

Decision Maker: **SCHOOLS FORUM**

Date: **30th November 2023**

Decision Type: Non-Urgent Executive Non-Key

Title: **FALLING ROLLS FUNDING AND FUTURE PROPOSALS**

Contact Officer: Julie Crew, Education Funding Manager
Tel. 020 8603 3573 E.Mail: julie.crew@liberata.com

Chief Officer: Jared Nehra, Director of Education

Ward: (All Wards);

1. Reason for report

1.1 The Department for Education (DfE) has updated guidance on Falling Rolls funding.

2. RECOMMENDATION(S)

2.1 **The Schools Forum are requested to:**

Review the guidance for Growth and Falling Roles and:-

(i) Decide whether a Falling Rolls Fund should be maintained for 2024/25;

If the decision is yes then:-

(ii) Agree the recommended amendments to the current scheme as detailed in the body of the report;

(iii) Note that the decision for final release of any funding rests with the Director of Education once the final evidence has been obtained from schools.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Health and Integration
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Various DSG cost centres
 4. Total current budget for this head: £11.4m after recoupment
 5. Source of funding: DSG Budgets
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: N/A
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Customer Impact

1. N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

DfE Falling Rolls Scheme

- 3.1 For the first time in 2024/25 DfE will allocate funding based on falling rolls.
- 3.2 Falling rolls will be distributed based on the reduction in pupil numbers that the LA experience for each year. The falling rolls allocation for each LA will be £140,000 per Middle Layer Super Output Area (MSOA) which sees 10% or greater reduction in the number of pupils on roll between the two census years. The allocation will also be subject to Area Cost Adjustment (ACA).
- 3.3 Bromley will continue to have discretion over whether to operate a falling rolls fund. Where LAs continue to operate a fund, they will only be able to provide funding where school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years.
- 3.4 The requirement that schools must be Ofsted rated 'Good' or 'Outstanding' to be eligible for falling rolls funding will not longer apply from the 2024/25 financial year.
- 3.5 Local authorities, working closely with other responsible bodies, will want to manage the local school estate efficiently and reduce or find alternative uses for high levels of spare capacity, to avoid detriment to the educational offer or financial position of schools in the area.
- 3.6 Falling rolls funding should only be used to support schools where the places are forecast to be needed over the short-medium term.

Current Funding Criteria

- 3.7 The current criteria used by Bromley for Falling rolls allocations is as follows:-

Part A

- 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)
- 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.

Part B

- 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.

New Funding Criteria

- 3.8 The proposed funding criteria for falling rolls is as follows. Funding criteria should contain clear objective trigger point for qualification and a clear formula for calculating allocations.
- SCAP must show that school places will be required in the subsequent three to five years (this is a mandatory requirement).
 - Surplus capacity should exceed a minimum number of pupils.
 - Formula funding available to the school will not support provision of appropriate curriculum for the existing cohort.
 - Redundancies will need to be made to contain spending within the formula budget and it is expected that the posts will be refilled in the subsequent three to five years.
- 3.9 Methodology could include:
- A rate per vacant place, up to a specified maximum place number.
 - Lump sum payment with clear parameters
- 3.10 Forums need to agree the value of the fund and the criteria for allocation. The LA should consult the Schools Forum before expenditure is incurred.
- 3.11 The amount of funding will be proposed at the meeting in January for the DSG budget setting following on from the publication of the October census data by DfE

4 BROMLEY POSITION

- 4.1 Although Bromley will be allocated Falling rolls funding in 2024/25 via the DfE funding mechanism, it is important to note that there is no requirement for a Falling Rolls fund. This is a decision for the Schools Forum.
- 4.2 If the Schools Forum agree to continue with a Falling Rolls fund, it is recommended that the new criteria be merged into the current criteria to make it compliant with DfE requirements.
- 4.3 It is proposed to pay any eligible schools in the same way as this meets the criteria set out by DfE.
- 4.4 Bromley has estimated the falling rolls fund using the current methodology from the January 2023 census. There are potentially 14 schools that could be eligible for falling rolls through this calculation.
- 4.5 However actual grant funding from DfE and potential falling rolls fund set aside will be based on the October 2023 census data. This will be published in December and the actual amount to be set aside will be consulted upon at the Schools Forum in January 2024 when we have the most up to date data and funding available.
- 4.6 It should be noted that there has been extremely low take up of falling rolls funding in the past. It is likely that any funding set aside will reflect this. This will free up funding that can be directed to schools via the main formula.

5. FINANCIAL IMPLICATIONS

5.1 The financial implications are in the body of the report.

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| Non-Applicable Sections: | Legal Implications Policy Implications Personnel Implications Customer Implications |
| Background Documents: (Access via Contact Officer) | Documents held with Liberata Finance |