

Growth and Falling Rolls Funding 2025-26

Key Messages

Forum members are asked to:

- **Note** that the Council's policy for Growth for 2025/26 will continue with the changes introduced in 2024/25. This was 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 £1.21m in 2025/26 from £1.56m in 2024/25.
- **Note** that the Growth Funding made available to schools is £1,000,000, as £217k is required for the affordability of the mainstream funding formula.
- **Note** that the Falling Rolls Funding balance is currently £200k
- **Agree** the updated Growth Funding Policy for 2025/26 (Appendices 1 and 2).
- **Agree** the updated Falling Rolls Policy for 2025/26 (Appendices 4 and 5).
- **Agree** the basic need Growth Funding payments of £1.05m to be made to Sheffield schools as per Appendix 3.

1. Introduction/Background

- 1.1. Sheffield's Growth Funding Policy was last updated in June 2024. 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 implemented more stringent guidelines for the administration and distribution of Growth Funding by local authorities. Sheffield's Growth Funding allocation for 2025/26 has continued to reduce from £1.56 million to £1.21 million, marking a further 22% decrease.
- 1.3. The DfE 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.
 - 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 DfE 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 DfE by all LAs in 2025/26 is as follows:

- i. £1,570 for each primary pupil.
- ii. £2,350 for each secondary pupil.
- iii. £77,225 for each new school that opened in the previous year not appearing on the October 2023 census but on the October 2024 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 2024/25 mainstream pupil Growth Funding available in Sheffield was £1.56m. Available growth income has decreased in 2025/26 by £350k to £1.21m.

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. Where academy trusts pool the reserves for their schools, an apportioned balance must be provided for the school making the claim. Where this isn't provided individual school balances should be provided.

1.9. The Falling Rolls Policy will continue into 2025/26 as pupil numbers in primary schools continue to decline. We currently have £200k earmarked towards the falling roll fund. Details of the full policy can be found at Appendices 4 and 5.

2. Recommendations

Forum members are asked to:

- i. **Note** that the Growth Funding to Sheffield has decreased to £1.21m.
- ii. **Note** that the Growth Funding available to schools is £1m.
- iii. **Approve** the updated Growth Funding Policy for 2025/26 at Appendices 1 and 2.
- iv. **Agree** the planned Growth Funding payments of £1.05m to be paid to Sheffield schools as detailed in (Appendix 3).

- v. **Note** the Falling Rolls Funding balance of 200k.
- vi. **Approve** the updated Falling Rolls Policy for 2025/26 at Appendices 4 and 5.