

Date of meeting:	Thursday 16 September 2021
Title of report:	Review of Pupil Growth & Falling Rolls Contingency Funds
Type of report: Delete as required	For information
Executive summary: Including reason for submission	This report provides an overview of the usage of the Pupil Growth and Falling Rolls Contingency Funds in the 2020/21 financial year, following the changes agreed by the Schools Forum and introduced for the both funds from September 2020. The report also sets out the likely requirements on the Funds for the 2021/22 financial year.
Budget / Risk implications:	Financial implications for schools experiencing a significantly rising pupil roll or a temporary reduction in pupil numbers. Affordability within the current funding limits of the two Contingency Funds.
Recommendations:	The Schools Forum is asked: a. To note the usage of the Pupil Growth and Falling Rolls Contingency Funds in the 2020/21 financial year as detailed in section 6.1 of this report b. To note the potential funding requirements for the Pupil Growth and Falling Rolls Contingency Funds for the 2021/22 financial year as detailed in section 6.2 of this report.
Voting requirements:	Not applicable
Appendices:	None
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Presenting officer: If not the originator	

Pupil Growth & Falling Rolls Contingency Funds**1.0 PURPOSE OF THE REPORT**

- 1.1 Following the implementation of changes to the eligibility criteria and funding methodologies of the Pupil Growth and Falling Rolls Contingency Funds in September 2020, this report provides a review of the usage of both funds for the 2020/21 financial year. The report also sets out the likely requirements on the Funds for the 2021/22 financial year.

2.0 BACKGROUND

- 2.1 The Falling Rolls and Pupil Growth Contingency Funds were first introduced in the 2014/15 financial year, where criteria and methodology was endorsed by the Schools Forum. A review of the eligibility criteria for funding was undertaken in 2015, one year after both funds were introduced. A further review of both funds was undertaken in September 2020. The most recent review considered the operation of the Funds, relevancy of the eligibility criteria to ensure the Funds were working as intended, schools accessibility to the available funding, and to enable a more proactive approach to be undertaken to identify schools eligible for support, where appropriate. Proposed changes to the criteria and funding methodology were endorsed by the Schools Forum on 17 September 2020.
- 2.2 This report looks to consider the usage of the Funds since the September 2020 review, reflect on experience of the use of the Funds since the review and to consider the likely requirements of the Funds during the current financial year.

3.0 FALLING ROLLS FUND

- 3.1 The purpose of this fund is to provide financial support to schools where there is a temporary fall in pupil numbers but numbers are forecast to recover back to previous levels within 3 years. The funding is designed to support schools to avoid the need to take costly actions to reduce their capacity, when demographic data shows capacity will be needed for expansion in the near future. The DfE state that schools must be rated Good or Outstanding by Ofsted in order to be eligible to access funding from a Falling Rolls Fund.

3.2 Summary of changes to the NYCC Falling Rolls Fund

The following changes were endorsed by the Schools Forum and implemented, following the review in September 2020:

- The current year pupil roll is compared to the previous year census rather than base year minus 3 years
- The eligibility threshold is reduced from a 15% decrease in roll to a decrease of the greater of 5% or 5 pupils for Primary Schools and 5% for Secondary Schools between the current year census and the previous year census
- The re-growth criteria is amended to require pupil numbers to be forecast (as per NYCC Strategic Services pupil forecast data) to return to the level of the previous census within 3 years of the current year.
- At least 60% of the pupils attending the school are from the catchment area of the school.

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- Schools with excessive balances would not be eligible for funding from the Falling Rolls Fund. An excessive balance is deemed to be a revenue balance of 15% or more of delegated budget funding.
- Funding allocations from the Falling Rolls Fund continue to be based on AWPU funding levels but the limit of 75% would be removed. Funding is applied to the number of pupils above the relevant threshold. Schools would be limited to 2 consecutive years for the receipt of funding. The overall funding allocation which any school could receive from the Fund over 2 consecutive years is capped at £100k in order to ensure overall affordability
- Exceptional requests from any school who does not meet the eligibility criteria for the Fund but feels that they have a strong case for the receipt of a funding allocation from the Falling Rolls Fund will be considered. This consideration will take the form of the submission of an application for funding which would be presented to a Panel of LA officers and Schools Forum representatives.

3.3 Use of the fund during 2020-21 following the September 2020 review

A combined approach is undertaken to the two contingency budgets. The combined budget for both the Falling Rolls fund and Pupil Growth fund is £500k.

