

Briefing note

To: Schools Forum **Author:** Schools Forum Sub Group¹ (Christina Ponting)

Date: July 2019

Purpose of the Paper:

Information	√
Consultation	
Decision	√

Title of Briefing: Schools Forum Sub Group Report –
Headroom & Falling Roll Allocations up to 31st March 2019

Background:

Schools Forum determined in September 2018 how they wished the above funds to be allocated to eligible Schools in accordance with the criteria they implemented in 7th March 2018. It was agreed in the event no School qualified for Falling Roll or where funds remained unallocated all remaining funds would be transferred to Headroom and allocated using those principles (minus any Academy contribution).

Falling Roll applies to all Schools irrespective of whether or not they are in deficit; Headroom is applicable for only those Schools in deficit and operating under a licensed deficit position for the full financial year from 1st April to 31st March and remain a deficit School at financial year-end.

Allocations/ considerations are made in arrears for eligible Schools following the closure of the financial year, e.g. for decisions being made by the Schools Forum Sub-Group in July 2019, this would relate to the financial year 2018/19(ending on 31st March 2019).

Current Position:

Schools Forums Sub-Group note how they have undertaken the role assigned to them by Schools Forum - confirming their recommendations for allocations to eligible Schools for the financial year ending 31st March 2018 (for the Financial Year ending 2017/18). All Schools who met the criteria were therefore asked to submit an application and to attend a meeting with the Sub-Group to discuss their application/ provide additional clarity.

Proposal:

The Sub-Group met on the 13th June 2019, and reviewed both Falling Roll and applications for Headroom.

- a) Falling Roll: only 1 School qualified for Falling Roll.
- b) Headroom: 7 Schools were operating under a licensed deficit agreement and therefore qualified for consideration under the criteria.²

As agreed Falling Roll would be considered first and only then would Headroom applications are considered. All Schools attended (except two) to discuss their application and for those Schools who did not attend the Sub-

¹ Membership – Steve Wilson, Audrey Kingham, Peter Thorpe, Stephen Baines, Andrew James (in attendance); John Newport, Gavin Storey, Jill Wraith (consultees), David W Bavaird, Matt Snape, Peter Gannon, Phillip Sanderson, David Watson (apologies).

² Backworth Park Primary, Ivy Road Primary, Longbenton High, Marden High, Monkseaton High, Norham High, Percy Main Primary

Group were happy to accept apologies. One School were unable to submit an application but again, Sub-Group understood the circumstances surrounding this and were happy to consider an application.

In considering the applications Sub-Group remained clear that conditions would be attached to the allocation of funds which included the need to return to in-year balance in accordance with the policy established by Schools Forum and the Scheme for Financing Schools (March 2019) confirming that School would operate within in-year budget allocations without the reliance on additional funding. Sub-Group also confirmed (as had been agreed in December 2018 with Schools Forum) where the totality of funds was not allocated via Falling Roll:

- a) Academies would receive a refund of monies they had contributed towards – based on pupil numbers from Reception to Year 11 only.
- b) A balance of £50,000 would be retained at year end.
- c) Any balance over £50,000 at year end would be transferred into Headroom – to then be allocated via the Headroom criteria at the discretion of the Sub-Group.

The balance brought forward into 2018/19 is noted as follows:

Table 1

	Headroom	Falling Roll
Balance Brought Forward from 2018/19	£121,259.00	£ 565,069.00

A School qualified for Falling Roll – Ivy Road Primary School and the Sub-Group agreed they should be allocated funds from this budget. The 4 Academies (Grasmere, St Thomas More, North Gosforth and Kings Priory) were to be refunded monies based on pupil numbers from Reception to Year 11 based on the October 2018 census. £50,000 is retained and remaining funds transferred into Headroom.

Table 2

	Headroom	Falling Roll
Balance Brought Forward from 2018/19	£121,259.00	£ 565,069.00
Allocated to Ivy Road Primary School		-£ 48,790.00
Refund to Academies		-£ 24,452.71
Movement from Falling Roll to Headroom as Per SF decision	£441,826.29	-£441,826.29
Sub Total	£563,085.29	£ 50,000.00

There were 7 applications for Headroom Funding. The value of each application was considered and the Sub-Group determined funds could be allocated to some Schools as they were able to meet the required criteria, for those Schools where applications were declined the Sub-Group noted this was either due to a) funds had already been allocated via Falling Roll, or b) the School were not able to meet the criteria, e.g. being able to demonstrate a return to balance within the agreed timeframe. For those latter Schools (b) the view expressed by the Sub-Group was those Schools were in a structural deficit position, which was outside of the remit of what Schools Forum had established and this matter needed to be referred to the Local Authority.

