

Extract from ESFA Operational Guide 2018-19

Falling rolls fund

1. 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.

1.1. The schools forum should agree both the value of the fund, and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding.

1.2. As with the growth fund, the falling rolls fund is also within the NFF schools block.

2. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

2.1. 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

2.2. Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of 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)

3. We've included examples of how local authorities have allocated their falling rolls fund in the [schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) publication.

4. Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

5. Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum.

5.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.