



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	19 th September 2024
Title of report:	Review of Pupil Growth & Falling Rolls Contingency Funds
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report provides an overview of the usage of the Pupil Growth and Falling Rolls Contingency Funds in the 2023-24 financial year and the likely funding requirements for the 2024-25 and 2025-26 financial years. The report details the forecast level of reserves on the Pupil Growth and Falling Rolls Contingency Fund forecast for 31 March 2025.
Budget / Risk implications:	<p>Financial implications for schools experiencing a significantly rising pupil roll or a temporary reduction in pupil numbers.</p> <p>Affordability within the current funding limits of the two Contingency Funds. Future funding requirements on the Contingency Funds will impact on the level of funding needed to be retained from the Schools Block DSG for Pupil Growth and Falling Rolls funding commitments.</p>
Recommendations:	<p>The School's Forum is asked:</p> <ol style="list-style-type: none"> a. To note the usage and forecast usage of the Pupil Growth and Falling Rolls Contingency Funds in the financial years 2023-24, 2024-25 and 2025-26 as detailed in this report. b. To consider ceasing the operation of the Falling Rolls Fund for the 2025-26 financial year, as detailed in section 3.5 of the report. c. To note the reserves position on the Pupil Growth and Falling Rolls Fund as at 31 March 2024 and the forecast reserves position for 31 March 2025 as detailed in section 5 of this report. d. To provide approval for the proposed release of the £500k that is annually requested for the Pupil Growth & Falling Rolls Contingency Fund to be allocated, if required, to support school budgets for the 2025-26 financial year and any funding requirement for basic need Pupil Growth in 2025-26 to be met from the Core Pupil Growth & Falling Roll Reserve. e. To provide approval for the 2025-26 financial year to allocate £500k of the DfE Growth Funding, to



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	the Pupil Growth - New Schools Fund, with the balance of the 2025-26 DfE Growth Funding being made available, if required, to support school budgets.
Voting requirements:	LA Maintained School & Academy Members
Appendices:	None
Report originator and contact details:	Howard Emmett, Assistant Director – Resources Howard.Emmett@northyorks.gov.uk 01609 532 118
Presenting officer: If not the originator	Howard Emmett, Assistant Director – Resources

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

- 1.1 The report provides an overview of the usage of the Pupil Growth and Falling Rolls Contingency Funds in the 2023-24 financial year. The report also sets out the likely funding requirements for the 2024-25 the 2025-26 financial years following the implementation of changes to the eligibility criteria and funding methodologies approved in November 2023 and March 2024. The report details the level of reserves on the Pupil Growth and Falling Rolls Contingency Fund forecast for 31 March 2025.

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 were endorsed by the Schools Forum. A review of the eligibility criteria for funding was last undertaken in 2020. In May 2022, the Schools Forum approved the expansion of the Pupil Growth Contingency Fund criteria to include provision for the allocation of additional funding to schools and academies that admit pupils as a direct result of the closure of a LA maintained school or academy. In November 2022, the Schools Forum approved changes to the funding levels and methodology provided through the Pupil Growth Funding for new schools within North Yorkshire.
- 2.2 In November 2023, the Schools Forum approved changes to the funding methodology and eligibility criteria for the Pupil Growth Fund from 1st April 2024 in order to comply with the DfE requirements for 2024-25.
- 2.3 At the School Forum meeting in November 2023, the Local Authority recommended that the Schools Forum approved that the Falling Rolls Fund was discontinued for the 2024-25 financial year. The Local Authority considered both the relatively low levels of funding that have been awarded from the Falling Rolls Fund over recent years and the problematic use of historic SCAP data where large geographical areas are covered with differing pupil number trends across the schools in the area. However, the Schools Forum decision was to continue to operate a Falling Rolls Fund for the 2024-25 financial year. In March 2024, the Schools Forum approved the DfE changes to the statutory guidance on Falling Rolls Funds for the 2024-25 financial year and the proposed changes to the eligibility criteria for the Falling Rolls Fund from 1 April 2024 to comply with the DfE requirements for the 2024-25 financial year.

