

Growth & Falling Rolls Funding 2024-25

Key Messages

Forum members are asked to:

- Note that the Council's policy for Growth has changed for 2024/25 due to the reduction in funding and stricter Department for Education (DfE) rules around growth funding.
- Note that the Growth Funding to Sheffield has decreased to £1.56m in 2024/25 from £2.95m in 2023/24.
- Agree the updated Growth Funding Policy for 2024/25.
- Agree the updated Falling Rolls Policy for 2024/25 (Appendix 4).
- Agree the planned growth funding payments of £1.35m to be made to the Sheffield schools as per Appendix 3.

1. Introduction/Background

1.1. Sheffield's Growth Funding Policy was last updated in June 2023. The policy was established to fund rising levels of population growth driven by high birth rates and increased migration.

1.2. In the 2024/25 fiscal year, the DfE has implemented more stringent guidelines for the administration and distribution of growth funding by local authorities. Sheffield's growth funding allocation has seen a notable reduction from £2.9 million to £1.56 million, marking a 47% decrease.

1.3. The Education and Skills Funding Agency (ESFA) now specifies that the growth fund can only be utilised to:

- Support growth in pre-16 pupil numbers to address basic need.
- Support additional classes required to meet the infant class size regulation.
- Cover revenue costs for new schools.
- Cover revenue costs, for schools, related to removing or repurposing surplus places.
- Starting from 2024/25, local authorities must provide growth funding when a school or academy collaborates with the local authority to establish an extra class addressing basic need in the area (either as a bulge class or as an ongoing commitment).

The guidelines explicitly highlight that the growth fund must not be used to support:

- Schools in financial difficulty - support for maintained schools facing financial challenges should be sourced from a de-delegated contingency.

- General growth due to popularity - such cases, including academies admitting above pupil admission numbers (PAN) by choice, are managed through lagged funding.
- Schools that are admitting pupils within their existing PAN and simply 'filling up' back to capacity.
- As a result, funding will only be available for basic need, and no additional funding will be allocated to schools that do not meet the ESFA specified criteria, such as Awkward Year Group Funding.

1.4. As a result of the new national formulaic methodology of calculating growth funding introduced in 2019/20, the Education Funding Forum agreed to revise and update the Growth Policy annually.

Growth funding income received from the ESFA by all LAs in 2024/25 is as follows:

- £1,550 for each primary pupil.
- £2,320 for each secondary pupil.
- £76,195 for each new school that opened in the previous year not appearing on the October 2022 census but on the October 2023 census.

1.5. Local authorities are still expected to have local growth funding policies. It is not a requirement that spending on growth will necessarily match precisely the funding allocated to Sheffield for growth, and we continue to have the ability to locally 'top-slice' our overall Schools Block funding to fund pupil growth numbers.

1.6. In 2023/24 mainstream pupil growth funding available in Sheffield was £2.9m. Available growth income has decreased in 2024/25 by £1.34m to £1.56m.

1.7. The Significant Growth Funding Policy continues to incorporate the use of schools' and academy trusts' latest published closing reserves, in line with the Falling Rolls Policy. If schools or trusts have reserves exceeding 8%, in primary schools, of their published budget share as shown in Section 251, or General Annual Grant (GAG) allocation, then they will be expected to use them prior to any additional funding being awarded, outside payments covering basic needs growth.

1.8. The Falling Rolls Policy will continue into 2024/25 as pupil numbers in primary schools continue to decline. The fund will be £250,000 as in previous years and details of the full policy can be found at Appendix 4.

2. Recommendations

Forum members are asked to:

- Note** that the Growth Funding to Sheffield has decreased to £1.56m.
- Agree** to the updated Growth Funding Policy for 2024/25 at Appendices 1 and 2.
- Agree** the planned growth funding payments of £1.35m to be paid to Sheffield schools as detailed in (Appendix 3).
- Agree** the updated Falling Rolls Policy for 2024/25 at Appendix 4.