- 1) Backworth Park Primary School – application accepted.
- 2) Ivy Road Primary School – application declined – allocated funds via Falling Roll.
- 3) Longbenton High School – application accepted.
- 4) Marden High School – application accepted.
- 5) Monkseaton High School – application declined – criteria not meet.
- 6) Norham High School – application declined – criteria not meet.
- 7) Percy Main Primary School – application accepted.

Table 3

<u>Sub Total</u>	<u>£563,085.29</u>	<u>£ 50,000.00</u>
Allocated to Backworth Park Primary School July 19	-£ 30,274.00	
Allocated to Longbenton High School July 19	-£ 65,000.00	
Allocated to Marden High School July 19	-£ 89,316.00	
Allocated to Percy Main Primary School July 19	-£ 55,000.00	
<u>Sub Total</u>	<u>£323,495.29</u>	

Following the above decision the Sub-Group noted:

- 1) remaining Balances for Falling Roll were to be transferred into 2019/20 Financial Year Headroom Budget;
- 2) the criteria, the need for a report (on a template) for applications for Headroom combined with a and presentation would continue;
- 3) minimum balances in Falling Roll of £50,000 to be retained.

The position therefore from 1st April 2019 regarding available funds for the financial year ending 31st March 2020 would be:

Table 4

<u>Sub Total</u>	<u>£323,495.29</u>	<u>£ 50,000.00</u>
19/20 Allocations	£133,240.00	£ 250,000.00
19/20 Schools Procurement SLA	-£ 25,000.00	
Total	£431,735.29	£ 300,000.00
Available for 19/20 - total	£	731,735.30

The Sub-Group were of the view it was not applicable to allocate additional funds; they were aware that more Schools were due to enter into a deficit process from the 1st April 2019 and in accordance with Schools Forum decision making believe it is appropriate for funds to be carried forward into 2019/20 to be able to support a wider number of Schools to return to a balanced decision/ no longer be a deficit School within a 3-year time frame/ in accordance with the Scheme for Financing Schools (March 2019).

The Sub-Group were also asked to review/ confirm:

- 1) for Schools who entered into deficit mid-year whether or not they could apply to access Headroom funds; this was further considered (including declarations of interest) and Sub-Group agreed only Schools who were operating under an approved licensed deficit for the full financial year (and who remained in deficit at year end) were eligible to apply for Headroom.
- 2) Falling Roll was considered under separate criteria and was not linked to being a deficit School.
- 3) Special Schools (including the PRU) are excluded from both Falling Roll and Headroom funding applications as funding for those Schools is provided via another funding stream/ high needs.

Recommendations:

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

1. Note the contents of this report including the funding overview provided within the report and in summary at Appendix A.
2. Ratify the recommendation of their Sub-Group to:
 - a) allocate both Falling Roll and Headroom funding as noted to those qualifying Schools.
 - b) require Schools allocated funds via Headroom to operate within conditions requiring School to:
 - i. continue to operate within their approved deficit and reduce in-year deficit (before any funding allocation) by a set % per annum, e.g. 25%;
 - ii. have a clear plan of continued deficit reduction resulting in the school being out of in-year deficit within no more than three (3) years following allocation of Headroom funds; and exclusion from making any further application to Headroom whilst the school remain in deficit;
 - iii. not return to/seek deficit approval once out of in-year deficit for a further 3 year period thereafter.
 - c) carry forward remaining Falling Roll funds from 2018/19 – minus the Academy refund and the £50,000 retention into 2019/20 Headroom budget.
3. Confirm Schools Forum require their Sub-Group (pending confirmation of deficit schools at financial year end 2019/20):
 - a) to allocate funds within the parameters/ practice agreed by Schools Forum to those schools who qualify to apply within the financial year ending 31st March 2020,
 - b) require Head teachers making an application for Headroom funding to present to the Sub-Group using a standard report template, and
 - c) continue to require:
 - i. all new schools making an application for Headroom to show an improved in-year deficit position/ plan to return to in-year balance within a 3 year period
 - ii. those schools in deficit prior to 31st March 2018 to show an improved in-year deficit position/ plan to return to in-year balance within a period agreed with the Local Authority on an individual school basis.
4. Schools Forum to receive a report in July 2020 from their Sub-Group to confirm:
 - a) a review of the Falling Roll eligibility has taken place;
 - b) where no School is eligible for Falling Roll to refund Academies; and if funds remain
 - c) transfer remaining funds from Headroom (ensuring a carried forward £50,000 balance remains) into Falling Roll;
 - d) where the Schools Procurement SLA operates deduct those costs from Headroom;
 - e) Sub-Group has received applications for Headroom and for those Schools meeting the criteria recommend allocations;
 - f) remaining funds from Headroom for 2019/20 be carried forward to 2020/21 (if the Sub-Group recommended this) and for Sub-Group to note their recommendations for this;
 - g) the request of Sub-Group to Schools Forum for ratification of their decision.

Appendix A

	Headroom	Falling Roll
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