

Leicestershire County Council

Policy for Funding New Schools and Pupil Growth in Primary and Secondary Schools

September 2023 Revision

Policy Background

Maintained schools and academies receive funding for pupils registered on the October school census only. This means that an increased pupil number reflected in that count is not recognised for funding until the following financial year. Schools therefore have a funding lag where costs may be incurred but revenue is not reflected in the school budget until:

- April of the following year for maintained schools
- September of the following year for an academy

This policy sets out the instances in which revenue funding will be allocated to schools outside the delegated budget for meeting the costs of additional pupils in new schools and where the local authority is requesting additional places in open schools to meet the basic need for school places.

Local authorities receive an allocation of funding within the Schools Block of the Dedicated Schools Grant (DSG) to ensure it is able to fulfil its statutory duty to ensure an adequate supply of school places. This funding is retained as a growth budget and is required to be approved annually by the Schools Forum. Such funding must be allocated on an objective basis and must retain equality between maintained schools and academies. In creating such a fund, a balance must be achieved between retaining sufficient funding to allow planned expansion in schools, either as a result of overall demographic growth or housing development and ensuring that delegated school budgets are maximised.

There are restrictions on what a Growth Fund can be used for, the regulations specify that a growth fund, subject to the locally adopted growth policy can only 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 – please see below.
- Meet the revenue costs of new schools.

The growth fund cannot be used to support:

- Schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency. No such contingency is held for Leicestershire maintained schools.
- General growth due to popularity; this is managed through lagged funding. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice.

The school funding system operates on a single pupil count from the previous October school census and no school ever receives funding for every pupil for the period in which they are registered on a school roll, all schools will encounter some changes in pupil numbers in any given financial year and should ensure that they plan for any such movement in numbers.

The growth policy may not be the appropriate mechanism to fund growing schools for permanent and significant change to numbers, particularly new schools. In such instances it may be more appropriate to be managed by a variation to pupil numbers which would ensure that the additional pupil number funding would be received through the schools delegated revenue budget. However, in such instances this would remain funded from the local authority Growth Fund.

Local authorities are responsible for funding all growth needs for all school in their area and for new and existing maintained schools and academies and using the same criteria. Where growth occurs in academies that are funded by the Education Skills and Funding Agency (ESFA) on estimates, the ESFA will use the number adjustment process to ensure the academy is only funded for the growth once.

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 in order to admit pupils.

This policy makes financial provisions for the following circumstances:

Opening schools. A new school opening or adding additional year groups until its opening age range is met. Funding is allocated to meet the cost of pupils prior to the school receiving funding based on the school census data for those pupils and for costs incurred prior to opening.

Additional school places. Expansion for maintained and academy primary and secondary schools, where the local authority agrees, there is a basic need for additional places as a result of demographic or housing growth where the local authority that meet the criteria set out within this policy whether on a permanent basis or through the creation of a bulge class.

The policy only provides for growth funding for schools for which Leicestershire County Council is required to fund under the School and Early Years Finance (England) Regulations and from within the Schools Block Dedicated Schools Grant.

The Leicestershire Growth Policy makes no provision for:

Schools, Academies and Free Schools funded by other bodies. The policy does not apply to any schools that are directly, on a temporary or permanent basis, funded by alternative bodies which are outside the purpose of the Schools Block Dedicated Schools Grant such as Independent schools and post 16 provision.

Schools expanding age range. In this instance there is no increase in the overall need for school places. The school growth policy does not apply, and schools will be funded in accordance with provisions within the Schools and Early Years (England) Finance Regulations and the agreed local authority process in place for the appropriate year.

Schools expanding size where there is not a basic need for additional places. Where Governing Bodies or Trusts determine an increase in school size unrelated to basic need, the expansion will not be funded by the local authority through this policy.

Infant class sizes. Funding for ensuring that schools are not in breach of the infant class size regulations was, following consultation with schools, fully delegated to all maintained schools and academies in 2013, schools are

expected to accommodate the requirement within the schools delegated budget.

Specialist provision. Funding for new or expanding specialist provision. Growth funding is within the Schools Block Dedicated Schools Grant (DSG) and a Block Transfer would be required to fund growth in special schools. This would require consultation and Schools Forum approval.

Local authorities are able to provide funding to support schools with falling rolls where places may be needed in the following three to five years. The need for such places is evidenced through the annual School Capacity Survey (SCAP) submitted to the DfE by local authorities. The Leicestershire Growth Policy will make no arrangements for such funding until such time the national data generates a funding allocation.

The funding rates to be applied to fund additional school places will be per the DfE allocation of growth funding for the authority and updated annually at the commencement of each financial year. For 2024/25 the annual rates will be:

- £1,550 per primary pupil
- £2,320 per secondary pupil
- £76,195 per new school

Rates will be pro-rata from opening date.

This policy was approved by the Leicestershire Schools Forum on 21 November 2023 and will apply from 1 April 2024.

Opening Schools

1. In accordance with the School and Early Years Finance (England) Regulations the funding for an opening school will be by the application of the local authority's school funding formula for each pupil estimated to be on roll in the September of each year until such time the school has a full contingent of year groups submitted to the EFA annually through The Local Authority Pro-forma Tool (APT)
2. The basis for the pupil number estimate will be taken from the tender documents submitted by the operator of the schools in their application. This may be adjusted for relevant data held by the local authority and / or the school operator.
3. A payment equal to the new school rate received by the local authority from the DfE to recognise pre-opening costs. For schools agreed to open in September 2024 funding will be in accordance with the previous policy published within the tender documentation of £125,000 and £9,250 for each class opened, tis transitional arrangement will only apply to schools opening in September 2024 with schools opening after this date the new payment rates will apply.

Additional Classes in Open Schools / Academies

4. The local authority will fund additional permanent school places annually at the applicable rate of funding received from the DfE from the point those places are commissioned and where the local authority is making capital provision with its Medium-Term Financial Strategy to deliver additional classroom space to support an increase in Form Entry subject to meeting the criteria below:

- Where the local authority carries out a formal consultation and approves an increase in the capacity of a school
- Where a school/academy carries out a formal consultation and approves an increase in capacity at either the request of the local authority or supported by the local authority

For the purpose of this policy one Form of Entry or an additional class is deemed to be 30 pupils, this threshold may be triggered in more than one year particularly in small primary schools where expansion may be phased e.g. 15 places per year for each of two years. Funding will be allocated annually until the point the expansion has been completed across all year groups. The local authority may for years 2 onwards consider enacting a variation in pupil numbers rather than a direct growth fund allocation.

5. Grant allocations will be reported to the Schools Forum, the report will detail the grant and also the criteria under which it is allocated.

Additional Places – Bulge Classes

6. Where the local authority may request a school to offer a bulge class in order to meet basic need funding will replicate that for permanent place expansions.

Approval Process

7. Eligibility for funding under this policy will be assessed within the School Organisation Service at Leicestershire County Council.
8. Academies should seek an assessment of eligibility for school growth in advance of seeking Regional Schools Commissioner (RSC), or other, approval prior to it being undertaken. Approval of expansion by the RSC does not constitute approval for funding under this policy.
9. The application of the policy is at the sole discretion of the Leicestershire County Council. Where exceptional circumstances arise that might warrant allocation of growth funding but not wholly consistent with the criteria set out in the policy, then the matter should be referred to the Director and Lead Cabinet Member for further consideration

Leicestershire County Council

November 2023 – Policy applicable from 1 April 2024