

## SCHOOLS' FUNDING FORUM

<b>SUBJECT:</b>	Vulnerable Schools – Falling Rolls and Sparsity Funding
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### **SUMMARY OF REPORT:**

Proposed formula changes targeting funding to vulnerable secondary schools and academies

<b>FOR:</b>	To seek the views of SFF members
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### **Background**

1.1 A detailed KCC analysis for use in discussions with DfE, RSC and ESFA was produced in 2015 and identified a number of secondary schools that were vulnerable in terms of standards and funding.

1.2 This work was undertaken in the wake of the closure of the former Chaucer Technology School which was brought forward by a drop in standards and the rapid impact of a falling roll on the budget, following the 2013 DfE funding changes. These saw 92% of a school budget being based upon pupil numbers and quickly made the school financially unviable.

1.3 The resulting closure has proved very expensive as it removed from the system capacity that was clearly needed in the medium to longer term. Consequently, the LA has had to bear the costs of closure (in excess of £4m), the costs of securing the site for several years (£250k per annum), and the costs of additional Home to School Transport (£200k per annum). Additionally, public funds are now being called upon through the ESFA led rebuild of the school on the former Chaucer School site, with costs in excess of £20m.

1.4 In meetings with the DfE, RSC and ESFA we put forward solutions in a bid to avoid this scenario and the resulting costs but neither recognition of the issues at hand nor support to address them was forthcoming.

1.5 We have subsequently seen other schools that we identified face the same situation, namely. Hextable, Pent Valley, Marlowe and Castle Community which have all closed at considerable cost to either the ESFA or KCC. Every one of these schools has been or will be replaced in line with the Kent Commissioning Plan, in order to provide the capacity needed for the growing secondary age population. In some cases they have been replaced with brand new schools which, excluding land purchase, have cost between £20-£25m each.

## Current Position

2.1 With the continuing impact of “flat cash” on school budgets, the rising secondary age population and the well documented pressures on the capital programme it is even more important to ensure that existing schools can be sustained financially.

2.2 The LA, and in particular its schools’ capital programme, simply cannot meet the costs of providing the extra provision required as well as replacing existing provision should any more schools end up in a situation similar to that experienced by Chaucer, Hextable, Pent Valley etc.

2.3 Although the DfE continues to focus on the National Funding Formula (NFF) recent discussions between the ESFA, the RSC and academy trusts (but limited to secondary phase provision) have prompted them to revisit the issues we raised back in 2015 and they have now specifically asked KCC to review what might be possible within the current formula constraints.

2.4 The only options we have been able to identify are ones which the forum has previously considered but not yet implemented. The two options identified which would deliver any degree of desired impact are

- 1) Implementing a new falling rolls factor with the proviso that we would seek disapplication to set aside the current requirement that it can only be applied to ‘Good’ or ‘Outstanding’ schools
- 2) Increase the funding for sparsity, outside the national requirements but with the approval of the SFF.

2.5 The notional impact is shown at appendix 1, through illustrative modelling. These are only applicable at secondary but the SFF is asked to consider whether it would like to be presented with equivalent information pertaining to primary schools which may qualify against the same areas of vulnerability.

## Recommendation

3.1 We would welcome the views of the SFF on:

- 1) Whether KCC should pursue these options and
- 2) Whether this should be for primary as well as secondary