

Allocation of Funding for Pupil Growth 2023-24

Purpose of the Report

1. To seek agreement on the methodology for allocating funding for pupil growth from the school's block growth fund in 2023-24.

Background

2. Wiltshire currently operates a growth fund and Schools Forum agreed to a number of criteria for the allocation of funding for pupil growth in previous years. The current growth fund criteria has previously been confirmed as being fully compliant by the Education and Skills Funding Agency (ESFA).
3. There was a change in the methodology for funding local authorities for growth three years ago, however this has not changed the way in which growth funding is allocated locally to schools.

Funding Methodology

4. Growth allocations for 2023-24 will be based on pupil data from the October 2022 census and the October 2021 census.
5. Funding is allocated to local authorities based on the actual growth in pupil numbers they experienced over the previous year. This ensures that over time local authorities are funded on the basis of the actual growth they experience (on a lagged basis), rather than being based upon historic spending decisions.
6. The DfE measure growth within local authorities at **middle layer super output area** (MSOA)¹ level. MSOAs are used as these are small enough geographical areas to detect 'pockets' of growth within local authority areas. Growth is measured by counting the increase in pupil numbers in each MSOA in the local authority between the October 2021 and October 2022 censuses. Only positive increases in pupil numbers will be included, so positive growth in one area, and negative growth in another, will not be denied growth funding.
7. In Wiltshire, growth is measured by separating the county into 62 MSOA's with an average of 4 schools in each MSOA area.

8. For each local authority, the growth factor allocates:
- **£1,520** for each primary 'growth' pupil (was £1,485, £1,455, £1,425, and £1,370 previously)
 - **£2,275** for each secondary 'growth' pupil, (was £2,220, £2,175, £2,130, and £2,050 previously) and
 - **£74,700** for each brand-new school that opened in the previous year. (was £70,800, £68,700, £67,000, and £65,000 previously)
9. The DfE do not expect local authorities to use these rates in their local arrangements for funding growth. The growth factor in the national funding formula is a proxy for overall growth costs at local authority level, and not at the level of individual schools. Local authorities generally allocate growth funding using a local arrangement as there is no national method adopted for allocating growth funding. Therefore, Schools Forum should therefore continue to make decisions about growth funding locally as they do now.

The DfE consultation during the Summer of 2022, proposed options around the future for Growth funding and whilst no decision has been taken, it was recognised that awarding growth funding at a local level would be appropriate, with LA's being able to apply local knowledge and intelligence.

(The Wiltshire allocation for 2023-24 will be announced in December as part of the schools funding announcement.)

Main Considerations

10. The growth funding forms part of the local authority's Schools Block of funding. For 2023-24, growth funding will be allocated using the formulaic approach, based upon lagged growth data. With regard to allocating funding from the growth fund, the requirements are that:
- a) can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need
 - b) to support additional classes needed to meet the infant class size regulations
 - c) to meet the costs of new schools
 - d) the fund must be used consistently for the benefit of both maintained schools and academies
 - e) any funds remaining at the end of the financial year will form part of the overall DSG surplus or deficit balance.

- f) local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth 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
- g) local authorities will need to propose the criteria and size for the growth fund to Schools Forum and gain its agreement on both the criteria and size of the fund, before growth funding is allocated.

Proposed Criteria

11. The proposed criteria for funding pupil growth within the local Wiltshire funding formula in 2023-24 are as follows:

New School Allowance (unchanged from 2013-14):

- 12. Schools receive funding in advance of pupils arriving in the school, based on the result of the pupil teacher ratio rounded up to the nearest next whole number. The PTRs used are 26.5:1 for KS1 & 27.5:1 for KS2.
- 13. The topped-up element to the next whole number is arrived at by multiplying the result by the salary of a teacher on the top point of the teacher's main scale 6 + on-costs. This element will apply until the first year group has left the school or until the school is full (whichever occurs first).
- 14. In addition, the costs of a head teacher and 10 hours admin support will be available one "old" term before opening. 55% of the Lump Sum will be available two "old" terms before opening. In the first year of opening the school will also receive funding towards supplies and services comprising, 34% of the Lump Sum, 17% in the second year & 8.5% in the third year after opening. (The Lump Sum is proposed at £128,000, the NFF rate for 2023-24).
- 15. New schools may also receive an estimate of the new pupil intake for the forthcoming academic year. This approach will be in place for the number of years equal to the number of year groups at the school. The initial estimate may be changed at a later date (but no later than the end of Term 6) to more accurately reflect the likely new intake, with the agreement of the school.

Class Expansion for Basic Need (unchanged from 13-14):

- 16. Where a school is expanded to provide additional classes to meet 'basic need' for places identified by the LA, from the month of opening the additional class for the remainder of the financial year only, the school will receive the relevant 12ths x 30 x relevant AWPU for each additional class. Where a full class may not be needed then the school would receive the relevant 12ths x estimate of increased September intake x relevant AWPU. The definition of

“expanded” is that a building project or addition of a mobile classroom has taken place.

Infant Class Size Increases:

17. This is payable to a Primary School with infant classes which is required to set up an additional class in the Autumn term as required by the infant class size regulations, and the school cannot accommodate all of 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. Where the total increase in NOR between the two October census dates is greater than 13 and necessitates that an extra class would be required, then additional funding is allocated per additional class.
18. Schools Forum is required to consider and approve the above criteria for application in 2023-24.

Falling Rolls Fund

19. LA's may set aside Schools Block funding to create a small fund to support good schools with falling rolls, where local planning data shows that surplus places will be needed within the next three financial years.
20. Any fund established for the purposes of a Falling Rolls fund would represent a top-slice of the Schools Block. Criteria would need to be established to support the fund, including clear trigger points for qualification. Compliant criteria could include;
 - Support only available to Good or Outstanding schools
 - Surplus capacity exceeds a certain proportion of PAN
 - Local planning data shows that the places will be filled within the next three years
 - The school will be required to make redundancies in order to contain spending within its formula budget
21. Any formula for funding schools could include;
 - A rate per vacant place and maximum number of places
 - A lump sum payment to schools
22. Wiltshire Schools Forum has always resisted the establishing of a Falling Rolls Fund and is being asked to consider establishing such a fund, in light of its previous decisions on this topic and the additional pressures being placed upon the Schools Block.
23. There has been no pressure from schools or other groups for the establishing of a Falling Rolls Fund, due to the limitations around the criteria.

24. The DfE consultation in the Summer of 2022, did propose amendments to the rules surrounding a Falling Rolls Fund. The results of the consultation have not yet been published.

25. Proposal

It is proposed that:

- a) Schools Forum approve the criteria for allocating pupil Growth Fund in 2023-24.
- b) Schools Forum agree that the budget for the Growth Fund to be set at its meeting in January 2023, when the full DSG has been confirmed for the 2023-24 year.
- c) Schools Forum give consideration to the establishing of a Falling Rolls Fund and any criteria befitting such a fund.

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