

Schools Growth Fund Criteria 2026/27.



October 2025

Introduction

This document sets out the funding criteria for new or growing schools in Milton Keynes

1. Introduction

- 1.1. Under the current School and Early Years Funding Regulations 2026, Local Authorities (LA) can set up a growth fund from the Dedicated Schools Grant (DSG). The purpose of the growth fund is to support maintained schools and academies which are required to provide extra pre-16 places in order to meet basic need, support additional classes needed to meet the infant class size regulation, and meet the costs of new schools. It cannot be used for general growth in pupil numbers at a school due to its popularity or schools in financial difficulty.
- 1.2. The growth fund criteria is subject to annual amendments to reflect both local and national policy changes and subject to approval annually by the Schools Forum. Schools in receipt of lump sum pre-opening funding may be required to submit a report to the Schools Forum on how the funding has been used although there will be no clawback mechanism for unspent funds.
- 1.3. The criteria and funding for 2026/27 as agreed by the Schools Forum at its meeting on 16 October 2025 are set out below. This criteria will be applied to any new growth schemes commissioned by the LA agreed from this date. All previous funding arrangements will continue to be honoured based on the criteria in place at the time the growth was agreed.
- 1.4. There is a requirement for LA's to provide growth funding where a school or academy has agreed with the LA to provide an extra class to meet basic need in the area (either as a bulge or an ongoing commitment). As a minimum LA's have to provide a funding level which is compliant with the following formula:

Primary growth factor (£1,570) x number of pupils x Area Cost Adjustment –this value represents the 2026/27 amount.

The primary growth factor value will be used for all school types – recognising there is one teacher pay scale and that this funding is a minimum value.

2. Growth Funding Criteria – New

2.1. 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, recruitment costs and other materials. Funding will be in the form of a lump sum payment of £77,225 for all school types. This will be payable in April, prior to the school opening in September.

2.2. Diseconomies of Scale Funding

The school will be funded through the funding formula for the number of places commissioned by the LA. 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 in the school funding formula and paid to the school via the school budget share (or annual grant for academies). These estimates will be adjusted each year to take account of the actual pupil numbers in the previous funding period.

2.3. Protection Funding

To allow the school to grow to size over a period of time, protection funding is provided for two full years (should the school not reach the number of funded places at the next October census). This funding protection criteria applies in the case of secondary schools, where the initial intake is one year group into Year 7. The criteria for intakes across more than one year group would be set outside of this criteria.

Whilst the school is still growing and does not yet have all year groups opened, the protection funding is applied via continuing to vary the pupil numbers in the DfE Authority Proforma Tool (APT). Once all year groups have opened protection funding is calculated in the same way as for other growing schools (see 3.3). If, at the following October census date, the school did not manage to fill all of the additionally commissioned places, then the difference will be protected through funding from the growth fund, with the exception of the first five places in each class (or proportion of the class where part classes are opened). This will be calculated at the Age Weighted Pupil Unit (AWPU) rate and paid directly to the school from the LA.

3. Growth Fund Criteria – Growing Schools

3.1. Pre-Opening Funding Growing Schools

No pre-opening funding will be payable to growing schools (unless there is a major expansion onto a second site).

3.2. Diseconomies of Scale Funding

Each year, the school will be funded through the school funding formula for the additional commissioned places as agreed with the LA. This is funded by adjusting the school's pupil numbers in the school funding formula and seen in the school budget share (or annual grant for academies).

3.3. Protection Funding

To allow the school to grow to size over a period of time, funding protection is provided for two full years. For example 25 additional places agreed from September 2025 will be fully funded until August 2027. The initial year of growth will be applied through adjusting pupil numbers in the school funding formula funding. If, at the following October census date, the school did not manage to fill all of the additionally

commissioned places, then the difference will be protected through funding from the growth fund, with the exception of the first five places in each class (or proportion of the class where part classes are opened). This will be calculated at the Average Weighted Pupil Unit (AWPU) rate and paid to the school directly from the LA.

3.4. Bulge Classes

Where an exceptional bulge class is agreed, funding for the additional pupils will be reflected on the APT via a variation to pupil numbers. There will be no additional protection funding for bulge classes beyond this.

