



North Tyneside
Council

Item 6

Briefing Notes

To: Schools Forum

Date: 10 July 2024

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**Purpose of
the Paper:**

Information

Consultation

Decision

✓

✓

Title of Briefing: **Falling Rolls and Growth Fund Proposed Allocations**

1. **Background**

1.1 The purpose of this report is to seek Schools Forums approval to make allocations of funding to eligible schools for the following:-

- Falling Rolls
- Growth Funding

1.2 The Authority have met with representatives from Schools Forum Finance Sub-group. The Subgroup considered the applications for funding on 11 June 2024. Whilst the subgroup has proposed the allocation of funding the final decision rests with Schools Forum.

2. **2024/25 Falling Rolls Funding**

2.1 Following an initial assessment there were three schools identified as being eligible for falling roll funding with a total potential value of £0.076m. The details of these schools and the funding identified for each is included in Table 1. The requirement in the Falling Rolls Policy stating that a school needs to be OFSTED rated 'good' or above has now been removed following DFE updated guidance, see updated policy attached at Appendix 2.

- 2.2 The total 2024/25 falling roll funding available for distribution is £0.300m, this includes £0.050m carried forward from 2023/24 and £0.250m in year allocation. As in previous years a proportion of the surplus funding will be transferred back to academies, this is estimated at £0.050m but the figure is still being finalised to include the additional schools which academised throughout 2023/24.
- 2.3 The academy transfer estimate plus the falling roll funding will be deducted from the total available funding and the estimated balance of £0.174m will then be split between £0.050m falling rolls carry forward and £0.124m (estimate) to Schools in Financial Difficulty.

2.4 **Table 1: Breakdown of Falling Rolls Eligibility**

School	£m
Whitehouse Primary	0.035
Collingwood Primary	0.025
Forest Hall Primary	0.016
Total	0.076

- 2.5 The opening balance for de-delegated funds for Schools in Financial Difficulty funding in 2024/25 was £0.393m. If Schools Forum approve the Falling Rolls applications included in table 1, the estimated balance of £0.124m will be transferred from Falling Rolls to Schools in Financial Difficulty, increasing the available funding to £0.517m. This balance will be available to fund Headroom applications submitted by schools for consideration by Schools Forum Finance Sub-Group.
- 2.6 Schools Forum Finance Sub-Group have discussed the issue of projected declining birth rate across North Tyneside and asked that Schools are briefed at a future meeting on assumptions and projections which will impact future Falling Rolls.

3. 2024/25 Growth Funding

- 3.1 The Department for Education (DfE) established a separate fund in the School Block of the DSG for growth funding. In North Tyneside this fund was not used for growth and was instead added to the remaining balances to be redistributed to all schools. When setting the 2024/25 School Block allocation, Schools Forum agreed to set aside £0.250m of the identified growth funding, however there was a £0.037m deficit carried forward from 2023/24. Therefore, the total Growth Funding available in 2024/25 is £0.213m.
- 3.2 Officers from the Authority have reviewed all schools' projected pupil numbers for Sept 2024 using the latest information available from the Admissions Team. Two schools, with a total funding of £0.132m were initially identified as being eligible for growth funding. However, the eligibility criteria specifies that schools must provide evidence that additional costs have been incurred to support structural class changes in relation to the additional pupils. The initial list of schools is included in table 2 and the funding allocations were initially considered by Schools Forum Finance Subgroup on 11 June 2024.

3.3 Table 2: Growth Funding Eligibility 2024/25

Growth Funding	£m	Eligibility
Norham High	0.068	Pending supporting evidence
Burnside	0.064	Pending supporting evidence
Total	0.132	
Total Funding Available	0.213	
2024/25 Surplus	0.081	

- 3.4 The Authority has contacted both schools to request supporting evidence and to understand the overall position, the outcome of this will be reported to Schools Forum at the next meeting in September 2024.
- 3.5 North Gosforth was not considered for growth funding despite meeting the initial criteria, this was because the growth was linked to popularity and therefore this school has been removed in line with the growth policy. Details are included in Table 3 below.