After pupil numbers were confirmed following the October 2020 census, five schools were identified as potentially eligible for Falling Rolls funding. This consisted of four primaries and one secondary school.

After applying the criteria adopted by the local authority, two of the four primaries identified were not eligible for funding; one was forecasting a revenue balance of greater than 15% of their delegated budget, and the second did not meet the requirement for 60% of pupils to be within the schools catchment area. The secondary school identified was not eligible following an updated pupil number forecast for future years, indicating the school no longer met the re-growth criteria.

Two primary schools (one LA maintained, one academy) did meet all eligibility criteria and the total amount of funding paid from the Falling Rolls Fund during 2020-21 was £6,285.40.

3.4 Future requirement of the fund during 2021-22

During 2021-22, two enquiries have been received from primary schools in relation to Falling Rolls funding. Both schools did not meet the eligibility criteria based on forecasted pupil numbers for September 2021. One school did not have a reduction in pupil numbers from the previous census and the other has not satisfied the re-growth criteria.

Based on forecast pupil numbers for September 2021, received from NYCC's Strategic Planning during August 2021 and through applying the LA criteria, four primary schools have been identified as potentially eligible for Falling Rolls funding for the 2021/22 financial year. The table below provides a summary of estimated funding requirements based on the four schools for the 2021-22 financial year:

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	Total Roll Oct.20	Total Roll Oct. 21	Max. Total Roll	Fall in Roll No. Pupils	Fall in Roll %	Estimated Funding Allocation
Primary School 1 (academy)	167	156	169 (2024/25)	11	7%	£8.3k
Primary School 2 (LA maintained)	140	132	145 (2024/25)	8	6%	£3.1k
Primary School 3 (LA maintained)	264	245	267 (2023/24)	19	7%	£18.1k
Primary School 4 (LA maintained)	54	47	55 (2024/25)	7	13%	£6.2k
Estimated Funding Requirement						£35.7k

No secondary schools are identified as potentially meeting the eligibility criteria for the 2021/22 financial year based on current pupil number forecasts.

4.0 PUPIL GROWTH FUND

4.1 The purpose of this fund is to provide financial support to schools experiencing significant pupil growth where such growth results in funding pressures, resulting from the system of lagged funding. Pupil growth funding is only available for schools to support the revenue costs associated with exceptional pre-16 pupil growth to meet basic need in three clearly defined circumstances, being:

1. Primary schools - class expansion to meet basic need or in-year pupil number increases
2. Growth in secondary schools
3. New schools

4.2 Summary of changes to the NYCC Pupil Growth Fund

The operation of circumstances 1 and 2 detailed in 4.1 were considered in the September 2020 review of the Pupil Growth Fund. Following the review, the below changes were endorsed by the Schools Forum and implemented:

Primary Schools:

- Lump-sum funding contribution increased to £50k (full year allocation – 7/12 adjustment for LA maintained schools) from £42.9k, to reflect pay increases over the last 5 years.

Secondary Schools – the eligibility threshold changed from a 25% increase in pupil numbers to-

1. Year 7 growth of at least 15% between the current census and the previous census, and total pupil number growth of at least 5% between the current census and previous census
2. Once a school has met the Year 7 growth criteria detailed in 1. above, as well as being considered against the eligibility criteria for Year 7 growth in future years, there is also be consideration of overall pupil growth in the school for the

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next 4 years after the year in which the Year 7 growth criteria was met. Schools with overall growth of at least 5% between the current year census and the previous year census will be eligible for funding based on the increase in total pupil roll (Y7 – Y11) growth above the 5% threshold in each of the following 4 years.

In subsequent years after meeting the initial Year 7 growth eligibility criteria, a school could qualify for a funding allocation under either 1 or 2 above. If a school qualifies under both 1 and 2, the school would receive the higher of the funding allocation calculated under each growth threshold criteria.

Funding methodology for secondary schools changed from a £50k lump sum to KS3 AWPV value x Y7 growth in excess of 15%. Funding allocation capped at £100k per secondary school per annum. An adjustment is applied of 7/12 to local authority maintained schools.

Schools with excessive balances would not be eligible for funding from the Pupil Growth Fund. An excessive balance is deemed to be a revenue balance of 15% or more of delegated budget funding.

Exceptional requests from any school who does not meet the eligibility criteria for the Fund but feels that they have a strong case for the receipt of a funding allocation from the Pupil Growth Fund will be considered. This approach will take the form of the submission of an application for funding which would be considered by a Panel of LA officers and Schools Forum representatives.

