

Falling Rolls Fund - 2014-15

Purpose of the Report

- 1 The Government has introduced regulations to allow local authorities to establish a policy and fund to provide short-term protection to schools where they have falling numbers on roll. There are strict criteria but the implementation of the policy is not compulsory.
- 2 This paper looks at the requirement set out by the Department for Education (DfE) and the options available for Wiltshire. The report below is presented to Schools Forum to make an informed decision regarding the implementation of a fund in 2014/15.

Background

- 3 The Department for Education (DfE) has published "[2014-15 Revenue Funding Arrangements: Operational Information for local Authorities](#)" detailing the introduction of a falling rolls policy. Funding can be retained centrally before the formula is calculated for falling rolls, where a population bulge is expected in the future but where a good and necessary school or academy currently has surplus places and faces an unmanageable funding shortfall in the short-term.
- 4 Any unspent falling rolls funding at the end of the financial year must be added back into the funding formula for the benefit of all schools in the following funding period.
- 5 The requirements of the falling rolls fund are that:
 - The falling rolls fund should be restricted to population increases expected in 2-3 years in necessary schools which are classed by Ofsted as good or outstanding. It must not be used to prop up unpopular or failing schools.
 - Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and academies through the local formula.
 - Local authorities will be required to produce criteria on which any falling rolls funding is to be allocated. This should provide a transparent and consistent basis for the allocation of funding. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid.
 - Local authorities will need to propose the criteria to the Schools Forum and gain its agreement before funding is allocated. The local authority will also need to consult the Schools Forum on the total sum to be top-sliced from each phase and must regularly update the Schools Forum

on the use of the funding. The EFA will check the criteria for compliance with the regulations.

Analysis undertaken

- 6 Some analysis was undertaken, based upon schools within Wiltshire which shows that:
 - from 2011 to 2012, 94 schools had a drop in pupil number;
 - from 2012 to 2013 the drop was 100 schools;
 - from 2011 to 2013 there were 52 schools that had a drop in pupil numbers year on year.
- 7 The most common percentage band drop in pupils across all school phases is 0 - 5%.
- 8 There are 5 schools with more than a 10% drop in pupil numbers year-on-year across the two years. All of these have an Ofsted rating of either inadequate or satisfactory / requires improvement.

Criteria for Wiltshire Schools Policy

- 9 Using the analysis above, dialogue with other local authorities and requirements from the Department for Education, the following criteria are proposed for a falling rolls policy:
 - Must have had a falling number on roll for a minimum of 2 years based on the autumn term census
 - Number on roll must have fallen by more than 5% in both of the previous 2 years.
 - Must have an Ofsted rating of good or outstanding. The Ofsted ratings will be taken from the most recent inspection at the October census date prior to the start of the financial year.
 - The forecast pupil data, for the school planning area, must show the school is expected to have an increase in pupil numbers by the end of the 3 years (2016/17 to 2017/18 based on a 2014/15 base year)
- 10 The data showing schools forecast pupil data is taken from the SCAP return which is a School level capacity return. Local authorities are required to provide data and information on all state-funded primary and secondary schools in their areas. This data was returned to the Education Funding Agency (EFA) in August 2013.
- 11 The Education Funding Agency runs the annual School Capacity Collection (SCAP). The results are published on the Department for Education website. This is for all state maintained schools, including academies and detailed by school planning area.

- 12 Local authorities are required to provide pupil forecasts which are collected for each year group in schools. Authorities are asked to provide admissions numbers that apply to each year group and to provide the EFA with data disaggregated by planning areas, which have been agreed with them in advance, to help highlight to EFA any future place pressures within the local authority areas and districts.

Methodology

- 13 The proposed methodology is to set a threshold of 5% of pupil numbers, which would not be unreasonable for a school to fall within a year period. Any schools above the 5% for two consecutive years will be funded for the percentage above this. For example, a secondary school that has dropped by 50 pupils on roll, which is a 10% reduction, will receive funding for 25 pupils, which is the amount over and above the 5%.
- 14 Primary and Secondary Schools will be funded on the prevailing AWPU rates for Primary and Secondary schools within the funding formula, using the KS3 AWPU for secondary schools. Using the example above, the secondary school will receive their AWPU rate of £3,739.55 x 25 pupils = £93,488.75.

Costing

- 15 The criteria above have been modelled for all Wiltshire schools and there are fourteen schools that fulfil the criteria apart from their Ofsted rating. Seven of these schools are secondary and seven are primary. After taking account of the Ofsted rating, there are only five schools that fulfil the criteria, four secondary and one primary.
- 16 The total cost of funding these five eligible schools would be approximately £520,000, split as £500,000 to secondary schools and £20,000 to primary schools.
- 17 Further options were explored and not proposed due to affordability or appropriateness and included:
- Removing the 5% threshold
 - Increasing the threshold to 10%
 - Removing the requirement for schools to have fallen in two consecutive years
- 18 Options for funding the Falling Rolls fund include utilising funding that has been released from the Growth Fund and/or funding from the DSG reserve. It should be noted that funding allocated from the DSG Reserve would be one off funding rather than base budget.
- 19 To reduce the cost of the fund consideration could be given to additional criteria:

- apply a CAP of 5% of budget share or £100,000 per school, whichever is the lower
- scaling of the AWPU value to be representative of the fact that the additional monies are not actually funding a person, e.g. 75% of AWPU to be used

20 Subject to any change in data, the cost of applying the above policy and criteria in 2014/15 will be £520,000. This will need to be met from Dedicated Schools Grant (DSG).

Further Points to note

- 21 Falling rolls policy is an additional allocation outside of budget shares and has no impact on Minimum Funding Guarantee (MFG) or capping.
- 22 Schools will be informed in December if they qualify for the Falling Rolls funding to assist in Budget Planning for the following year.

Recommendation

- 23 It is recommended that Schools Forum agrees the falling rolls policy detailed in appendix 1, effective from 2014/15.

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Appendix 1 – Falling Rolls Policy

Schools must meet all of the following criteria to be eligible for falling rolls funding:

- Must have had a falling number on roll for a minimum of 2 years based on the autumn term census
- Number on roll must have fallen by more than 5% in both years.
- Must have an Ofsted rating of good or outstanding. The Ofsted ratings will be taken from the most recent inspection.
- The forecast pupil data must show the school planning area is expected to have an increase in pupil numbers by the end of the 3 years (e.g. years 2 to 3)

The data showing schools forecast pupil data is taken from the SCAP return which is a School level capacity return. Local authorities are required to provide data and information on all state-funded primary and secondary schools in their areas. This data is returned to the Education Funding Agency (EFA) in August each year.

Methodology

Any school that has fallen in roll by more than 5% from the previous year will be funded for the percentage above this. For example, a school with 500 pupils in the previous year, which has dropped by 50 pupils (a 10% reduction), will receive funding for 25 pupils, which is the amount over and above the 5%.

Using the example above the school will receive the AWPU of, say, £3,739.55 x 25 pupils = £93,488.75.

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