3.6 Table 3 Schools not eligible for Growth Funding 2024/25

Growth Funding	£m	Eligibility
North Gosforth	0.100	Not Eligible
Total	0.100	

4. Recommendations

4.1 Schools Forum is asked to:

1. Approve the funding allocations as set out in this report; and
2. Note the current position and plans for additional funding sources maintained by Schools Forum.

4.2 Members are reminded of who is eligible to vote and the voting table is noted at Appendix 1 for Reference.

Appendix A – Voting Table

North Tyneside Schools Forum Member Roles & Voting							<i>last updated September 2019</i>	
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters		
1	2	3	4	5	6	7		
Voting							Phase	Role
School Members								
x		x	x	x	x	x	First	Head
x		x	x	x	x	x	Primary	Head
	x	x	x	x	x	x	High	Head
	x	x	x	x	x	x	Middle	Head
	x	x	x	x	x	x	Secondary	Head
Other School Members Non Locality Based								
x		x	x	x	x	x	Primary/ First	Governor
	x	x	x	x	x	x	Secondary/Middle	Governor
		x	x	x	x	x	Nursery	Head
		x	x	x	x	x	PRU	Head
		x	x	x	x	x	Special	Head
			x		x	x	Academy	Other
Non Schools Members Non Locality Based								
		x	x			x	16-19 Providers	Other
			x			x	EY PVI	Other
						x	C of E Diocese	Other
						x	RC Diocese	Other
						x	Trades Union	Other

APPENDIX 2 – Updated Falling Rolls Policy

Falling Rolls is governed by the guidance provided by the Education Funding Agency (EFA) and notes conditions/criteria regarding the application of such, the main stipulations within the guidance note:

- a) Falling Rolls can be top sliced from DSG in order to create a small fund to support schools with falling rolls where local planning data shows that the surplus places will be needed within the next three financial years. Schools Forum should agree both the value of the top slice and the criteria for allocation and the local authority should regularly update the school's forum on the use of the funding.
- b) The formula for allocating funds should contain objective trigger points for qualification and a clear formula for calculating allocations. There may be different methodologies for different phases, but compliant criteria should note:
 - a methodology to calculate surplus school places;
 - local planning data confirming the future need for school places;
 - confirmation that funding will not support the provision of an appropriate curriculum for the existing cohort;
 - that the school would need to make redundancies in order to contain spending.

Additionally, the guidance notes that there should be a methodology for distributing funding which may include:

- a monetary value per vacant place – with a cap (most likely linked to AWPU);
 - a lump sum payment with clear parameters for calculation (e.g. estimates of providing the cost of an appropriate curriculum, or estimated salary cost equivalent for staff who would otherwise be made redundant, etc.).
- c) Falling Rolls, as it is taken from DSG is accessible by all eligible schools within a local authority area, e.g. maintained and academy.

For access to the Falling Rolls funding stream, schools who qualify are contacted by the Local Authority, and the following must also apply:

- the numbers in the school overall must be reducing, so a school who is losing a smaller year group and gaining a larger one would not qualify, whereas another school who lost more and gained less would.

The local criteria set within North Tyneside for a school to be deemed potentially eligible for Falling Rolls is a reduction in total pupil numbers of 5% or greater. If all other criteria are met, the payment to the school would be calculated as 5/12ths AWPU per pupil reduction.

Sub-Group having reviewed the criteria, further considered EFA guidance, undertaking some additional research regarding operational practice within other Schools Forums both locally and nationally, have determined that there is a need for review of the existing practice.

On this basis the Sub-Group recommended the existing process continues to operate, subject to:

- a) further clarity is provided on the scheme, how it operates in practice and that the application process is updated.
- b) an annual update report requirement noting what has been received and achieved by an individual school is applied,
- c) the use of a cap on the number of years a school can apply is established,
- d) an annual review of the criteria takes place each year in December for application in the following financial year.

DfE guidance set the parameters for a Falling Rolls 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 show:

- 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.

Key points of clarity from discussions within Schools Forum:

- established that Falling Rolls experienced by a school should be temporary
- 'temporary' should not exceed three (3) years
- The fund would only be 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.