

# Briefing note

**To:** Schools Forum **Author:** Christina Ponting, ENGIE

**Date:** 26th September 2018 **Purpose of the Paper:**

Information	√
Consultation	
Decision	√

**Title of Briefing:** Falling Roll & Headroom Update

## Background:

A report was presented to Schools Forum on the 7<sup>th</sup> March 2018 outlining the process for the above and recommending to Schools Forum that they put in place further guidance. It was agreed that guidance be implemented to provide further clarity for both Schools Forum and none Schools Forum members on Falling Roll eligibility criteria and application.

It was also clarified within the report that DfE guidance set the parameters for a Falling Roll fund to “ensure *that good or outstanding schools with short term falling rolls receive sufficient funding to deliver an appropriate curriculum and to avoid the need to take costly steps to reduce their capacity, when the demographic data shows that their capacity will need to expand again in the near future*”. To demonstrate this and therefore be eligible to access the fund schools must therefore be:

1. good or outstanding,
2. demonstrate:
  - a) where there are surplus capacity places these are expected to be needed within the next three years, and
  - b) it would not be cost effective to close a school or incur significant redundancy costs when pupil places will be required within a relatively short timescale.

During discussions within Schools Forum key point of clarity:

- established that Falling Roll experienced by a school should be temporary
- ‘temporary’ should not exceed three (3) years
- The fund would only made available where local planning data held by the Local Authority for pupil number data illustrated an expectation that there would be growth in pupil numbers within a set number of years.

## Current Position:

Since the schools forum meeting on the 7<sup>th</sup> March 2018 further clarity has been sought:

“in the event that no school within North Tyneside were eligible/ met the Falling Roll criteria what would happen to the funds set aside in each year?”

In response the following is noted:

- a) a falling roll fund be maintained,
- b) in the event that no schools locally were eligible (and this would include all school types (community, foundation, academy, etc. as the funds are taken from DSG) that a set amount of funds be protected within the DfE Falling Roll eligibility criteria, and
- c) any Falling Roll funds in excess of point b) remain within the Falling Roll budget allocation, but are then allocated under the criteria applied to Head room.<sup>1</sup>

On March 7<sup>th</sup> 2018 Schools Forum agreed that within its additional guidance, clarity for Headroom would note:

- d) the use of a cap on the number of years a school could apply be established,
- e) the fund would look to support those schools who were new to deficit rather than those that had been in deficit for some time, and
- f) each eligible school be able to demonstrate projections clearly showing a return to in-year balance within a 3 year financial window.

In recognition of the request for further clarity the following is noted:

- application of point e) - guidance to reflect that applications for schools new to deficit be considered first, but that those schools not new to deficit also be allowed to apply.
- application of point f) - guidance to reflect that the Local Authority/ Partner officers on behalf of Schools Forum reinforce the significance of this point and its alignments to the Scheme for Financing Schools. Applications for Headroom that are not able to demonstrate this will be declined.

Final clarification note – guidance to reflect:

in the event that funds remained unallocated beyond the Falling Roll cap or from Headroom these funds would be carried over into the next financial year, however this would be the exception and not the norm.

### **Recommendations:**

Schools Forum having read this report, clearly understanding the information provided and having asked sufficient questions to ensure clarity:

1. note the contents of this report;
2. agree to a Falling Roll annual protected amount (as per DfE guidance / criteria )of £50,000 per annum;
3. agree where no school were eligible (under DfE Falling Roll criteria) funds in excess of the protected amount (of £50,000) be available to all schools in deficit including academies<sup>2</sup>, and that the Headroom criteria be applied to these applications;
4. direct Local Authority Officers/ Partners to support the Schools Forum Sub-Group to effect these recommendations from 1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018 and put in place similar support for Schools Forum Sub-Group members to enact these recommendations from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019;
5. ask Local Authority Officers/ Partners to support the Schools Forum Sub-Group to enact the recommendations of this report as soon as possible and to provide a retrospective update to Schools Forum in December 2018 for information/ confirmation of actions/ decisions they have made/ implemented.

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<sup>1</sup> a locally operated fund that Schools Forum choose to maintain on an annual basis, is only available to deficit schools and the Ofsted rating is not a consideration.

<sup>2</sup> specific criteria will be discussed with the academy schools separately as academy schools cannot carry negative budgets / deficits.

6. ask Local Authority Officer/ Partners to update the Schools Forum process guidance on this matter and for this to include a process flow/ flow chart where practicable.