



# Briefing note

**To:** Schools Forum                      **Author:** Elaine Appleby, ENGIE  
**Date:** 8 March 2017

## Title of Briefing: Falling rolls and headroom funding 2016/17

### Purpose:

1. To advise Schools Forum of the process applied by the Deficit Sub-group to reach the indicative allocation of the falling rolls and headroom funding
2. To agree to the proposed allocations subject to minor amendments as set out in the report

### 1. Background

At the Schools Forum meeting on 11 January 2017 the process for the allocation of the falling rolls and headroom funding was agreed. At this meeting an invitation was made to all Schools Forum members who may wish to join this sub group. The subgroup met on 27 February 2017. The decisions of the subgroup meeting will be presented at this meeting.

As set out in the previous meeting ([click here for report](#)) there are two funding sources to be allocated through this process; falling rolls (£0.300m) and headroom funding (£0.197m). As in previous years, Forum has delegated the allocation process to a sub-group – the following members were able to attend the session:

- Dave Erskine
- Jim Stephenson
- Gavin Storey
- Peter Thorp
- Andrew James
- John Newport

The group met to consider both the falling rolls and headroom funding at the same time to ensure a holistic approach was applied. Only one school was eligible to apply for both funding sources, it was decided to allocate the falling rolls first and update the schools' forecast financial position before applying the headroom funding.

## 2. Falling rolls

Five schools met the eligibility criteria set out in previous reports and subsequently submitted an application setting out their request for funding.

The group considered each application individually and collectively. One of the subgroup and one Local Authority officer declared an interest in two of the schools and left the meeting when discussions were held for those particular schools.

This year, schools were eligible if they experienced a reduction of 5% or more in total roll.

The group also considered the amount to be allocated this year. The budget for 2016/17 was £0.250m plus £0.050m brought forward from 2015/16. Out of the £0.300m available to allocate the group decided to allocate £0.200m, with the remainder to be carried forward into 2017/18.

In reaching the proposed allocations below, the group looked at the historic trends of school roll, the level of pupil reduction (relative to the 5% threshold), the current budget position of the school and the planned use of the funding. The following draft allocations are proposed for consideration by Schools Forum:

<b>School</b>	<b>Amount (£)</b>
Balliol	£20,000
Redesdale	£20,000
Riverside	£0
Wellfield	£35,000
Monkseaton High	£125,000
<b>Total</b>	<b>£200,000</b>

The group was mindful to advise schools that future bids should focus on schools experiencing financial difficulties.

## 3. Headroom funding

Headroom funding is available to those schools with approved deficit budgets for the year subject to the forecast outturn balance being within the approved level. At this stage, it should be noted that the allocated funding is only indicative as the final award will be based on the year end outturn, which cannot be confirmed until late April/early May.

Seven schools are eligible for funding this year. Marden at this point in time is forecasting to be in excess of their deficit approval and therefore would not be eligible to access Headroom funding.

As noted in the earlier section, the award for falling rolls to Monkseaton High is taken into account and thus reduces the forecast deficit used to calculate the headroom funding.

The available budget, taking account of the brought forward from 2015/16, was £0.225m. After deducting for the provision of the procurement officer who works across all maintained schools, the balance to allocate is £197K. The group decided to allocate all of this funding. There would be no carry forward.

The group considered different approaches to allocating the funding. For Fordley and Ivy Road it was decided to allocate a round sum allowance of £10,000. For the remainder of the schools, the funding has been allocated on a pro rata basis, using the current forecast deficit. This funding provisionally writes off 4.4% of the forecast year end deficit for Longbenton, Monkseaton, Norham, Seaton Burn and Whitley Bay.

#### **4. Recommendations**

It is recommended that Schools Forum note the proposed allocation of falling rolls and headroom funding and either agree to the proposed amounts or suggest an alternative amount.

At their next scheduled meeting Schools Forum Sub group to discuss the criteria and the requirements for schools when submitted their falling rolls application for 2017/18.