4.3 Use of the fund since September 2020

A combined approach is undertaken to the two contingency budgets. The combined budget for both the Falling Rolls fund and Pupil Growth fund is £500k.

After pupil numbers were confirmed following the October 2020 census and through liaising with colleagues within the NYCC Strategic Planning department, six schools were identified as potentially eligible for growth funding. After applying the criteria adopted by the local authority, all schools met the eligibility criteria. This consisted of three secondary schools (2 academies and 1 LA maintained school) and three primary schools (2 academies and 1 LA maintained school)

The total amount paid from the Pupil Growth Fund during 2020-21 was £296,114.57

4.4 Future requirement of the fund

During 2021/22, two enquires have been received from primary academies in relation to Pupil Growth funding for 2021/22. Both schools have met the eligibility criteria and funding has been confirmed for both schools; the funding requirement is for £100,000 (£50k lump-sum funding each).

Based on forecast pupil numbers for September 2021 received from NYCC's Strategic Planning department during August and through applying the LA criteria, a further primary school (LA maintained) has been identified as potentially eligible for funding and a further three secondary schools (all academies). The below information provides a summary of estimated funding requirements based on the six schools:

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Primary Schools:

3 primary schools (2 academy which funding has been already confirmed for and 1 LA maintained) identified as requiring an additional class for September 2021 and meet eligibility criteria.

Total estimated funding requirement £129,167

Secondary Schools:

	Y7 – Oct. 20	Y7 – Oct. 21	Y7 % Growth	Total Roll Oct.20	Total Roll Oct. 21	Total Roll % Growth	Estimated Funding Requirement
School 1 (Academy)	90	119	32%	315	370	17%	£68.3k
School 2 (Academy)	180	217	21%	582	726	25%	£44.0k
School 3 (Academy)	121	150	24%	575	635	10%	£47.8k
Estimated Funding Requirement							£160.1k

3 secondary schools (all academies) have been identified, at this stage, based on current pupil number forecasts for October 2021 as meeting the eligibility for pupil growth funding.

The estimated funding requirement is £160.1k

5.0 SUMMARY

Since the September 2020 review, the Local Authority is taking a more proactive approach towards identifying schools eligible for support, which has potentially provided a greater number of eligible schools with funding, seeking to assist these schools with the financial pressures faced.

One primary academy has contacted the LA in relation to the 2020/21 financial year, where the academy did not meet the falling rolls eligibility criteria, but future forecast numbers have since changed, meaning the school may now meet the criteria for 2020/21, satisfying the re-growth element. The position of the school will be reconsidered following the confirmation of October 2021 census pupil numbers, and an application by this school may be considered as part of the Exceptional Funding Request process, implemented following the September 2020 review. A wider exercise will also be undertaken to identify whether any other schools are also in this position.

6.0 OVERALL POSITION

6.1 The numbers of schools and academies that received funding from the Pupil Growth and Falling Rolls Contingency Funds in the 2020/21 financial year is summarised in the table below:

Pupil Growth & Falling Rolls Contingency Funds

	No. Schools in receipt of funding in 2020/21	2020/21 Funding Allocation
Falling Rolls – Primary	2 schools	£6.3k
Falling Rolls – Secondary	None	£0k
Pupil Growth – Primary	3 Schools	£129.2k
Pupil Growth – Secondary	3 Schools	£166.9k
2020/21 Funding Allocations		£302.4k

- 6.2 Based on forecast pupil numbers for October 2021 and through applying the LA criteria, the funding requirement for the 2021/22 financial year is currently estimated as follows:

	No. Schools Potentially Eligible	Estimated Funding Requirement
Falling Rolls – Primary	4 schools	£35.7k
Falling Rolls – Secondary	None	£0k
Pupil Growth – Primary	3 Schools	£129.2k
Pupil Growth – Secondary	3 Schools	£160.1k
Total Estimated Funding Requirement		£325.0k

Following confirmation of the October 2021 pupil census, the position of all schools will be confirmed after the application of the wider criteria, such as confirming revenue balances, which apply as eligibility requirements of both funds. Confirmed funding allocations from both funds will be made to schools and academies in January 2022.

7.0 RECOMMENDATIONS

- 7.1 The Schools Forum is asked to:

- a. To note the usage of the Pupil Growth and Falling Rolls Contingency Funds in the 2020/21 financial year as detailed in section 6.1 of this report
- b. To note the funding requirements currently estimated for the Pupil Growth and Falling Rolls Contingency Funds for the 2021/22 financial year as detailed in section 6.2 of this report.

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