**AGENDA ITEM 5**

**Title of report: Proposed Growth Policy 2023-24**

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Details on who has been consulted with on this paper to date: Kay Goodacre

**Executive Summary:**

To agree the continuation of the current growth policy for the 2023-24 financial year for schools.

**Details of recommendations and timescales for decisions:**

That members agree the growth policy to be used for 2023-24 budget planning and from April 2023 for all changes to admission arrangements that have led to significant growth that could not have been foreseen as part of the budget setting process.

1. **Background**
   1. Schools Forum are required to agree a growth policy for each financial year and the Local Authority is required to report on its use to forum.
   2. The growth fund 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
* meet the costs of new schools
  1. Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria.
  2. 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
  1. The existing policy has been in place since April 2021. This is set out in Appendix 1.

1. **Known Changes to Tower Hamlets Schools in 2023-24**
   1. Where possible, growth should be built into the original budget allocation for the school, this ensures that schools have a clear indication of their budget for the year and can include all funding they are expecting to receive when planning for the costs of that growth.
   2. Mulberry Academy London Dock is a new free school due to open in September 2023 with year 7 students and this has already been factored within the schools budget setting for 2023-24.
   3. The specific growth fund contingency is only used for growth that was unforeseen or for school reorganisations that involve significant numbers of pupils moving from closed schools.
   4. There are no schools knowingly due to close during 2023-24
2. **Recommendation**
   1. Schools Forum are invited to agree the continuation of the existing Growth Fund Policy for 2023-24, which is set out in Appendix 1.

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**Appendix 1: PROPOSED GROWTH POLICY 2023-24**

**This Policy is in place for all types of mainstream provision, maintained, Academies or Free schools**

1.Where Schools have growth that is formally planned and agreed before the point of setting individual School budgets, as part of the submission process to DfE this growth will be built into their budget for that financial year. This ensures the school attracts all the funding factors attributable to those pupils for the relevant period. This funding would not lead to a call on the growth policy as would be considered as part of the initial budget allocation. For new Schools individual arrangements would be presented and agreed by Schools forum.

For example, if a school has been asked to open a new 30 pupil reception form of entry in the following September, they will receive an equivalent of 7 months of those pupils (7/12 x30 = 15.7 pupils funding) at their current gross per pupil level. A school that has an average per pupil funding of £6,200 would therefore receive an additional £108,500 in that academic year.

This will mean that for the first year of opening a new class the school will be funded as if full in that year group

2. Where a school is asked to open an additional form of entry in year, after the main budget has been set the extra form will be funded for the full number of pupils based on the DfE minimum average amount for pupil set for that year (2023-24, primary £4,405 secondary £5,715)

For example, a school asked to open a bulge year 2 class at Easter would be funded for 30 pupils at £4,405 for the full year = £132,150, if that class opened in September in would be prorated to 7/12th = £77,088.

This funding would be paid for the agreed increase in numbers on the basis of an if full class from growth fund contingency for the remainder of the financial year

3.Where one school has closed in the budget period and pupils from that closed school have been moved to an alternative Tower Hamlets school, the receiving schools will be funded for the remainder of the year at the current average per pupil rate off the closed school for all pupils above a minimum of 5 for the remainder of the financial year.

For example, School X closes in August and 40 pupils move to school Y in September and 38 pupils move to school Z. the average funding per pupil for school X is £6.500.

School Y would receive an allocation from the growth fund of (40-5) x £6,500 x 7/12 months = £132,708

School Z would receive an allocation from the growth fund of (38-5) x £6,500 x 7/12 months = £125,125