3.0 FALLING ROLLS FUND

- 3.1 The current eligibility criteria and operating methodology for the North Yorkshire Council's (NYC) Falling Rolls Fund is as follows:
- The current year pupil roll is compared to the previous year census.
 - The eligibility threshold is 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.
 - SCAP data shows that the school places will be required in the subsequent three to five years (this is a mandatory requirement)

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- At least 60% of the pupils attending the school are from the catchment area of the school.
- Funding allocations from the Falling Rolls Fund are based on the Primary AWPU funding level for Primary Schools and the average of the key stage 3 and 4 AWPU funding levels for Secondary Schools. Funding is applied to the number of pupils above the relevant threshold. Schools are 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. However, in order to be considered for an exceptional funding request, the eligibility requirement in respect of the SCAP data required school places must be met as this a DfE mandatory requirement for the allocation of a funding award from Falling Rolls Funds. The consideration of exceptional requests 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.

3.2 Use of the Fund during 2023-24 financial year

Two primary schools (LA maintained) received a payment of £2.4k and £3.4k respectively. One primary school (Academy) received a payment of £12.0k. No secondary schools met the eligibility criteria for Falling Rolls funding.

3.3 Forecast funding requirements from the Fund for 2024-25 and 2025-26 based on NYC's current criteria

Based on forecast pupil numbers for September 2023, received from NYC's Strategic Planning team during August 2023 and through applying the LA criteria, four primary schools have been identified as potentially eligible for Falling Rolls funding for the 2024-25 financial year. The table below provides a summary of estimated funding requirements for these schools for the 2024-25 financial year:

	Total Roll Oct 23	Total Roll Oct 24	Fall in Roll No. Pupils	Fall in Roll %	Estimated Funding Allocation
Primary School 1 (Academy)	51	43	8	16%	£10.2k
Primary School 2 (LA maintained)	107	100	7	7%	£5.6k
Primary School 3 (LA maintained)	41	33	3.8	20%	£10.2k

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Primary School 4 (LA maintained)	41	35	6	15%	£3.4k
Estimated Funding Requirements					£29.4k

One secondary school has identified as meeting the eligibility criteria for the 2024-25 financial year based on current pupil number forecasts. The table below provides a summary of estimated funding requirements for this school for the 2024-25 financial year:

	Total Roll Oct 23	Total Roll Oct 24	Fall in Roll No. Pupils	Fall in Roll %	Estimated Funding Allocation
Secondary School 1 (Academy)	526	487	39	7%	£64.6k
Estimated Funding Requirements					£64.6k

Based on the current NYC Falling Rolls Fund eligibility criteria and current pupil number forecasts, one LA maintained primary school is potentially eligible for Falling Rolls Funding in 2025-26. No secondary schools are currently identified as meeting the eligibility criteria for funding. The estimated funding requirement is £2.2k.

- 3.4 The work undertaken in respect of identifying eligibility for the 2024-25 Falling Rolls fund has reinforced the difficulties in respect of the use of the SCAP data with North Yorkshire for the purposes of the allocation of Falling Rolls funding. The pupil roll of three out of the four primary schools (£23.8k) and the secondary school (£64.6k) identified as being eligible for receipt of Falling Rolls is not forecast to increase within the next 3 years back to the October 2023 level based on the NYC Strategic Planning Team forecast pupil number data at individual school level (as at August 2024). The identified eligibility is resulting from the SCAP data identifying an overall increase in pupil numbers for the planning area. However, this wide geographical planning area covers other schools with increasing rolls which the SCAP pupil number increase data is attributable to.
- 3.5 The DfE Falling Rolls Fund guidance states “*Falling rolls funding should only be used to support schools where the places are forecast to be needed over the short-medium term.*” The large geographical areas covered by the SCAP planning areas within North Yorkshire are resulting in eligibility anomalies and conflict with the core purpose of the Falling Rolls Funding. Schools forecast to have a continuing reducing roll over the next 3-5 year period are being identified as being eligible to receive additional Falling Rolls funding support as a result of the SCAP data identifying an overall pupil number increase for the wider geographical area. The Local Authority requests the Schools Forum to consider ceasing the operation of the Falling Rolls Fund for the 2025-26 financial year in respect of:

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- The SCAP data within North Yorkshire covering large geographical areas with fluctuating pupil numbers across the area where the overall position may not be representative of all of the schools in the area.
- The mandatory DfE requirement to use historic SCAP data; it is expected that the October 2023 SCAP data will be required to be used for the 2025/26 financial year.
- The “unintended” results of the use of SCAP data to determine eligibility for Falling Rolls funding with schools forecast to have a reducing pupil roll with no forecast increase within the next 3-5 years being identified as being eligible to receive additional funding support. Individual schools with a temporary reduction in pupil numbers that meet the fall in pupil roll criteria would not be eligible to receive additional funding where the SCAP data indicates an overall reduction in pupil numbers across the wider planning area.
- The funding pressure on the Schools Block DSG associated with providing additional funding to schools with a forecast longer-term reduction in pupil roll where the normal expectation would be that the school changes its operating structure to reflect a reduced number of pupils.

3.6 If the Schools Forum elects to continue to operate the Falling Rolls Fund for the 2025-26 financial year, it is requested that an additional eligibility criteria measure is added in order to ensure that individual schools are not eligible to receive Falling Rolls funding where the school is located in a SCAP planning area where the pupil roll is forecast to rise but the individual school has a reducing roll and no forecast of recovery in their pupil roll within the medium term. The proposed measure would ensure schools with falling rolls over a medium-term period are treated equitably across the local authority area and ensure that any Falling Rolls Fund can be operated within the funds available and delivers the DfE stated purpose. If the decision is made to continue to operate the Falling Rolls Fund, the proposed additional eligibility criteria is as follows:

- *Pupil numbers at the school are forecast (as per NYC Strategic Services pupil forecast data) to return to the level of the previous census within 3 years of the current year.*

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 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 The current operation and eligibility criteria for 1 and 2 detailed in 4.1 are outlined below:

Pupil Growth & Falling Rolls Contingency FundsPrimary Schools:

- An assessment of the school's current class structure and future requirement needs to ensure an additional class is required. Class structures are assumed to be based on an average of around 30 pupils. This assessment is informed by input from NYC CYPS Strategic Services.
- Consideration is also given in extenuating factors that may prevent a school from reaching an average class size of around 30 pupils.
- A minimum funding allocation of a lump-sum funding contribution of £50k (full year allocation) or the growth factor value (£1,550) x the increase in pupil numbers compared to the previous October census pupil numbers (main school only). An adjustment of 7/12 will be made to the funding allocation for LA maintained schools

Secondary Schools

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 to be consideration of overall pupil growth in the school for the 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 KS3 AWPU value x Y7 growth in excess of 15%; where the calculated funding amount is in excess of £100k, the school will receive a funding allocation of the higher of £100k or the primary growth factor value (£1,550) x the increase in Y7 pupil numbers in excess of 15% growth compared to the previous October census pupil numbers (main school only). In subsequent 4 years, where the school meets the eligibility criteria and the calculated funding is in excess £100k, the school will receive a funding allocation of the higher of £100k or the primary growth factor value (£1,550) x the higher of either the increase in Y7 pupil numbers in excess of 15% growth or overall main school growth of in excess of 5% of roll when comparing the current year October census pupil numbers to the previous October census pupil numbers (main school only) An adjustment of 7/12 will be made to the funding allocation for LA maintained schools.

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



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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 during 2023-24 financial year

One primary school (academy) received a payment of £50k and one primary school (LA maintained) received a payment of £29.2k. One secondary school (academy) received a capped maximum funding value of £100k, and one secondary school (LA maintained) received £58.3k. The total amount of funding paid from the Pupil Growth Fund for 2022/23 financial year was £237.5k.

4.4 Forecast funding requirements from the Fund for 2024-25 and 2025-26

Primary Schools: 2024-25

During 2024-25, one LA maintained primary school has been identified as eligible for receipt of Pupil Growth funding for 2024-25, the funding requirement for this school is £58.3k.

Secondary Schools: 2024-25

Based on forecast pupil numbers for September 2024, received from NYC’s Strategic Planning team during August 2024 and through applying the LA criteria, two secondary schools have been identified as potentially eligible for Pupil Growth funding for the 2024-25 financial year. The table below provides a summary of estimated funding requirements based on current analysis for the 2024-25 financial year:

	Y7 – Oct.23	Y7 – Oct.24	Y7 % Growth	Total Roll Oct.23	Total Roll Oct.24	Total Roll % Growth	Estimated Funding Requirement
School 1 (LA Maint.)	63	88	40%	360	380	6%	£44.0k
School 2 (Academy)	166	168	1%	597	663	11%	£48.2k
Estimated Funding Requirement							£92.2k

2025-26 Eligibility

Based on an assessment of school’s current class structure and future requirement, one primary school (LA maintained) have been identified as potentially eligible for Pupil Growth funding for the 2024-25 financial year. The estimated total funding requirement is £87.5k.

