

North Northamptonshire Schools Forum: 18<sup>th</sup> January 2024

Agenda Item 10

Growth Fund and Falling Rolls NFF 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.

**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 Grant Determination**

- 3.1 The growth allocation for each local authority will be **£1,550** per new primary pupil and **£2,320** per new secondary pupil. plus, a lump sum of **£76,195** for each brand-new school (these are new schools identified from the latest census data). Allocations are subject to an area cost adjustment (ACA). North Northamptonshire ACA for 2024-25 is 1.00341.

These values have increased by 2% compared to last year. calculation will result in a negative number for any Middle Layer Super Output Areas (MSOA) experiencing a reduction in pupil numbers between the two censuses.

- 3.2 It is proposed that **£2,269,846.17** is set aside for 2024-2025 Growth Fund in Schools Block.

**How we can use Growth Fund**

- 3.3 The growth fund can only be used to:

- support growth in pre-16 pupil numbers meeting basic need,

- support additional classes needed to meet infant class size regulation.
- support demographic change: meet revenue costs for schools of removing or repurposing surplus places.
- meet the revenue costs of necessary new schools, including lead-in costs, pre and post start-up, and diseconomy of scale costs.

3.4 The growth fund **cannot** be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency.
- General expansion resulting from increased popularity; such situations are addressed through lagged funding. This encompasses cases where academies have chosen to admit students beyond their designated pupil admission numbers (PAN).

## 4 Agreed Criteria

4.1 The criteria for funding from NNC for the growth fund are outlined as follows:

- Expansion of school places in existing schools to address localised demand arising from demographics or housing developments, referred to as "basic need."
- Establishment of new schools to address localised demand stemming from demographics or housing developments, also termed "basic need."
- Requirement for an additional class to meet the fundamental educational needs of the area. This could manifest as a bulge class or an ongoing commitment between the school or academy and the local authority to temporarily increase the Pupil Admission Number (PAN).
- Instances where the pupil count surpasses a specified threshold.
- Additional support in cases where a school has extended its age range.

## 5 Growth Funding Methodology

5.1 The PGF rates were last updated for the 22/23 financial year and are based upon average teacher costs.

5.2 These rates are identified below:

<b>Pupil Growth Fund rates</b>			
£ per 30 additional places added or prorated by Number of pupils i.e. 15 pupils or 10 pupils			
<b>Secondary</b>		<b>Primary</b>	
Teacher	£52,587	Teacher	£41,648.25
LSA	£26,752	LSA	£14,194.90
Resources	£3,000	Resource	£1,000
<b>Total 30 pupils</b>	<b>£82,339</b>	<b>Total 30 pupils</b>	<b>£56,843.15</b>
<b>Total 15 pupils</b>	<b>£41,169.50</b>	<b>Total 15 pupils</b>	<b>£28,421.58</b>
<b>Total 10 Pupils</b>	<b>£27,446.33</b>	<b>Total 10 Pupils</b>	<b>£18,947.72</b>

3.2 Since the LA operates on the 1st of April – 31st March financial year and schools operate on an academic year, any school that receives PGF funding will receive the funding in two tranches. One payment of 5/12ths to cover the period 1st April – 31st August each year and a second payment of 7/12ths to cover the period 1st September – 31st March.

3.3 The LA retains the authority to reclaim any PGF funding disbursed to an academy by the DfE within the period of 1st April to 31st August annually, owing to the unique funding structure of academies.

## **6. Falling Rolls 2024-25 Update**

6.1 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.

6.2 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.

6.3 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.

6.4 The outcome of the consultation on the falling rolls fund was 44 % against to 55% in favour. On this basis, we are recommending that NNC **do not implement** a Falling Rolls Fund at this time with a view to revisiting this next year.

## 7 Recommendations for Schools Forum

- 7.1 School Forum is asked to approve the Growth Fund of £2,269,846.17 for 2024-25.
- 7.2 School Forum is asked to refrain from approving a falling roll fund for 2024-25 with the intention of revisiting this topic for 2025-26.

## 8 Financial implications

- 8.1 All the Falling Rolls Fund is contained within the Growth Fund of Schools Block DSG.

## 9 Legal implications

- 9.1 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)
- 9.2 For further information on the legislature for deductions please see [The School and Early Years Finance \(England\) Regulations 2023 \(legislation.gov.uk\)](https://legislation.gov.uk)

## 10. Risks

- 10.1 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.
- 10.2 Should a Pupil Growth Fund for 2024-25 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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