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**GROWTH AND FALLING ROLLS FUNDING GUIDANCE AND CRITERIA**

**Growth Funding**

This document sets out the criteria that will be used and applied to allocate funding to schools under Suffolk County Council, Children and Young Peoples Services Growth Policy.

The “Schools operational guide” published by the ESFA states that the growth fund can be used to:

* support growth in pre-16 pupil numbers to meet basic need
* support additional classes needed to meet the infant class size regulation
* meet the costs of new schools

The LA are responsible for funding these growth needs for all school: for new and existing maintained schools and academies. All schools will be funded on the same criteria.

The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

The department will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](https://www.legislation.gov.uk/ukpga/2011/21/schedule/11/crossheading/amendments-to-part-2-of-eia-2006).

The growth fund must not be used to support:

* schools in financial difficulty: any such support for maintained schools should be provided from a de-delegated contingency
* general growth due to popularity; this is managed through lagged funding

Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis. Compliant criteria would generally contain some of the features set out below:

* support 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)
* additional support where a school has extended its age range (the majority of funding would be paid through the funding formula, where the local authority should seek a variation in pupil numbers)
* support where a school has temporarily increased its pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the local authority
* support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
* pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

Suffolk will allocate growth funding under the 3 headings below:

1. **New Class Funding –** this relates to the Local Authorities requirement for schools to take on additional half form or full form entries to meet basic need

2. **Low Level Basic Need Funding** - where a school has temporarily increased its pupil admission numbers (PAN) and the LA are aware of local pressures on the school. Schools will need to meet the necessary criteria.

3. **Meeting the costs of new schools** – will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary to admit pupils. They will also include post start-up and diseconomy of scale costs.

**New Class Funding**

Schools which are requested by the Local Authority to take on additional half or full form entries into Reception and above will be eligible for New Class Funding.

A school would take in a half or full form entry at the start of each Autumn Term. As school budgets are based on the previous Autumn Term census the school in effect sees a funding shortfall for these additional pupils for the period September to March (For LA maintained schools) and September to August (for academies). These new pupils will then feature in the following year’s census and the school will receive the appropriate funding for them.

The funding being made through this guidance to the school is to recognise the shortfall that exists and to enable a school to appoint the necessary staff and set up and furnish a new classroom. **The funding recognises the cost of a classroom rather than the number of pupils who may then occupy it.**

The funding that is being made available based on the following full year figures for 2023-24:

1.0 FTE Main Scale 6 = £49,411

0.5 FTE Teaching Assistant (Point 4) = £13,244

Class Setting Up Allowance (breakdown in Table 1) = £ 6,600

Total = £69,255

As the period in question is September to March, 7/12ths of this level of funding will be paid to the LA maintained schools.

Teacher = £28,824

Teaching Assistant = £ 7,725

Class Setting Up Allowance = £ 6,600

Total = £43,149

**Table 1**



As previously stated, as school budgets are based on the previous Autumn Term census the school in effect sees a funding shortfall for these additional pupils for the period September to March (For LA maintained schools) and September to August (for academies). Therefore, academies will receive:

* the full payment of £69,225.
* £43,149 will be paid for the period September to March (including class total setting up allowance)
* £26,106 will be paid in the following financial year for the period April to August.

**Schools with Local Authority request for full and half form Entry**

For those schools which are taking on a full form of entry (i.e. going from a one class of 30 to two classes of 30) the final structure of the school will mean that the number of classes increases from 7 (those schools with Year R to Year 6) to 14. This means that each financial year the school would be eligible and receive the growth payment of £43,148 (LA maintained) or £69,225 (academy). The tables below show examples of the changes resulting from increased pupils in:

* Primary School adding full PAN
* Primary School adding half PAN
* Secondary School adding full PAN







**Low Level Basic Need Funding**

The Local Authority recognises that there are areas of Suffolk which are undergoing significant changes and increasing pupil numbers. The increase of these pupils into a school may not require or generate a new class but will have an impact on the organisation of the school.

Therefore any school which feels it is subject to this change will be able to apply to the Local Authority for Low Level Basic Need funding in order that they are able to continue to provide efficient education to meet the needs of the local population. **LINK TO FORM** This funding is not issued for general pupil growth in all schools, only those schools where the Local Authority recognises the need to support the school in the short term through.

To clarify, schools which have general pupil growth, also known as popular growth, outside of this Low Level Basic Need funding will not be entitled to receive this funding and the funding for those pupils will only appear in the following year’s school budget when the pupils are then showing in the relevant school census.

Low Level Basic Need funding will be calculated by comparing one year’s October census, the census which the current funding is based on with the in year October census which funds the following years budget. For the purpose of the calculation only Reception Year pupils to Year 11 pupils will count.

Any increase between those two figures of more than 10% will be eligible to receive funding.

