

Report to the Schools Forum 19 May 2022

Schools Growth Fund

1 Background and Context

- 1.1 Since financial year 2019/20, the DfE has added an allocation to the schools block of the dedicated schools grant (DSG), providing funding for schools experiencing significant growth in pupils as a result of basic need. The amount for each local authority is calculated by the ESFA based on demographics in sub-regions ('middle super output areas') of each authority.
- 1.2 For the last few years in T&W this has amounted to around £1m per annum. In financial year 2022/23 £1.1m was allocated.
- 1.3 To date, T&W has allocated this additional growth funding through the general school funding formula allocations. Schools that increase their pupil admission (PAN) or admit above their PAN, when requested by the local authority are funded based on estimated pupil numbers. Because funding has been allocated via the school funding formula, we have not needed to have a separate growth fund.
- 1.4 However, in response to significant housing developments, over the next few years there will be new schools opening in the Borough. Any additional funding for these schools for start-up costs and diseconomies of scale sits outside the general school funding formula. In agreement with the Forum, we therefore need to establish a separate growth fund in order to be able to fund such costs.

2 Type of growth to be covered by the Growth Fund.

- 2.1 As noted above, for several years, growth has been funded through using estimated pupils numbers when appropriate. In many cases, a school has agreed to increase its PAN on an ongoing basis rather than for a single year. In this context, it seems fair to continue to fund the ongoing growth arising from this original agreement in the same way as it has been to date, i.e. by using estimated numbers.
- 2.2 It is therefore proposed to limit growth covered by the growth fund to that associated with new schools, e.g. start-up costs and potentially diseconomies of scale funding. Diseconomies of scale can occur when pupil numbers in a new school start at a low level in year groups and key stages and also for the school as a whole.
- 2.3 On the basis described above, the amount in the growth fund would vary year on year depending upon whether any new schools are opening and the extent to which any such schools need additional funding to cover diseconomies of scale. Given the modest scale of new schools opening in the Borough, the amount in the growth fund each year is likely to be only a minority of the total funding for growth allocated to T&W. Most funding for growth will continue to be distributed via the use of estimated pupil numbers as described above.
- 2.4 The decision for the Forum at this meeting is therefore to decide whether to support the establishment of a growth fund for financial year 2023/24 onwards, with the amounts to be distributed via the fund to be agreed each year, and for 2023/24 at a later meeting of the Forum in 2022.
- 2.5 It is planned that a new Allscott Meads primary school will open in September 2023 and this is likely to be the only new school in 2023/24. The growth fund in 2023/24 will therefore be allocated to support start-up costs etc for this school.

- 2.6 Based on previous new school openings, the types of additional costs that will need to be funded are the appointment of a Headteacher and some administration time prior to opening, costs for equipping the school prior to opening and potentially additional funding to ensure the school is financially viable when it opens with a relatively small number of pupils.
- 2.7 At this stage, ***the Forum is asked to agree the creation of a growth fund for 2023/24, intended to provide funding for new schools only, with details of the amounts required to be brought to a later meeting.***

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May 2022