

SCHOOLS' FUNDING FORUM

SUBJECT:	Vulnerable Schools – Falling Rolls and Sparsity Funding
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DATE:	30 November 2018
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SUMMARY OF REPORT:

The purpose of this paper is to seek SFF ratification of the SFF working group's recommendations on whether:

- 1) A Falling Roll Fund (FRF) should be introduced to Kent's Local Funding Formula (LFF) for primary schools and secondary schools
- 2) The amount of funding passed through the Sparsity Factor should be increased

FOR:	Decision
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Introduction

1.1 At the SFF meeting on the 28 September a paper was presented to the SFF to seek its views on providing additional funding for vulnerable schools, to access this paper click on this link [Item 5 Vulnerable Schools](#).

1.2 The outcome of the presentation of the paper was a recommendation made by members of the SFF to set up a working group made up of SFF members to review in more detail whether the Local Authority (LA) should make changes to the existing Sparsity Factor, have an FRF and widen the scope of support to include vulnerable primary schools.

1.3 The working group, made up of the personnel below, met on the 5 November to carry out the tasks detailed in 1.2.

Name	Position	Group representing of the SFF
John Dennis	Chair of Governors (COG) -The Harvey Grammar School	Academies
Daren Waters	Head of schools - Kingswood Primary and	Local Authority (LA) Primary Schools

	Ulcombe C of E Schools	
David Stanley	Littlebourne CEP School	LA Governors
Mark Seymour	Finance Director - Tenterden Schools Trust	Academies
David Anderson	Headteacher - Queen Elizabeth's Grammar School	Academies

Process

2.1 Prior to meeting the on 5 November, a paper on vulnerable schools was circulated to members of the working group. To access the paper and appendices click on this link – [working group paper 5 November vulnerable schools](#).

2.2 The flow of the paper and thus the format of the meeting was structured so that at relevant points highlighted in the paper, members of the working group were requested to make a recommendation.

2.3 Appendix 1 is the paper presented to the working group, the texts in red are the recommendations the working group were asked to consider and the texts in blue are the working group's recommendations.

3. Summary of working group recommendations

Sparsity Factor

3.1 The working group recommended that the current threshold based on the NFF should be retained for both primary and secondary schools. The recommendation was based on the overriding principle followed in the schools funding consultation for 2018-19, that where possible, the direction of travel would be to replicate the NFF, whilst taking into consideration local circumstances. By moving to a threshold of £100,000 and introducing a small school secondary factor, Kent's LFF would be moving away from the NFF.

Falling Roll Fund (FRF)

3.2 It is important to note that the FRF title defined by the ESFA is misleading. A better title description of the fund is a sustainability fund for schools with falling rolls. There are, on many occasions, instances where schools have falling rolls but are still sustainable, the key principle of this fund is to provide funding to a school to maintain their sustainability as far as possible/practicable / viable.

3.3 Appendix 1 section 3 provides a detailed record (blue text) of the working group's recommendation in respect of the introduction of an FRF. The key point to introducing the FRF is the feasibility of determining the level of funding needed to retain a school's sustainability in order to deliver the basic curriculum. Paragraph 3.22 and 3.23 detail the working group's recommendation in respect of primary schools and secondary schools.

3.4 Working Group recommendation - 3.22 Primary schools - If an FRF was introduced for primary schools, should a criterion be included that is based on supporting an appropriate curriculum for the existing cohort - yes or no?

The working group felt this was the key criterion if an FRF was going to be introduced: a threshold (number of pupils) at which the curriculum is not viable would need to be established and once this was identified, the level of funding needed to support the curriculum and make the finances in the school sustainable would need to be agreed.

There are 455 primary schools in Kent which range in size from 51 pupils to 730 pupils. Primary schools have a range of flexible curriculum models that can be tailored to the size of the school and delivered within the funding allocated through the LFF.

The working group felt the point at which a primary school would become unsustainable was not clearly identifiable, if at all, and they felt there was enough flexibility to tailor the curriculum based on the funding generated by the number of pupils in the school.

The working group's recommendation is therefore, not to introduce this factor for the above reason.

3.5 Working group recommendation - 3.23 Secondary schools - If an FRF was introduced for secondary schools, should a criterion be included that is based on supporting an appropriate curriculum for the existing cohort - yes or no?

The working group felt this was the key criterion if an FRF was going to be introduced: a threshold (number of pupils) at which the curriculum is not viable would need to be established and once this was identified, the level of funding needed to support the curriculum and make the finances in the school sustainable would need to be agreed.

A frequently quoted minimum number of pupils needed to generate enough funding to deliver a secondary school curriculum is 600 pupils. Although empirical evidence was not provided to support this (some secondary schools run a curriculum with significantly less pupils) the discussion took place around this number.

It was acknowledged that a formulaic approach had to be adopted, however as part of the process to determine a formula the following information would need to be defined or provided:

- a) Each individual school would need to present evidence that demonstrated they did not have enough funding to deliver the basic curriculum
- b) Which elements of the LFF should be included when assessing an appropriate funding contribution to deliver a basic curriculum i.e. additional need funding
- c) The definition of a basic curriculum- this is likely to vary from school to school
- d) Local decision making- are the right number of staff employed at the right cost?

The working group felt that to apply consistent criteria to a, b, c and d would be very difficult and in addition to this it was also felt that:

- An NFF should be sensitive enough to address the individual circumstances of the school and the FRF was a way of addressing a system that did not work
- The frailties' around the current school place planning system was in some cases the cause of schools becoming financially unviable. These frailties in the current system nationally should be addressed and FRF was a diversion to the real cause of the problem
- Was an FRF affordable?

The working group concluded that it was not possible to set an objective, consistent criteria that was fair to all schools to determine the level of funding to be allocated to sustain a basic curriculum. It was also felt that the FRF was potentially unaffordable and masked the deficiencies in the NFF and school planning regulations. On this basis the working group's recommendation is not to introduce this factor.

4. Recommendation

Members of the SFF are requested to ratify the working group recommendations:

- 1) Not to increase sparsity factors in the Kent's LFF as per paragraph 3.1
- 2) Not to introduce an FRF for primary schools and secondary schools as per paragraphs 3.4 and 3.5