



## Wirral Schools Forum

<b>Date:</b>	<b>Wednesday, 7 November 2018</b>
<b>Time:</b>	<b>6.00 p.m.</b>
<b>Venue:</b>	<b>Council Chamber - Wallasey Town Hall</b>

**Contact Officer:** Sue Ashley  
**Tel:** 0151 666 4579  
**e-mail:** SueAshley@wirral.gov.uk  
**Website:** <http://www.wirral.gov.uk>

---

## AGENDA

- 1. MINUTES OF THE MEETING HELD ON 26TH SEPTEMBER 2018**  
(Pages 1 - 4)
- 2. MATTERS ARISING (Pages 5 - 8)**  
  
Free School Meals Eligibility deferred decision
- 3. HIGH NEEDS UPDATE**  
  
Verbal Update
- 4. OUTCOME OF SCHOOLS FUNDING FORMULA CONSULTATION**  
(Pages 9 - 16)
- 5. UPDATE ON PFI BUDGETS (Pages 17 - 20)**
- 6. WORKPLAN (Pages 21 - 22)**
- 7. ANY OTHER BUSINESS**

This page is intentionally left blank

## WIRRAL SCHOOLS' FORUM

26<sup>th</sup> September 2018

### MINUTES

**Present:** Adrian Whitely (Chair)

Schools Group

L Ayling	H Johnson
M Bellamy	T Kelly
R Bridges	N Lightwing
J Bush	R Mahoney
L Davidson	M Morris
M Forber	D Spencer
L Ireland	T Taylor

Non-Schools Group

S Bennett	I Harris
S Davies	N Prance
A Donelan	

In Attendance:

S Allen	A Davies
S Ashley	S Harper
S Blevins	C McNally

**Apologies:**

E Atkinson	E Neal
M Bulmer	A Rycroft
B Cassidy	S Talbot
B Chadwick	A Waller

**1. Election of Chair and Vice Chair**

Adrian Whitely was elected as Chair and Amanda Donelan was elected as Vice Chair for 2018-19 academic year.

**2. Minutes from the Meeting held on 4<sup>th</sup> July 2018**

The minutes from the meeting were accepted as a true record.

**3. Matters Arising**

**3.1 Early Years**

As the July meeting was not quorate the recommendations of the Early Years Working group were not voted on. Shaun Allen reminded the Forum of the 2 recommendations.

The first was a request that the £140k increase in the Central Early Years budget, which was for temporary for 2 years from 2017-18, be retained as permanent budget to remodel the central staffing functions to effectively fulfil all the business functionalities within the statutory requirements. It was agreed at July's Forum to carry out a proxy vote for all members by e-mail before the end of the summer term. The second was to maximise the use of the IPF & DAF carry forwards to further support SEND children.

Resolved

1. Forum agreed (via proxy email vote) to use the £140k to remodel the central staffing functions.
2. Forum agreed to maximise both the Inclusive Practice Fund and Disability Access Fund carry forwards to support SEND children.

### **3.2 Revised Pay Scales for Support Staff (Verbal Report)**

Sue Blevins informed the Forum of the draft revised pay spines for support staff from April 2019. As part of the 2 year pay deal in April 2017 it was agreed that there would be an assimilation of the lower grades due to the reduced differentials over the last few years. There is an estimated cost of £1.8m for maintained schools and £0.5m for academy schools (only includes academies where payroll is with Wirral). The new payscales are still subject to discussion with the Unions. Sue invited Forum Members to a meeting on 4<sup>th</sup> October for their views.

Resolved

Forum noted the verbal report, and requested a further update at the November meeting.

## **4. Library Service Update**

Catherine McNally updated the Forum on the Library Service. Most of their funding is through de-delegation from Primary Schools. They are continuing to offer a premium service to primary schools and promote services to academies, where there has been some uptake since April.

Resolved

Forum noted the report

## **5. Budget Monitoring & Final DSG**

Shaun Allen updated the Forum on the Schools Budget for 2018-19. At this time the schools budget is expected to have an overspend of £0.5m. This relates to top-ups and place funding from the additional special school places from September 2018 as well as increased EHCPs and IPFAs in primary and secondary schools. Overspends are partially offset by projected underspends on Independent Schools and SESS. The DSG for 2017-18 was finalised in July which included an additional £48k due to revised supplementary funding for nursery schools.

