

FALLING ROLLS FUND WORKING GROUP

Purpose of the Report

1. To inform the Forum of the work carried out by the Falling Rolls working group in Summer 2020 and the recommendation that has arisen from it.

Information and Advice

2. At the February 2020 Schools Forum meeting, members requested a working group be convened to explore the possibility of creating a falling rolls fund in order to help protect schools experiencing a temporary reduction in pupil numbers.
3. The working group met twice in July and October 2020. At the July meeting a general discussion was held between members on the principles and criteria for allocating a fund.
4. Following the July meeting, modelling of suggested possible criteria was carried out by Pupil Place Planning in the Summer of 2020 and was shared with the working group at the second meeting in October 2020.

ESFA Guidance

5. The ESFA's Growth and falling rolls fund guidance 2020 to 2021 states that Local authorities may set aside **schools block** funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

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, in order to avoid detriment to the educational offer or financial position of schools in the area. Falling rolls funding should only be used to support schools where the places are forecast to be needed over the short-medium term.

Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

Pupil Place Planning Projections

6. The modelling carried out by Pupil Place Planning used the pupil number projections that are collated annually by Pupil Place Planning for submission to the DfE. In reality, October census data would be used to identify falling rolls although to be deemed eligible, future pupil number projections must have supported surplus places being required within the next three financial years.
7. Pupil number projections take account of:
 - Population: data from the Office of National Statistics, incorporating migration patterns and number of births.
 - School Level Data: this takes account of historic NOR and historic admission patterns of schools.
 - Housing: NCC Planning provides NCC Place Planning with information regarding housing developments that (a) have been granted planning permission and/or (b) are described in Districts' published Local Plans. The housing element of projections is informed by each local District Council's 5-year housing supply trajectories. Each of the 7 Local Planning Authorities (Districts) update this information on a rolling basis.
 - Sufficiency: an estimation is made on the number of places required to accommodate in year pupil movement.

Modelling

8. Pupil Place Planning modelled three scenarios of eligibility for funding. A summary of the criteria for each, the number of schools that would be eligible and the total annual cost of payments is shown at **Appendix A**.
9. The modelling showed that although many primary schools are projected to experience falling rolls over the next three years, the reductions will, in most cases, be more long term and the surplus places created would not be needed in the next three years.
10. The fall in rolls that is projected for many primary schools is reflective of the fall in birth rate following the bulge seen in the late 2000s and early 2010s. This bulge can now be seen working through secondary schools.
11. Due to the small number of schools that would benefit from the creation of a falling rolls fund, the working group agreed with Pupil Place Planning's recommendation that falling rolls fund should not be created for 2021/22. However, members requested that modelling be carried out again in two years and shared with the Forum in order for the decision to be reviewed.

RECOMMENDATIONS

That the Schools Forum:

1. Notes the content of the report and agrees that a falling rolls fund should not be created for 2021/22.
2. Receives an update on the need for a falling rolls fund in Autumn 2022.

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Appendix A

Modelling of criteria

All models assume that all Nottinghamshire Schools are rated as 'Good' or 'Outstanding' by Ofsted.

Model one

Rationale

This is Pupil Place Planning's suggested approach as it most closely mirrors the Pupil Growth Fund. For a school to be eligible their NOR must reduce by 15 or 5% from the previous year and be projected to increase by at least 50% of the reduction in the following year.

Example of NOR for an eligible primary school:

| Year One | Year Two | Year Three |
|----------|----------|------------|
| 210 | 195 | 203 |

Predicted eligibility and cost

Primary

| | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|
| Number of schools eligible | 0 | 0 | 0 |
| Estimated cost to Growth element of DSG | £ - | £ - | £ - |

Secondary

| | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|
| Number of schools eligible | 0 | 0 | 0 |
| Estimated cost to Growth element of DSG | £ - | £ - | £ - |

Model two

Rationale

For a school to be eligible the total NOR has dropped by at least 5% between the previous two October censuses and the capacity of the school must be at least 15% of their PAN capacity.

Predicted eligibility and cost

Primary

| | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|
| Number of schools eligible | 0 | 0 | 0 |
| Estimated cost to Growth element of DSG | £ - | £ - | £ - |

Secondary

| | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|
| Number of schools eligible | 0 | 0 | 0 |
| Estimated cost to Growth element of DSG | £ - | £ - | £ - |

Model three

Schools will be funded for school places equivalent to the difference between the number on roll in the October census and 80% of the admission number for the relevant year of entry. Each place will be valued at the basic per pupil entitlement relevant to the year groups set out in the criteria.

Pupil place planning projections must indicate that the admission numbers are expected to increase to 80% of PAN within 2 years

Predicted eligibility and cost

Primary

| | 2021/22 | 2022/23 | 2023/24 |
|---|-------------|-------------|---------|
| Number of schools eligible | 14 | 7* | ** |
| Estimated cost to growth element of DSG | £ 81,935.85 | £ 22,919.12 | £ - |

*only one year of data available to check subsequent increase.

** no data available to check increase.

Secondary

| | 2021/22 | 2022/23 | 2023/24 |
|---|-------------|-------------|---------|
| Number of schools eligible | 1 | 1 | 0 |
| Estimated cost to growth element of DSG | £ 24,174.54 | £ 52,378.17 | £ - |

Pupil Place Planning Recommendation to Working Group

As the modelling carried out by Pupil Place Planning suggests that a very small number of schools will benefit from the creation of a falling rolls fund, Pupil Place planning feel that a falling rolls fund should not be created for 2021/22.