

**Decision Maker:** SCHOOLS' FORUM

**Date:** Thursday 20 September 2018

**Decision Type:** Non-Urgent                    Non-Executive                    Non-Key

**Title:** FALLING ROLLS FUND

**Contact Officer:** Amanda Russell, Head of Schools Finance Support  
Tel: 020 8313 4806 E-mail: [Amanda.Russell@bromley.gov.uk](mailto:Amanda.Russell@bromley.gov.uk)

**Chief Officer:** Executive Director of Education, Care and Health Services

**Ward:** (All Wards);

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**1. Reason for report**

This report outlines the requirements for setting up a falling rolls fund to support schools that are facing financial difficulties due to a temporary reduction in pupil numbers.

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**2. RECOMMENDATION(S)**

**The Schools Forum is asked to review the proposal and to discuss whether a falling rolls fund should be established as part of the 2019/20 budget setting process**

### **3. COMMENTARY**

3.1 At the last Schools Forum meeting the Primary Head Teacher representatives raised an issue concerning the number of unfilled reception places across all primary schools in the borough, and the financial impact that this was having on these schools. It was agreed that the LA would carry out a full review of this, to include the possibility of introducing a “falling rolls fund” to support schools experiencing the financial impact of this.

3.2 In accordance with DfE guidelines, local authorities may top slice the DSG in order to create a small fund to support good schools with falling rolls where local planning data shows that the surplus places will be needed in the near future. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations.

3.3 Examples of compliant criteria are as follows:

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement)
- Surplus capacity exceeds x pupils or x% of the published admission number (PAN)
- Local planning data shows a requirement for at least x% of the surplus places in the next x 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

3.4 Methodologies for distributing funding could include:

- £x per vacant place, up to a specified maximum number of places (where x is likely to be equivalent to or based on AWPU funding)
- A lump sum with clear parameters for calculation (e.g. the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

3.5 The October 2017 census data shows that there were 220 vacant reception places across the borough – this varies from one or two vacancies across a large number of schools to vacancies of over 20 places in some individual schools. This data will have been used to calculate 2018/19 funding from April 18 for maintained schools and September 18 for academies. The final numbers for 2018 will not be known until after October, however early data indicates that the figures may be higher although it is anticipated that these numbers will change by October.

3.6 Although this issue has not been highlighted by secondary schools, the year 7 admission data has also been included which shows there is only one school with a significant number of vacant places.

3.7 Full details of the primary and secondary pupil numbers can be seen at appendices 1 and 2 – alongside the number of vacancies is the percentage that this represents as a proportion of the PAN as this helps to show the perspective of the issue. Appendix 3 shows the estimated number of vacancies as at August 2018 – this is provided as an indicator only at this stage.

3.8 The Council updates its projections on the need for school places annually through its School Place Strategy (formerly school development plan). Future forecasts are mainly based upon the GLA School Roll Projections, although the council has developed its own model to complement the GLA for forecasting secondary need.

3.9 Current data indicates that whilst primary reception numbers have fallen slightly since their peak in 2015/16, need remains strong with further growth forecast in planning areas 3 (Hayes and West Wickham) and 4 (Central Bromley). The current vacancy rate across the borough (7%) is slightly higher than the Council's target of 5% with vacancies generally spread across a small number of schools borough wide. Future projections for secondary places very closely match the future provision of places with 2 additional Free Schools proposed due to open provided by the ESFA in future years. Currently there are some surplus places in the east of the borough.

3.10 The Council currently is not planning to make any changes to its school places strategy outside of the annual review cycle.

3.11 Based on the information provided, LA Officers have looked at the possibility of introducing a falling rolls fund and what this may cost. It should be noted that this cost would be top sliced from the Schools Block, as is done with the Growth fund, and would therefore impact on the amount of funding available to be distributed to all schools.

3.12 The suggested terms of the fund would be as follows:

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement)
- Surplus capacity exceeds 20% of the published admission number (PAN)
- Local planning data shows a requirement for at least 80% of the surplus places in the next 3 years
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort – school to provide copy of 3 year budget data to support this
- The school will need to make redundancies in order to contain spending within its formula budget – school to provide evidence of formal discussions at governing body level to support this
- To be funded at the AWPU value per vacant place, up to a specified maximum number of places equivalent to 80% of PAN
- No funding to be paid where schools are already being supported through the existing growth fund or to free schools which are funded on estimated pupil numbers.

3.11 Based on the indicative data that is currently available there are six primary schools that would be eligible for funding which is estimated at £98k, however this figure would go down if the number of vacancies decreases as anticipated as they are often a number of new starters in September that don't show up through the admissions process. There are also a number of schools that are not eligible as they do not fulfil all the criteria above.

3.12 Those schools that meet the initial criteria will be asked to submit copies of their three year funding projections as evidence of the financial impact of low pupil numbers. Any funding that is agreed will be paid directly to schools for the following financial year. This funding will be

reviewed annually to reflect any changes in pupil numbers and if necessary schools will continue to be funded until the relevant cohort reaches key stage 2, at which time schools will be expected to reorganise class sizes accordingly.

3.13 The final decision regarding the implementation of a falling rolls fund rests with the Schools Forum, however the Secretary of State may be asked to adjudicate in cases where the Schools Forum does not agree the LA proposal.

3.14 The Schools Forum is asked to discuss this outline and to agree whether they wish to proceed with this proposal – if so an updated paper will be provided at the next Schools Forum meeting with updated figures for a final decision to be made as part of the 2019/20 budget process.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	