4.5 Pupil Growth Funding Related To A School Closure

In May 2022 the Schools Forum approved amended eligibility criteria and operating methodology of the Growth Fund in respect of any funding allocated to the Fund that is attributable to a school closure, and the associated funding for pupils transferring from the closed school. as agreed by the Schools Forum in May 2022. This element of the Fund has not been utilised to date.

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4.6 Pupil Growth Funding Related To A New School

Pupil Growth Funding is the funding source available to local authorities to support the opening of new mainstream free schools built under the DfE free school presumption route. Schools built under this process require an additional funding commitment from the LA in respect of pre-opening funding, post-opening diseconomies funding and delegated budget in relation to estimated pupil numbers. The operating methodology of the Growth Fund in respect of any funding allocated for new schools, as agreed by the Schools Forum in November 2022, is as follows:

i. Pre-Opening costs

A lump sum funding allocation of £75k.

ii. Diseconomies of scale

- a. A per pupil amount for pupil resources paid annually for the number of places added to the school's capacity in each year (i.e. each new year group that is opened but not funded until the following year) at £250 per primary mainstream pupil;
- b. A lump sum for leadership diseconomies paid annually based on the number of empty cohorts based on £8,500 per empty cohort i.e. the number of year groups not yet open as per the following table:

Empty Cohorts	Lump Sum Funding £
6	£51,000
5	£42,500
4	£34,000
3	£25,500
2	£17,000
1	8,500

iii. Incremental Growth in Pupil Numbers

A new school is funded based on estimated pupil numbers for each financial year that new year groups are being added to the school.

iv. Pupil Number Funding Protection

Funding protection is provided where actual pupil numbers fall below 75% of the full cohort pupil numbers (30 pupils for a one form entry for a Primary school). The funding protection would be implemented for the difference between the actual total number of mainstream pupils in the school, as at the start of the academic year, and the protection level of 75% of the expected total mainstream pupil numbers (30 pupils in year 1, 60 pupils in year 2, 90 pupils in year 3). The funding is based on Primary AWPU funding rates. The annual funding protection provided

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will be capped at a maximum of 10 pupils. In the event of the actual mainstream pupil numbers of the new school falling below 40% of the total expected mainstream pupil number, the funding protection would not be guaranteed and would be subject to negotiation with the Local Authority.

Use of the Fund during 2023-24 financial year

£136k of funding from the New School element of the Pupil Growth Fund was provided due to Keeble Primary Academy and Cambrai Primary Academy being new schools not yet operating with a full number of year groups. Oakbridge Primary Academy in Northallerton opened in September 2024. The Trust operating the new school received £25k in respect of pre-opening costs in Spring 2024

Forecast funding requirements from the Fund for 2024-25 and 2025-26

£142k of funding from the New School element of the Pupil Growth Fund was provided to Keeble Primary Academy and Cambrai Primary Academy being new schools not yet operating with a full number of year groups. The two schools will require funding for this purpose again in the 2025-26 financial year.

Oakbridge Primary Academy in Northallerton opened in September 2024. The balance of the pre-opening costs funding of £50k was paid in Summer 2024. Additionally in 2024-25 there will be estimated payments for resources (£4.8k), leadership diseconomies of scale (£51k), additional pupil number protection (£12.5k) and an initial delegated budget provision of £128.7k. This school will also require funding for this purpose again in the 2025-26 financial year.