As part of the calculation 10% of the previous October census will be deducted from the eligible children and it is the remaining numbers which will be used to calculate the additional funding for the period September to March for LA maintained schools or September to August for academies. Schools would then receive the eligible number of pupils multiplied by the relevant AWPU value.

In exceptional cases agreed by the Local Authority where the increase in pupils is known to have existed in year but outside of the normal September intake then the eligible number of pupils will be multiplied by the appropriate number of months divided by 12 and multipliedby the appropriate AWPU value, as used for the Basic Entitlement.

**A worked example and further information is shown in Annex A.**

Funding for Low Level Basic Need will be paid to schools by the end of each Autumn Term following the collation of the October census data.

The “Schools revenue funding operational guide” states that:

*The growth fund may not be the most appropriate source of funding for growing schools and local authorities should consider requesting a variation to pupil numbers where there is a more permanent and significant change to numbers and where it is appropriate for the change to be reflected in the funding formula.*

**New school and significantly growing schools funding**

Where a new primary or secondary schools is opened in Suffolk or schools are significantly growing (significant growth is defined as the establishment of 10 new classrooms in one year), revenue funds will be set aside to pay for the opening costs of that school. The funding will be spilt into two parts. New schools will be eligible for both elements of the funding. Significantly growing schools will be eligible for part two funding only.

Part one is for the pre–opening costs this is a block allowance of £200,039 for a primary school and £280,575 for a secondary school. See Table 2 below.

The calculation for each phase is based on the costs of employing a Headteacher, a Deputy, Business Manager and Site Manager before the school opens. There is also an allowance set aside for advertising, travel and training. The Governing body however are able to spend the funding as they see fit for their school.

**Table 2**



Part two is a setting up allocation which is made for each classroom that the school will have. This is to pay for the desks, chairs and equipment in each classroom in the school.

The basic cost is:

* £6,600 per class (as in Table 1 above)
* £9,900 for specialised classrooms (50% premium on the basic cost) for classes such as Food Technology, Design and Technology, Science, Art and ICT.

In addition to the funding per class we will also supply a block payment of:

* £33,000 for primary
* £66,000 to secondary to cover the cost of establishing office and communal space etc.

**Diseconomies of scale funding for new primary schools**

In addition to the lead in costs i.e. preopening costs and the setting up allowance, the ESFA guidance for the funding of new schools created to meet basic need states the growth policy should provide for diseconomy of scale costs.

The local authority is required to estimate pupil numbers for a new school, by working with the school and using the latest admissions and demographic data, to produce the individual school budget for the new school.

However, as new schools are unlikely to be at full capacity, it is recognised that the new school will incur diseconomies of scale costs e.g. some fixed management and premises costs, until the new school builds up their pupil numbers.

Diseconomies of scale funding will be provided only for year groups R,Y1 and Y2 for the first three years as they progress through the primary school.

Diseconomies of scale funding will be 75% PAN for R, Y1 and Y2 for the first 3 years. This equates to 22.5 per year group for 3 years. 67.5 pupils x schools block factors would be the guaranteed funding for the first 3 years.

**Falling Rolls**

LAs may set aside schools’ block funding (from the growth allocation) to create a small fund to support good schools with falling rolls, where local planning data shows that there will be surplus places in schools within the next three financial years. This funding is only allocated on a short-term basis for a respective school eligible.

Falling rolls will not affect schools in a uniform way – it is likely to hit certain types of school harder and could include scenarios such as:

* Schools being financially stretched to "breaking point", with squeezed budgets – through less funding per pupil – exacerbated by the school funding crisis.
* School closures with the smallest schools arguably being the most vulnerable. There are 13 primary schools in Suffolk which are forecast to have fewer than 50 pupils by 2025 and a further 53 which have 100 or fewer pupils in the same time frame.
* Teacher and support staff redundancies
* Bigger class sizes as schools compress year groups of three or four forms into fewer classes to cut costs.
* Increased competition for places between schools
* Reduced funding to spend on resources and facilities. The school still must maintain their entire site, even if they are not using it all due to reduced pupil numbers.

Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases. Criteria would generally contain some of the below:

* Support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement).
* Surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number.
* Local planning data shows a requirement for a minimum percentage of the surplus places within the next three years.
* Therefore, falling rolls funding should only be used to support schools where the places are forecast to be falling over the short-medium term.
* Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.
* The school will need to make redundancies to contain spending within its formula budget.

**Criteria and Methodology for funding**

Schools would need to contact to the Schools Infrastructure team in the first instance if there are any concerns around falling rolls / pupil numbers.

