



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	14 th March 2024
Title of report:	Review of Falling Rolls Contingency Fund
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report provides an update on the DfE recent changes to the funding regulations for Falling Rolls Funds for the 2024-25 financial year. The proposed changes to the North Yorkshire Falling Rolls Funds in response to the regulation changes are detailed in the report.
Budget / Risk implications:	Financial implications for schools experiencing a temporary reduction in pupil numbers. Affordability within the current funding limits of the Contingency Fund. Future funding requirements on the Funds will impact on the level of funding needed to be retained from school budgets to meet the funding requirement.
Recommendations:	The School's Forum is asked to note the DfE changes to the statutory guidance on Falling Rolls Funds for the 2024-25 financial year and to provide approval for the proposed changes to the eligibility criteria for the Falling Rolls Fund from 1 April 2024 in order to comply with the DfE requirements for the 2024/25 financial year.
Voting requirements:	All Schools Forum Voting Members
Appendices:	None
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Presenting officer: If not the originator	Sally Dunn – Head of Finance



1.0 PURPOSE OF THE REPORT

- 1.1 The report provides an update on the DfE recent changes to the funding regulations for Falling Rolls Funds for the 2024/25 financial year. The proposed changes to the North Yorkshire Falling Rolls Fund in response to the regulation changes are detailed in the report.

2.0 BACKGROUND

- 2.1 The Falling Rolls Contingency Fund was first introduced in the 2014-15 financial year, where the criteria and methodology were endorsed by the Schools Forum. A review of the eligibility criteria for funding was last undertaken in 2020.
- 2.2 The DfE has introduced some new mandatory requirements which the local authority will need to implement in respect of the local eligibility criteria for Falling Roll Funds. The DfE has confirmed that Falling Roll Funds will continue to be managed locally under the "direct" National Funding Formula framework and that changes to these mechanisms, to improve their value and the consistency of approach between local authorities, will be made gradually. The new DfE requirements for 2024-25 are summarised as follows:
- Local Authorities with a falling rolls fund must follow the new requirements for falling rolls funding. Local Authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years.
 - The mandatory restriction, that schools were previously only eligible for falling rolls funding if they were judged 'good' or 'outstanding' by Ofsted, will be removed from 2024/2025
- 2.3 Nationally in the current financial year 20 of 153 local authorities operated a Falling Rolls Fund.
- 2.4 At the School Forum meeting on Thursday 23rd November 2023, the Local Authority recommended that the Schools Forum approved that the Falling Rolls Fund was discontinued for the 2024-25 financial year. The Local Authority had considered both the relatively low levels of funding that have been awarded from the Falling Rolls Fund over recent years and the scenario that no schools in North Yorkshire are likely to be eligible for Falling Rolls Funding in the future due to the SCAP requirement, without a disapplication request. However, the Schools Forum decision was to continue to operate a Falling Rolls Fund for the 2024/25 financial year

3.0 FALLING ROLLS FUND

3.1 Current Falling Roll Fund eligibility criteria and operating methodology

The current eligibility criteria and operating methodology for the North Yorkshire Council's (NYC) Falling Rolls Fund is as follows:



- Schools must be Ofsted rated 'good' or 'outstanding' to be eligible for falling rolls funding (this was previously a mandatory DfE requirement)
- The current year pupil roll is compared to the previous year census
- The eligibility threshold is a decrease of the greater of 5% or 5 pupils for Primary Schools and 5% for Secondary Schools between the current year census and the previous year census
- The re-growth criteria requires pupil numbers to be forecast (as per NYCC Strategic Services pupil forecast data) to return to the level of the previous census within 3 years of the current year.
- At least 60% of the pupils attending the school are from the catchment area of the school.
- Schools with excessive balances would not be eligible for funding from the Falling Rolls Fund. An excessive balance is deemed to be a revenue balance of 15% or more of delegated budget funding.
- Funding allocations from the Falling Rolls Fund are based on the Primary AWPU funding level for Primary Schools and the average of the key stage 3 and 4 AWPU funding levels for Secondary Schools. Funding is applied to the number of pupils above the relevant threshold. Schools are limited to 2 consecutive years for the receipt of funding. The overall funding allocation which any school could receive from the Fund over 2 consecutive years is capped at £100k in order to ensure overall affordability
- Exceptional requests from any school who does not meet the eligibility criteria for the Fund but feels that they have a strong case for the receipt of a funding allocation from the Falling Rolls Fund will be considered. This consideration will take the form of the submission of an application for funding which would be presented to a Panel of LA officers and Schools Forum representatives.

