OUR KIRKLEES FUTURES

Report for Schools Forum

Service Area:	Learning and Early Support / Schools Finance
Presented By:	Martin Wilby / Jon Haigh
Report:	Growth Fund monitoring
Date:	10 July 2026
Purpose Of Report:	To update Schools Forum on Growth Fund spending commitments following secondary National Offer Day
Is a Decision Required?	Yes
Decision context	The budget is in a potential overspend position overall and there are options for significant variation on the agreed notional budgets.

Growth Funding

A Dedicated School Grant Central Budget Retention 2026/2027 [for mainstream maintained schools and academies] has been agreed by Schools Forum for Growth funding:

Growth funding within the Schools Block

Budget provision	£	Notes
Pupil Growth Fund	600,000	Support in the KS1 primary school phase as per agreed principles and criteria.
Future pupil growth	300,000	Support for normal round bulge classes and permanent expansion as per agreed principles and criteria [current support is focused on bulge classes in the secondary school phase]
TOTAL	**£900,000**	

Future Growth Fund element

The following summary table presents the most up to date position of the Future Growth Fund element spend for 2026-2027 following secondary National Offer Day:

	Budget	Spend/ Commitments	Balance
Future Pupil Growth	£ 300,000	£ 52,870	£ 247,130

For the first time in several years no secondary school bulge places have been required (for September 2026). Therefore, the above spend commitments are actual spend relating to 2025/26 bulge places summer term portion, paid in the 2026/27 financial year. As there are no planned bulge places in academic year 2026/27 there is greater certainty, at this point in the financial year than has been possible in recent years, of the predicted underspend in Future Growth Fund element of the Growth Fund.

Pupil Growth Fund element (Mainly used in KS1, primary phase)

The following summary table presents the most up to date position of the Pupil Growth Fund element of the Growth Fund spend/commitments for 2026-2027 financial year:

	Budget	Spend/ Commitments	Balance
Pupil Growth Fund element	£ 600,000	£ 878,709	-£ 278,709

The 2026/27 spend/commitments detail above are based on an assessment KS1 class sizes where they meet the agreed criteria. If paid at the agreed rate this would result in a position that is over budget by £278k. This is compared to £49k over budget in 25/26. To manage this risk only a portion of the normal financial support has been agreed with eligible schools to date.

There are two elements to the pupil growth fund, one being the KS1 class size requirement, and the other being an increase in pupil numbers since the last October census that is sufficiently large enough to force the creation of a new class base (except where this is a direct result of a structural change). The spend/ commitments identified above are only in relation to the KS1 class size.

Further claims may still be received. Note that an amount of £50k has been retained as a contingent amount in case of such need.

KS1 class size rules continue to apply. With falling numbers, budgets in the primary phase continue to be under significant pressure meaning some of this support is vital. The risk of not providing this support is an increase in sustainability pressures in the primary phase which is likely to compromise learning outcomes.

At the same time, it is recognised that the financial and operational environment is evolving, with schools increasingly under strain. There is opportunity and potential to review the principals and methodology around the growth fund to ensure consistency and efficacy in its application. With regard to the medium term, a review could be undertaken to consider and appraise possible models for usage of the growth fund, and for changes to be applied for the next budget round (for 27-28).

Options available include:

Short term

1. To continue to allocate the Pupil Growth Fund element on a pro-rata basis to remain within the notional budget (approx. 68% paid based on identified schools to date)

2. Utilise predicted underspend in the Future Growth Fund element to maximise the funding to eligible schools under the Pupil Growth element and then allocate on a pro-rata basis (approx. 96% paid based on identified schools to date, with a contingency of £50k) i.e. utilise the underspend on the future pupil growth element to assist in the heightened coverage for the pupil growth fund (but only up to the total combined budget).

Medium term (for next budget round)

3. Review the criteria for allocating Pupil Growth funding including the calculation, assumptions, affordability checks and the connection to other opportunities (e.g. PAN reduction/admission limits)

Proposals:

1. **To confirm the expected underspend in the Future Growth Fund element can be fully used for the Pupil Growth Fund element to ensure eligible primary schools are paid the maximum support possible (when all claims are received).**

2. **Request Officers review the Pupil Growth Fund element principles and criteria (Appendix 1) and bring forward some recommendation for consideration at School Forum in the Autumn term.**

Appendix 1 – Growth Fund Principles and Criteria (as agreed by Schools Forum Dec 2023)

- Officers will continue to allocate growth funding within the agreed constraints (Part 1 and Part 2 below) 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.