



**SCHOOLS FORUM**  
04 June 2024

**Report sponsor:** Sharon Buckby, Service Director – Learning Skills and Inclusion  
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**ITEM**  
**02/24**

## Growth Fund and Pupil Numbers on Roll Adjustments

### SUMMARY

- 1.1 Funded from the Schools Block of the Dedicated Schools Grant a Growth Fund can be established and retained centrally with the approval of Schools Forum. The Growth Fund is to financially support schools which are required to provide extra places to meet basic need within the authority, including pre-opening, diseconomy, and reorganisation costs. The Growth Fund may not be used to support schools in financial difficulty or general growth due to popularity.
- For 2024/25 the DfE are introducing changes to **growth** funding:
    - Local authorities must use the new **NFF requirements for growth funding**, whereby additional classes (driven by basic need) must be funded by at least a minimum funding level (Growth factor value X No. of pupils X ACA- Area cost adjustment).

### RECOMMENDATIONS

- 2.1 To amend the criteria for allocation as directed by the DfE to align with National Funding Formula changes with regard to basic need increases and significance of a School's PAN.

### SUPPORTING INFORMATION

- 3.1 Schools funding is based on a lagged system taken from the pupil count in October. For maintained schools the October count forms the basis of the school's funding from April and for academies and free schools the lag is further delayed until the following September. Where pupil numbers rise significantly in the autumn term the school will not receive the funding for that growth until the following financial year

and the funding is not retrospective.

Schools Forum will delegate the management of the fund to the Local Authority based on the criteria agreed on and contained within this report. The amount of the fund and the criteria for allocation will be reviewed annually as part of the annual budget process. As this fund is held as an approved central budget and is not subject to delegation requirements academies and free schools are also eligible to receive funding from this source

3.2 Generally, schools are used to managing these fluctuations as part of their budget planning process and generally small increases in pupil numbers are often offset by reductions in other years. Financial support to schools from the Growth Fund was previously provided to schools based on the following criteria.

- The City Council agrees that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth (not simply popularity growth or one school's desire to increase capacity).
- The City Council agree that the creation of an additional class is necessary and is directly related to exceeding PAN.

**For the first time in 2024 to 2025 local authorities will be required to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment). Funding, either through the growth fund, or by adjusting pupil numbers in the APT, will need to be provided regardless of whether the additional class is within or outside of the PAN.**

**The new directive mirrors what Derby already applies with schools who have applied for bulge years as a direct result of working the LA. The proposal is to state this requirement for 24-25 within Derby's criteria.**

Therefore, the criteria will read.

Financial support to schools from the Growth Fund is provided to schools based on the following criteria.

- The City Council agrees that there is the need for an extra class to meet basic need (be it temporary or permanent) in an identified area (not simply popularity growth or one school's desire to increase capacity).
- The funding of such increases is affordable within the funding envelope of the year of request, The City Council assess that affordability with regard to funding any increase by either the Growth fund policy or by adjusting pupil numbers in the APT.

3.3 Growth Fund Allocation for Basic Need Adjustments.

Where the increase is permanent and rolls through the school into future year

groups, adjustments will be made to the numbers on roll at the school to account for the additional numbers. This is subject to the approval of the Secretary of State and applications will be made by the LA to adjust the numbers on roll. The basis for the adjustment is based on an increase of 50% of the prior year group feeding into the new class. Adjustments to the numbers on roll are only applicable where the Growth Funding criteria has been matched.

**Example**

**School A increased its reception from 30 to 45 pupils and has been receiving Growth Fund. The class increases have now reached year 2. The numbers on roll adjustment would be calculated at follows:**

October 2023 Census Count:

Reception 44 pupils  
Year 1 43 pupils  
Year 2 30 pupils  
Total pupils 117

Formula budget April 2024 (AWPU number) adjusted to:

Reception 44 pupils  
Year 1 43 pupils  
Year 2 30 Pupils increased to 45 from September 2024 – adjusted number 38.75  
Total pupils 125.75

**Schools B a new school with a PAN of 60**

Census Count October 2023

Reception 20 pupils  
Year 1 15 pupils  
Total 35 pupils

Formula Budget April 2024 (AWPU number) adjusted to:

Reception 20 pupils  
Year 1 15 pupils  
Year 2 new class September 2024 –limited to a 50% increase in the prior year group.  
PAN 60 but feeding year group only 15 pupils therefore adjusted pupil number is 15 + 50% = 22.5 pupils prorate (13 pupils)  
Total funded pupils 48

- 3.4 **Where the increase has been planned prior to the issuing of schools’ budgets and submission of the Authority Proforma Tool the number of pupils will be adjusted as part of the pupil numbers on roll pro rata for the opening period (September class would be 7/12<sup>th</sup> funding).**

Where the planned increase falls outside of the budget process then an allocation will be made from the Growth Fund Contingency at a full year rate of £1,550 per primary pupil an increase from £1,500 and £2,000 per secondary pupil, pro rata for September openings.

### 3.5 New School Opening Arrangements

#### Pre-Opening Funding New Schools

The pre-opening funding is intended to cover revenue costs prior to the opening of the new school and include costs such as staffing and recruitment costs and other materials. Funding will be in the form of a lump sum payment of £75,000 for a new primary school and £100,000 for a new secondary school. This will be payable in the month of April, prior to the school opening in September.

### 3.6 Diseconomies of Scale and Protection Funding

The school will be funded through the funding formula for the number of places commissioned by the Council. This will be reviewed on an annual basis whilst the school is growing to full capacity. This is funded by adjusting the school's pupil numbers. Pupil numbers will be protected at PAN for the first three years of opening.

Diseconomies of scale funding provides an annual sum that is phased out upon the school having greater utilisation. This is calculated at £7,500 per empty cohort.

#### Example

Year 1 School A opening reception class only, September of that year (Academic Year) will have 4 empty year groups and 5/12 'empty' reception class for the financial year April to March Therefore payable sum is £33,125.

Year 2, Schools A has a reception and year 1 class September of that year (Academic Year) and will have 3 empty year groups and 5/12 of year one 'empty' for the financial year April to March. Therefore, the payable sum is £25,625.

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**Background papers:** None

**List of appendices:** None