3.2 Proposed changes to the Falling Rolls Fund eligibility criteria and operating methodology for financial year 2024/25 onwards

- a. The DfE requires that local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) data shows that school places will be required in the subsequent 3 to 5 years. The North Yorkshire local authority Falling Roll Funding allocation currently does not meet this requirement. It is proposed to update the North Yorkshire local authority Falling Rolls Funding allocation for the 2024/25 financial year to comply with this requirement.
- b. The DfE have removed the mandatory restriction, that schools were only eligible for falling rolls funding if they were judged 'good' or 'outstanding' by Ofsted. It is proposed to remove this eligibility criteria item from the North Yorkshire Falling Rolls Fund.
- c. The DfE have advised that the North Yorkshire eligibility criteria in respect of schools with excessive balances (15% or more of delegated budget funding) not being eligible for funding from the Pupil Growth Fund is not compliant with the DfE new local funding formula requirements for 2024/25. This criterion was

removed from the Pupil Growth eligibility criteria, and it will also be removed from the Falling Rolls Fund eligibility criteria.

3.3 The proposed eligibility criteria and operating methodology for the North Yorkshire Council's (NYC) Falling Rolls Fund is as follows:

- The current year pupil roll is compared to the previous year census
- The eligibility threshold is a decrease of the greater of 5% or 5 pupils for Primary Schools and 5% for Secondary Schools between the current year census and the previous year census
- SCAP data shows that the school places will be required in the subsequent three to five years (this is a mandatory requirement)
- At least 60% of the pupils attending the school are from the catchment area of the school.
- Funding allocations from the Falling Rolls Fund are based on the Primary AWPU funding level for Primary Schools and the average of the key stage 3 and 4 AWPU funding levels for Secondary Schools. Funding is applied to the number of pupils above the relevant threshold. Schools are limited to 2 consecutive years for the receipt of funding. The overall funding allocation which any school could receive from the Fund over 2 consecutive years is capped at £100k in order to ensure overall affordability
- Exceptional requests from any school who does not meet all of the eligibility criteria for the Fund but feels that they have a strong case for the receipt of a funding allocation from the Falling Rolls Fund will be considered. However, in order to be considered for an exceptional funding request, the eligibility requirement in respect of the SCAP data required school places must be met as this a DfE mandatory requirement for the allocation of a funding award from Falling Rolls Funds. The consideration of exceptional requests will take the form of the submission of an application for funding which would be presented to a Panel of LA officers and Schools Forum representatives.

3.4 Analysis has been undertaken in respect of the impact of the new DfE eligibility criteria for the Falling Rolls Fund. In reviewing the use of the SCAP data to determine eligibility for Falling Rolls Funding it was found that it would be unlikely that any school or academy within North Yorkshire would meet the eligibility requirement. This is due to the relatively large geographical area covered and the number of schools contained in the Local Authority Pupil Planning Areas in North Yorkshire; the SCAP data is based on the Pupil Planning Areas. The DfE have indicated that a disapplication request could be submitted for consideration by the Secretary of State in instances where a school is considered to be eligible for Falling Rolls Funding, but the SCAP eligibility criteria is not met. Any consideration of a disapplication request would need to have regard to the strength of the business case in respect of the temporary reduction in pupil numbers and the potential funding award level, given the significant time requirement involved with the preparation of the request.

4.0 **RECOMMENDATIONS**

4.1 The Schools Forum is asked to note the DfE changes to the statutory guidance on Falling Rolls Funds for the 2024/25 financial year and to provide approval for the

proposed changes to the local eligibility criteria for the Falling Rolls Fund from 1 April 2024 in order to comply with the DfE requirements for the 2024/25 financial year.

STUART CARLTON

Corporate Director – Children and Young People's Service