

Schools Forum Briefing

1.	Date of meeting:	18th September 2020
2.	Title:	Falling Rolls Fund
3.	Directorate:	Finance and Customer Services Directorate

1. **SUBJECT: NEW FUNDING ANNOUNCEMENT**

2. **PURPOSE OF REPORT**

To inform Schools Forum members of the criteria for a falling rolls fund.

3. **RECOMMENDATION (S)**

That members note this information and ensure they make school/academies that they represent aware of this information.

4. **REASON FOR RECOMMENDATION (S)**

To ensure Schools Forum members are aware of the operational guidance on falling roles funding.

5. **BACKGROUND INFORMATION**

5.1 Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

5.2 The Schools Forum should agree both the value of the fund and the criteria for allocation, and the local authority should consult Schools Forum before expenditure is incurred.

5.3 The Falling Rolls Funds is ring-fenced. It operates in a similar way to the Growth Fund, in the sense that both maintained schools and academies are top sliced for the cost of the Fund and both are eligible to receive support through it.

6. **SETTING FALLING ROLLS FUNDING CRITERIA**

6.1 Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

Local authorities should report any falling rolls funds remaining at the end of the financial year to the Schools Forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget.

7. **EXAMPLES OF COMPLIANT CRITERIA FOR FALLING ROLLS FUNDING**

Example 1

Identification of schools with falling rolls:

- the school must have been judged good or outstanding at their last Ofsted inspection
- the total NOR has dropped by at least 5% between last October census and the previous year's October census
- capacity of school is a minimum of 15% of published admission number (PAN)
- local planning data shows the places will be required within the next 3 - 5 years

Where a school meets all the above criteria, funding will be provided using the following calculation:

- the NOR as at last October census will be deducted from the NOR of the previous October's census. The result will be multiplied by the current base rate, appropriate to phase, pro rata April - August (5 months)

Example 2

Schools and academies must have a good or outstanding Ofsted rating to be eligible for this funding. Additional funding is allocated based on a proportion of the basic entitlement for vacant places below 85% of the PAN for the normal year of entry (YR or Y7) and also for the next year group after entry (Y1 and Y8). Funding is available for a maximum of 3 years after which a school's PAN may be adjusted or other action taken.

Example 3

Schools that meet the following criteria will receive support from the falling rolls fund:

- good or outstanding
- numbers on roll are less than 80% of total planned admission number (PAN)
- numbers on roll are more than 5% lower in the October 2018 census than the October 2017 census
- school is in a planning area where the vacant places are required

These criteria have been set to ensure that funding supports good and outstanding schools with falling rolls in planning areas where places are needed and the local authority cannot support reductions in PAN and does not support schools that have vacant places as they have increased their PAN for reasons other than addressing basic need.

Schools will receive protection for the fall in numbers above the 5% threshold. This will be paid at the current AWPU rate. For example, a school that experienced a drop of 6.5% will receive AWPU for 1.5% of its previous intake.

Example 4

To qualify, the eligible criteria would be as follows:

- support for schools judged as good or outstanding at their last Ofsted inspection (mandatory)
- surplus capacity exceeds 15% of the total PAN for the school
- local authority planning data shows a requirement for at least 15% of the total surplus places within the next year

Schools must meet all the criteria above, then funding would be provided based on the AWPU rate per vacant place required, up to a maximum of the number of further places vacant from the prior year's census.

Name and contact details

Vera Njegic
Principal Finance Officer (Schools Finance)
Tel: 01709 822042
email vera.njegic@rotherham.gov.uk