Resolved

Forum noted the report

## **6. High Needs Update – Emslie Morgan Places**

Adrian Whiteley updated Forum on the current position of Emslie Morgan Academy (EMA). Places had previously been increased to 100 and this report requests that they are reduced back to 80 places from September 2019. The pupil numbers in September 2018 were 44, but will rise during the academic year. Due to a poor Ofsted report some Key Stage 3 pupils have been placed at Progress Schools Birkenhead since 2017 as EMA were not meeting the needs of the pupils. Progress Schools has had success in re-integrating the majority of these pupils back into mainstream schools. A pilot project “Progress Pathways” starts in September 2018 working with a maximum of 20 Key Stage 4 pupils.

### Resolved

1. Forum agreed to reduce the funded places at EMA by 20 to 80 from September 2019.
2. Forum agreed the allocated high needs funding be used to offset the cost of Progress Pathways.
3. Forum noted that a review of Progress Pathways will take place in 2019.

## **7. School Revenue Funding 2019-20 Operational Guidance, 2019-20 National Funding Formula (NFF) and Local Formula Consultation**

Shaun Allen updated the Forum on changes to the NFF, key items in the operational guidance and the Formula Consultation sent to schools in September, with a closing date of 17<sup>th</sup> October. All Schools are encouraged to respond to the Survey electronically. The transition to the NFF has been extended for a further year, with LAs now setting a local formula in 2020-21.

Following the end of the consultation period a funding formula for 2019-20 will be recommended to Schools’ Forum in November, with a ‘yes’ or ‘no’ vote. If Forum do not agree the recommendation, a further vote will take place on the preferred formula.

### Resolved

Forum noted the report, and requested sight of the report to November’s Forum, with the recommendation of the 2019-20 funding formula, as early as possible to give members sufficient time to discuss with the groups they represent.

## **8. Free School Meals Eligibility Update**

Shaun Allen informed Forum of the developments within the Free School Meals Eligibility process currently managed by the Benefits Team. The introduction of Universal Credit and the end of the opt-out process due to GDPR has reduced their effectiveness, and increased the risk of eligible children not being identified. The de-delegation amount is not sufficient to cover Benefits team’s work and increased checks for the Benefits team resulting from a handful of schools independently purchasing Capita’s on-line checker system (OSFM).

Capita’s OFSM is an alternative system that would be maintained by schools. Wirral could purchase it on behalf of maintained schools, at a discounted rate, through increased de-delegation. Running 2 systems simultaneously is not a viable option, so the report seeks forums views and recommends purchasing the online system with increased de-delegation.

The schools that have already purchased the system independently have identified further FSM pupils which has more than covered the cost of the licence. If the LA purchase Capita OFSM Academies will be able to buy it at the discounted rate, but there would no longer be access to the Benefits Team.

Resolved

- The views of the Forum and the report were noted
- Forum Agreed to defer the decision to approve the purchase of the Capita's Online System until the November meeting to allow members to discuss this with their colleagues.

## **9. Update on School Budget Position**

Sue Ashley informed the Forum on the indicative school balances for March 2019 and 2020, which continue to reduce. The number of schools with expected deficit balances in future years continue to rise. Work is ongoing in schools to review projections and ensure plans are financially sustainable. The projections used do not take account of the effect of the National Funding Formula in future years or the increases in support staff pay awards or employers contributions for Teachers Pensions from 2019.

Resolved

Forum noted the report

## **10. Contingency, Special Staff Costs and Insurance**

Shaun Allen outlined the purpose and use of Contingency, Special Staff costs and Insurance budgets. These budgets are currently de-delegated.

Resolved

Forum noted the report

## **11. Forum Membership update**

Sue Ashley updated Forum on the current membership and vacancies. Since the paper was prepared the Primary Governor and Special Schools Headteacher vacancies have been filled and a Special Schools Governor position has become vacant.

Resolved

Forum noted the report

## **12. Workplan**

The workplan was provided for information.

The dates of the meetings for the 2018-19 academic year are:-

Wednesday 7<sup>th</sup> November 2018 (outcome of consultation)

Wednesday 16<sup>th</sup> January 2019

Wednesday 15<sup>th</sup> May 2019

Wednesday 26<sup>th</sup> June 2019

## **13. Any Other Business**

There was no other business

## WIRRAL COUNCIL

### SCHOOLS FORUM – 7<sup>th</sup> NOVEMBER 2018

#### REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

#### FREE SCHOOL MEALS ELIGIBILITY

---

#### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to summarise the current position with regards to Free School Meals eligibility, and to outline the options for 2019-20 onwards, and to seek the views of Schools' Forum.

#### 2.0 BACKGROUND

2.1 Free School Meals eligibility is a key measure in schools' funding. Wirral's local funding formula in 2018-19 allocates £1,943.99 to primary schools and £2,349.10 to secondary schools for every pupil currently eligible for a free school meal.

