost of the class arrangement itself.**

### **Part 2 - Growth Funding – principles and criteria used for supporting planned normal admission round bulge places and permanent expansion.**

#### **(a) Bulge places**

Follow early intelligence to identify areas where bulge places will be required and review as National Offer Day 'dummy run' information becomes available in the Autumn term.

Where required, seek agreement with schools to admit a number of additional pupils over their PAN at their normal entry point (e.g. year R or year 7) the following September to meet the local basic need for school places.

Provide Growth Funding to fill the lag funding gap between additional pupils starting in September and the normal school funding formula recognising the additional pupils in school funding allocation by:

**Number of pupils over PAN at October census (up to the maximum size of the agreed bulge)**

**x**

**AWPU rate (pro-rata)**

(e.g., 10 additional pupils agreed and present at census x KS3 AWPU 22/23 of £4,536  
= £45,360 for the full year)

Paid termly on a pro-rata basis until the funding formula takes account of the additional pupils:

Maintained Schools – the additional pupils are funded by the normal formula from the following 1 April, so Growth Funding covers 58% of an academic year.

(e.g., Autumn £15,120 (33%) + Spring £11,340 (25%) = Total £26,460)

Academies - the additional pupils are funded by the normal formula from the following 1 September, so Growth Funding covers 100% of an academic year.

(e.g., Autumn £15,120 (33%) + Spring £11,340 (25%) + Summer £18,900 (42%) = Total £45,360)

By exception, at an individual school level, where there is history of most of the agreed bulge places filling at National Offer Day but additional pupils not being present by October census, these risks have been shared by agreements to a minimum funding level usually around 50% of the agreed bulge.

No account is taken of existing school balances in allocating growth funding for planned bulges as agreement by the school is optional and the funding can be both an enabler and a lever.

## (b) Permanent expansion

Permanent expansion differs from bulge places as it is intended to apply to all year groups over time and is likely to require a formal significant change process to establish the change. The permanency may be known from the start for example where new school is established or may evolve from a series of bulges classes over a number of years before a decision is made for a change in PAN to become permanent.

A similar formulaic approach based on the relevant AWPU, as described above to supporting bulge places, will be used with the potential for support over a number of years until the permanent change is established across all year groups. This will be subject to appropriate adjustments made as required by the individual circumstances which could include:

Potential adjustments	Circumstance where the adjustment may be used
Fixed pre-start-up funding	To meeting the pre-start costs of a new school which would for instance include employing a Headteacher and purchasing essential items ahead of the start of a new school.
A minimum number of places funded each year	Establishing a new school where economies of scale in the first few years require adequate funding beyond what can be achieved by pupil numbers
A value for money assessment ensuring Growth Fund support is provided only where it is needed	Where a new school has been established for a number of years and pupil numbers and associated cost are not disproportionate to other established schools.

Providing Growth Fund financial support of this nature requires a collaborative approach and an ‘open book’ means of sharing financial information to tailor support.

**GROWTH FUNDING IS NOT AVAILABLE FOR IN-YEAR PUPIL GROWTH.** Academies with significant in-year pupil grow should contact the ESFA to enquire about exceptional funding. Maintained school should speak to the School Finance Team in the first instance.