

Report to the Schools Forum 19 January 2023

Growth Fund 2023/24

1 Background

- 1.1 At the meeting on 19th May 2022, the Schools Forum agreed to establish a growth fund for 2023/24. As recorded in the minutes of that meeting:

“The growth fund is being reintroduced for new schools, to fund start-up costs and any diseconomies of scale, as required by the DSG Operational Guidance, which states the type of expenditure that should be covered.” (paragraph 4.3)

- 1.2 The intended allocations from the growth fund were envisaged to be only for new schools, as growth in existing schools is funded by using estimated pupil numbers, which is treated by the DfE as part of the overall local funding formula.
- 1.3 However, as part of the plans to cover projected growth in year 7 pupil numbers, Thomas Telford has been asked, and agreed, to admit additional T&W pupils in September 2023. As a City Technology College (CTC), Thomas Telford is outside the local funding formula, which otherwise covers all mainstream maintained schools and academies.
- 1.4 As a result, in order to provide growth funding to Thomas Telford, we will need to use the growth fund and therefore need to ask the Forum to agree an extension to the criteria by which growth funding is distributed.

2 DfE Funding to Local Authorities for Growth

- 2.1 Within the Dedicated Schools Grant (DSG), schools block, Local Authorities (LA's) are allocated funding for growth. This funding is calculated by the ESFA by comparing the pupil numbers between the prior October census and the current October census, used to allocate per pupil funding for the funding year, to determine the increase in pupil numbers at the lower super output area (LSOA). Where pupils in the LSOA have increased an amount per pupil is allocated. Primary and secondary pupils are counted separately and have amounts that are based loosely upon the amount allocated per pupil for the main funding formula.
- 2.2 Thomas Telford sits outside this system and its pupils are not counted as part of the above process. However, we have been in discussions with the DfE and in principle they have agreed to make an additional allocation of growth funding so that the Local authority's schools block income for Thomas Telford growth is allocated on the same basis as for academies.

3 Proposed growth fund methodology for Thomas Telford School

- 3.1 We propose to allocate growth funding for Thomas Telford on the same basis as for growth in other schools, as follows:
- 3.2 When schools have increased their pupil admission number (PAN) at the LA's request, or agreed to admit pupils above their PAN at the LA's request, we amend the funded pupil numbers from the relevant September to take account of the increased intake.

3.3 The methodology used is as follows:

- We estimate the intake for the following September and deduct the number of the current cohort that is leaving, thereby funding the school for the additional pupils in school as a result of the net increase between the two cohorts. If the resulting number is negative, no additional pupils will be funded.
- We calculate the difference between the estimated intake and the original PAN.

3.4 We provide funding based on the lower of these two calculations.

3.5 For Thomas Telford, we do not have access to their funding data as we do for academies and maintained schools. In the absence of such data, we propose to use data from a demographically similar school (e.g. Burton Borough) for the purposes of calculating funding per pupil.

3.6 *The Forum is requested to agree an extension to the criteria for the 2023/24 growth fund, such that Thomas Telford School is funded for growth in a similar way to other schools, using estimated pupil numbers, as described in paragraphs 3.1 to 3.5 above.*

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Group Accountant
January 2023