2.2 Following the introduction of the "soft" National Funding Formula from 2018-19 the ESFA allocates Local Authorities, via the Dedicated Schools Grant, £440 for every pupil currently entitled to a free school meal, as well as £540 and £785 for every primary and secondary pupil respectively who has been eligible for a free school meal in the last six years.

2.3 The entitlement to free school meals also has a direct impact on the allocation of Pupil Premium, at the rate of £1,320 for primary and £935 for secondary.

2.4 As recorded in the October 2017 census, 17.65% of Wirral pupils are currently eligible for free school meals, with 31.30% being eligible in the last 6 years. In total schools have been allocated £31.166m for pupils eligible for Free School Meals via the local funding formula (based on October 17 census data) and Pupil Premium (January 18 census data):

<b>Per October 17 census:</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
Total Pupils	25,983	17,420		43,403
No. eligible for FSM (current)	4,850	2,810		7,660
% eligible for FSM (current)	18.67%	16.13%		17.65%
No. eligible for FSM (last 6 years)	7,680	5,906		13,586
% eligible for FSM (last 6 years)	29.56%	33.90%		31.30%
<b>2018-19 allocations:</b>				
Via local funding formula	£9.428m	£6.601m	£0	£16.029m
Via Pupil Premium	£9.595m	£4.894m	£0.648m	£15.137m

2.5 The entitlement and eligibility of free school meals is currently administered by the Benefits Team within the Business Management department, with a contribution being made to their costs via de-delegation and Academy buy-back. As part of

this Wirral adopted an opt-out process, whereby parents are advised that they will be recorded as eligible for free school meals unless they request to opt out.

### **3.0 BENEFITS SYSTEM AND CENSUS CHECKS**

- 3.1 Following the introduction of Universal Credit, from April 2018 all existing FSM claimants on Universal Credits will continue to receive FSM during the rollout period (April 2018 to March 2022) even if their earnings increase. Once fully rolled out existing claimants that no longer meet the eligibility criteria will remain eligible until the child completes their current phase of education (i.e. Primary, Secondary).
- 3.2 However, the system used by the Benefits team does not have the flexibility or facility to replicate this protection and so when the income of a family on Universal Credit increases to take them over the Free School Meals threshold the Benefits system ends their FSM eligibility despite them still being eligible until 2022.
- 3.3 Also when an application for Universal Credit is made, the Benefits system is only able to check eligibility for free school meals for 3 months if no Universal Credit payment is made. If assessment of Universal Credit is delayed and payment is made after this period, the parent would need to apply again for free school meals.
- 3.4 As households with children move onto Universal Credit they will no longer make a Benefits claim to the Council for Housing Benefit as the rent element will be paid as part of their Universal Credit. The Council will still be able to check if a family is entitled to free school meals, but only if it knows of an intention to claim. The change in the benefits regime and the reduced contact with the Council increases the risk that schools will not always be able to identify a pupil's entitlement to free school meals.
- 3.5 A small number of Wirral schools have independently purchased Capita's On-Line Free School Meals Checker software to check eligibility themselves. This has resulted in additional checks for the Benefits team, as well as the Schools Insight Team (Information Team), in respect of eligible pupils identified by the on-line software but not the Benefits team, to ensure they are eligible, and can therefore be included on the census.
- 3.6 The contribution from the schools budget also does not meet the costs of administering the eligibility by the Benefits Team. The current contribution in 2018-19 is £19,300 and is based on a historic amount. There are actually on average 2.5 FTE in the Benefits team working on free schools meals entitlement, costing a total of £58k, and this cost will only increase as more schools purchase the online software and increased checks are required as a result.
- 3.7 The opt-out process referred to in paragraph 2.5 has also now ceased on the advice of Legal Services following the implementation of GDPR regulations, further increasing the risk of not identifying eligible children and therefore not attracting funding to the Local Authority or individual schools.

### **4.0 ONLINE FREE SCHOOL MEALS SYSTEM**

- 4.1 As stated in paragraph 3.5 a small number of Wirral Schools have purchased Online Free School Meals system. This is a Capita online system that is maintained by the school, and checks a pupil's eligibility to free school meals. It

can be used by the parents directly, or schools can collect information from the parents and complete on their behalf.