* The school must have been judged as good or outstanding by Ofsted.
* Schools with an excess of 20% of their annual budget held as a reserve will not be supported and will be expected to use their surplus reserves in the short term to support falling rolls. Academies will be required to provide supporting information on surplus balances to the LA.
* The number on roll must have fallen by greater than 20% over the past 2 years. For example, Oct 22 Census - 140, October 23 census – 115, a 22% reduction.
* The forecast pupil data must show the school is expected to have an increase in pupil numbers by the end of 3 years and should continue to grow and become stable in years 4 and 5. For example based on 2022/23 as the base year pupil numbers must increase by 2024/25 and continue to grow in 2025/26.
* Pupil numbers will be compared with the Authority’s pupil forecast.

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| --- | --- | --- | --- |
| **Method** | **School 1** | **School 2** | **School 3** |
| a. Is the school rated outstanding or good? | Yes | Yes | Yes |
| b. Reserves less than 20% of budget | Yes | Yes | Yes |
| c. Have overall pupil numbers reduced by 20% over the past 2 years? | Yes | Yes | Yes |
| d. Planned Admission Number | 45 | 20 | 11 |
| e. 60% threshold of PAN (d \* 60%) | 27 | 12 | 6.6 |
| f. October 22 admissions | 19 | 8 | 6 |
| g. Difference between Admissions and PAN i.e. eligible pupils (e - f) | 8 | 4 | 0.6 |
| h. Funding per place - Relevant AWPU (Primary) | £3,379 | £3,379 | £3,379 |
| i. Allocated funding (g \* h) | £27,032 | £13,516 | £2.027 |

**Annex A**

**Low Level Basic Need - Eligibility**

**Either,**

a)  School has an increase of pupils from October 2022 to October 2023 which requires the school to reorganise their class structure to meet the basic need and is approved to be eligible by CYP Schools Infrastructure Team.

b)  School has been requested by the Local Authority to take on additional pupils but it does not fall under the New Class Funding part of the Growth Policy.

For both a) and b) schools must also have a 10% increase in pupils between October 2022 and October 2023 census to attract funding.

**How to Apply**

Any school that believes it meets the eligibility criteria for Low Level Basic Need Funding will need to contact the CYP Schools Infrastructure Team and demonstrate the schools need to re-organise. **INSERT FORM** In particular show the schools class organisation as it currently stands and where it will be once the additional pupils are in school.  Any supporting commentary should also be included but does not need to be exhaustive.  Schools which are proved to be eligible will then go through the calculation and any funding that the school is entitled to will be paid to them by the end of the Autumn Term.

**Funding**

Schools which demonstrate the need to reorganise and meet the 10% increase will receive funding based on the following calculation.  The pupil numbers to use are Year R to Year 11 only.

Oct 23 census – Oct 22 census = **x** eligible pupils

**x** pupils – 10% of Oct 22 census = **y** pupils to fund

**LA Maintained School Calculation**

**y** pupils x £1,970 (7/12ths of £3,378 primary AWPU) = £ allocation, or:

**y** pupils x £1,970 (7/12ths of £5,073 average secondary Primary AWPU) = £ allocation

**Academy Calculation**

**y** pupils x £3,378 primary AWPU = £ allocation, or:

**y** pupils x £5,073 average secondary Primary AWPU = £ allocation

**Worked Example**

**14.3% Increase**

**120** pupils **– 105** pupils **= 15** eligible pupils

**15** pupils **– 10.5** pupils **= 4.5** pupils to fund

LA Maintained: **4.5** pupils x £1,970 = **£8,865**

Academy: **4.5** pupils x £3,378 = **£15,201**

**Additional Information**

Schools should be aware that this funding in itself will not support the cost of a new class and nor is it meant to.  The funding is set aside to assist schools in making these particular changes and full year funding for increasing pupils will then form part of the following year’s delegated budget.  The Department for Education have made it clear that any growth funding that is paid to schools must meet the Basic Need requirement and school pupil growth (sometimes referred to as popular growth) outside of this will be funded accordingly in the following years budget.

**Low Level Basic Need Calculation – Other Examples**

**School A – LA Maintained Primary School**

October 2022 Census: 40

October 2023 Census 48

Increase of 20.0% which is above the criteria of 10.0%

48 – 40 = 8 eligible pupil

8 pupils – 4 (10% of October 2022 census) = 4 pupils

4 pupils x £1,970 (7/12ths of £3,378) = £7,880

**School B – Primary Academy**

October 2022 Census: 215

October 2023 Census 238

Increase of 10.7% which is above the criteria of 10.0%

238 – 215 = 23 eligible pupil

23 pupils – 21.5 pupils (10% of October 2022 census) = 1.5 pupils

1.5 pupils x £3,378 = £5,067

**School C – Secondary Academy**

October 2022 Census: 715

October 2023 Census 779

Increase of 8.9% which is below the criteria of 10.0%

Therefore, no funding to be allocated to school.