



North Northamptonshire Schools Forum: 2nd November 2023

Agenda Item 14

Growth Fund and Falling Pupil Roll Fund 2024 -25

1 Background

- 1.1 The Pupil Growth Fund (PGF) provides the mechanism by which the Local Authority (LA) provides revenue funding to schools to employ the necessary staff to allow for the provision of new school places. The PGF is a key factor in ensuring that the LA can fulfil its statutory obligation of providing a sufficiency of school places in all areas of North Northamptonshire.
- 1.2 This report updates school forum members of the Growth Fund spend to date and the NFF Growth Fund and Falling Roll Pupils formula update for 2024-25.
- 1.3 A consultation will be set up to gather input and feedback on the proposed criteria for Growth Fund and Falling Rolls Fund.

2 Growth Fund Update 2023-24

- 2.1 The table presented below details the cumulative expenditure for Growth Fund in North Northamptonshire, categorised by region:

	Primary	Secondary
Corby	£ 66,116.00	£ 106,091.00
Kettering	£ 23,268.00	£ 189,625.00
Wellingborough	£ 79,859.00	£ 161,248.00
	<u>£ 169,243.00</u>	<u>£ 456,964.00</u>

The total spend to date is £626,207.

3 NFF Growth Fund 2024–25 Update

- 3.1 In 2024-25 growth funding for the local authority will be calculated using the same methodology as previous year, based on the growth in pupil numbers between the October 2022 and October 2023 census. Growth allocations will be communicated to each local authority within their DSG settlement. 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 and to meet the costs of new schools (these are new schools identified from the latest census data).

- 3.2 The growth Allocation for each Local Authority will be determined based on the following criteria:
- a) **MSOA Identification:** Using school postcode information.
 - b) **Pupil Count:** The number of primary and secondary pupils in schools within each MSOA in the October 2022 and October 2023 school censuses.
 - c) **Growth Calculation:** At the MSOA level, the change in pupil numbers by subtracting the October 2022 primary count from the October 2023 primary count, and the same for secondary pupils. This calculation will result in a negative number for any MSOAs experiencing a reduction in pupil numbers between the two censuses.
 - d) **Aggregation of Growth:** The total of the growth figures for each MSOA within the LA will be used to determine the LA-level primary and secondary pupil growth.
 - e) **New School Identification:** Any new schools in the October 2023 census.

3.3 For 2024-25 local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).

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. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice.

3.4 Local authorities are responsible for funding 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.

3.5 **Local authorities' growth funding criteria should contain clear objective trigger points for qualification and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.** This will be checked by ESFA for compliance with the annually made School and Early Years Finance (England) Regulations, to check that it provides a transparent and consistent basis for the allocation of funding, which may be different for each phase. All criteria will need to be captured in the APT return.

3.6 As a minimum local authority will have to provide funding to a level which is compliant with the following formula:

- primary growth factor value (£1,550) × number of pupils × ACA

3.7 In addition to the Criteria above NNC will open a consultation with members to discuss additional further compliant criteria such as:

- Temporary Increases in PAN.

- Cases where pupil numbers exceed specified thresholds.
- Support where a school or academy has agreed to provide an extra class to meet basic need in the area. (This is a mandatory requirement).
- Additional support where a school has extended its age range.

4. Falling Rolls 2024-25 Update

- 4.1 For the first time the DfE will allocate **falling pupil roll funding** in the Schools Block to local authorities for falling rolls in 2024-25. Previously, all falling rolls fund spending was required to be met through a top slice from other Schools Block funding.
- 4.2 Local authorities are required to follow the new NFF requirements for falling rolls funding. Falling rolls funding will be distributed based on the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses.
- 4.3 **Local authorities will continue to have discretion over whether to operate a falling rolls fund.** Where local authorities operate a fund, they will only be able to provide funding where school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years.
- 4.4 The requirement that schools must be Ofsted rated 'good' or 'outstanding' to be eligible for falling rolls funding will no longer apply from the 2024-25 financial year.
- 4.5 **Schools forum will need to agree the criteria for allocation of falling rolls funding, this will need to be precise and clear and a clear formula for calculating allocations.** NNC will open a consultation with members to set the criteria this will include features such as:
- Where SCAP shows that school places will be required in the subsequent three to five years (this is a mandatory requirement).
 - Where surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number.
 - Where formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.
 - the school will need to make redundancies to contain spending within its formula budget and it is expected (using SCAP data – detailed above) that these posts will need to be re-filled in the subsequent 3 to 5 years.

5. Recommendations for Schools Forum

- 5.1 Schools Forum is recommended to confirm the establishment of a Falling Pupil Roll Fund subject to the funding allocations set by the DfE and the agreed criteria established via the consultation process.

6. Next steps

- 6.1 If Schools Forum agree to establish the Falling Pupil Roll Fund, NNC will undertake a consultation process as per DfE Guidance.
- 6.2 A consultation will be set up to gather input and feedback on the proposed criteria for Growth Fund and Falling Rolls Fund.

7. Financial implications

- 7.1 NNC will be funded for the falling pupil roll fund by the DfE based on the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses.
- 7.2 Falling rolls are measured at the Medium Super Output Area (MSOA) within each local authority – these are areas used by the ONS based on population data, which allow us to capture falling rolls in small geographical areas within local authorities. The falling rolls allocation for each local authority will be £140,000 per MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
- 7.3 The 2024-25 Growth and Falling Pupil Roll allocation will be announced by the DfE as part of Schools Block in the December 2023 DSG Settlement.

8. Legal implications

- 8.1 The legislation governing the Schools Forum powers and responsibilities is available at the link below. This outlines that deductions that require a vote by all Schools Forum members.

[Stat guidance template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 8.2 For further information on the legislature for deductions please see [The School and Early Years Finance \(England\) Regulations 2023 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

9. Risks

- 9.1 If Pupil Growth Fund is not established for 2024-25, NNC will not be able to fund previously agreed growth across the primary and secondary phases of education in North Northamptonshire and 'new and growing' schools will not receive budgeted for growth funding. This is likely to result in severe budget issues at several schools listed above, incur significant reputational damage and possible legal action against NNC by the schools involved.

9.2 Should a Pupil Growth Fund for 2023-24 be established but with insufficient budget to fund all required growth in North Northamptonshire, NNC may fail to fulfil its statutory obligations of providing a sufficiency of school places.

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