In respect of the New School Pupil Growth Funding elements, it is estimated that the total funding allocation to be made over the 2024-25 and 2025-26 financial years to be as follows:

2024/25: Funding Element	Estimated Amount (£'000)
Keeble & Cambrai – 2024/25 Additional Pupil Led Funding	142.3
Oakbridge – 2024/25 Pre-Opening Costs	50.0
Oakbridge – 2024/25 Resources	4.8
Oakbridge – 2024/25 Leadership Diseconomies of Scale	51.0
Oakbridge – 2024/25 Initial delegated budget provision	128.7
Oakbridge – 2024/25 Additional pupil number funding protection	12.5
Total	389.3

2025/26 Funding Element	Estimated Amount (£'000)
Keeble – 2025/26 Estimated Funding – Pupil Led Funding (NYC average £4,224 per pupil x 7/12)	71.2

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Cambrai – 2025/26 Estimated Funding – Pupil Led Funding (NYC average £4,224 per pupil x 7/12)	71.2
Oakbridge – 2025/26 Estimated Funding – Pupil Led Funding (NYC average £4224 per pupil x 7/12)	49.3
Oakbridge – 2025/26 Resources	5.0
Oakbridge – 2025/26 Leadership Diseconomies of Scale	42.5
Oakbridge – 2025/26 Additional pupil number funding protection -estimated provision	21.4
Total	260.6

5.0 PUPIL GROWTH & FALLING ROLLS FUND OVERALL POSITION & RESERVE

5.1 The current forecast reserves position for the combined Pupil Growth & Falling Rolls Fund for 31st March 2025 is as follows:

	Core Pupil Growth & Falling Rolls Fund	Pupil Growth Fund Associated with Closing Schools	New Schools Provision (pre-opening funding, post-opening diseconomies funding & estimated pupil number funding)
Balance as at 31/03/2024	£1,273.0k	£0.0k	£4,364.4k
2024/25 Funding Allocation	£0.0k	£0.0k	£1,784.0k
2024/25 Estimated Funding Requirement	-£244.5k	-£0.0k	-£389.3k
Forecast Reserve as at 31/03/2025	£1,028.5k	£0.0	£5,759.1k

5.2 In consideration of the level of reserve on the Core Pupil Growth & Falling Rolls Fund and the current forecast Pupil Growth Funding requirement for 2025-26 in respect of basic need, it is proposed to, again, release the £500k that is annually requested for Pupil Growth & Falling Rolls to be allocated to school budgets for the 2025-26 financial year. Schools Forum members are asked to note the risk that any demands for basic need Pupil Growth Funding in excess of the available reserve will result in a request for an increased funding level being requested in the 2026-27 financial year.

5.3 The current estimated funding requirement on the Pupil Growth Fund for a new mainstream free school built under the DfE free school presumption route is between £900k and £1m over the initial 7 years of operation. Two new primary schools are currently scheduled to open in North Yorkshire over the next 3 year period: Oakbridge CE Primary Academy in Northallerton and Manse Farm in Knaresborough. In addition to these two new schools, it is expected that a further 3-4 new schools may be required within North Yorkshire over the next five to seven-year period. In this respect, it is proposed for the 2025-26 financial year to allocate £500k of the DfE Growth Funding,

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to the Pupil Growth - New Schools Fund, with the balance of the 2025-26 DfE Growth Funding being made available, if required, to support school budgets. A further assessment will be undertaken at the end of 2025-26 financial year as to level of reserve, the associated new school funding requirement and whether further funding contribution are required to the reserve.

6.0 RECOMMENDATIONS**6.1** The Schools Forum is asked:

- a. To note the usage and forecast usage of the Pupil Growth and Falling Rolls Contingency Funds in the financial years 2023-24, 2024-25 and 2025-26 as detailed in this report.
- b. To consider ceasing or amending the operation of the Falling Rolls Fund for the 2025/26 financial year, as detailed in section 3.5 of the report.
- c. To note the reserves position on the Pupil Growth and Falling Rolls Fund as at 31 March 2024 and the forecast reserves position for 31 March 2025 as detailed in section 5 of this report.
- d. To provide approval for the proposed release of the £500k that is annually requested for the Pupil Growth & Falling Rolls Contingency Fund to be allocated, if required, to support school budgets for the 2025-26 financial year and any funding requirement for basic need Pupil Growth in 2025-26 to be met from the Core Pupil Growth & Falling Roll Reserve.
- e. To provide approval for the 2025-26 financial year to allocate £500k of the DfE Growth Funding, to the Pupil Growth - New Schools Fund, with the balance of the 2025/26 DfE Growth Funding being made available, if required, to support school budgets.

STUART CARLTON
Corporate Director – Children and Young People’s Service