- 4.2 The system is not linked to Capita SIMS, so FSM eligibility still needs to be entered on SIMS. It will also result in additional administration work for the schools, particularly for the initial input of existing pupils although schools already using the system report that this is not particularly onerous.
- 4.3 However, the system will help schools to maximise funding through DSG and Pupil Premium, and may identify additional eligible pupils.
- 4.4 The LA has conducted an audit of the system with one of the schools that has purchased it and it is effective, robust and user friendly, and it includes a clear and comprehensive declaration form for parents to complete to give the school consent to check eligibility (if the parent is unable to do so online).
- 4.5 Once the system is in place and the pupil details added it checks eligibility regularly so once information is entered, it will stay in the system while the child remains at the school, and automatically updates any changes in circumstances.
- 4.6 The system also includes a Local Authority area, enabling the LA to verify the number of FSM pupils included by a school on their census return.
- 4.7 The 2018-19 annual cost of the license is £700 for a Primary or Special School, and £1,100 for a Secondary School. However it is likely the Council will be able to negotiate a significant reduction, potentially up to 50% of these costs, if the licences are purchased on behalf of all Wirral maintained schools for 5 years. This would result in an annual cost of approximately £50,000. A discount of around 35% is likely for a 3 year contract. Any schools that have already purchased the system directly from Capita would be transferred over and refunded from April 2019, and the discounted rates would remain open for 3 months for Academies to purchase.
- 4.8 Should the Online Free School Meals system be purchased, there is a further option to implement it prior to April 2019. Capita advised this would cost £100 per school for the period October 2018 to March 2019, reducing pro-rata depending on when the system was implemented.

## **5.0 DE-DELEGATION**

- 5.1 As described in paragraph 3.6, the current level of de-delegation does not cover the current cost of administering free school meal eligibility, and would therefore need to increase for 2019-20 if agreed by Schools Forum. This would also increase as more schools purchased the online system directly from Capita.
- 5.2 However, an alternative would be for the Local Authority to purchase the Online Free School Meals system on behalf of all maintained schools at the discounted rate, which would result in an increase in the de-delegated budget for maintained schools and buy back for Academies. Licences for maintained Special Schools and Wirral Hospital School would be paid by the LA who would then charge the school. However, based on the costs outlined in paragraph 4.7 this is lower than the revised administration cost of the Benefits team.

5.3 If Forum agreed to the system being purchased, the de-delegation requirement would be higher in the first year (2019-20) for the transition period of moving from the current system to the online system.

## **6.0 CONCLUSION**

6.1 Running the two systems simultaneously is not a viable option long-term, due to the discrepancies between the Online Free School Meals system and the Benefits system (as outlined in paragraph 3.5). The increasing checks that would be required as more schools purchase the system would result in significantly increased cost for the Benefits team, and the Schools Insight Team (Information Team).

6.2 Some of the schools who have purchased the Online Free School Meals system individually have identified additional children eligible for Free School Meals not identified by the Benefits system. Although de-delegation costs would increase, even without a discount the additional income attracted via DSG and Pupil Premium for one additional child would be more than the annual purchase cost for an individual school.

6.3 The issues referred to in section 3, including the end of the opt-out process, risk a reduction in the uptake of Free School Meals, and a subsequent drop in funding for Wirral schools.

## **7.0 RECOMMENDATIONS**

7.1 That the Forum notes the report.

7.2 That the views of Schools Forum are sought on Free School Meals eligibility checking and the two systems outlined in this report, and the possible purchase of Online Free School Meals system.

7.3 That Schools Forum approves the purchase of Capita's Online Free School Meals system, to be funded via an increase in de-delegation from April 2019 with the de-delegation for each maintained school reflecting the licence cost for their particular school.

7.4 If Forum approve recommendation 7.3, that the system should be introduced at the earliest opportunity to maximise Pupil Premium attracted via the January 2019 census, with each school being charged the one-off amount as described in paragraph 4.8.

7.5 If Forum approve recommendation 7.3 that the de-delegation for the administration costs of the benefits team continues in 2019-20 at the current level, to account for the transition period.

7.6 If Forum does not approve recommendation 7.3, that de-delegation for the administration costs of the benefits team increases for 2019-20 to reflect the actual costs of administering the service.

**Paul Boyce**  
**Corporate Director for Children Services**

## WIRRAL COUNCIL

### SCHOOLS FORUM – 7<sup>th</sup> NOVEMBER 2018

#### REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

#### 2019-20 SCHOOLS FUNDING FORMULA CONSULTATION

---

### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Forum with feedback from the consultation on the 2019-20 Schools Funding Formula, and to recommend a formula for the 2019-20 financial year.

### 2.0 BACKGROUND

- 2.1 The National Funding Formula (NFF) was introduced from April 2018, and allocates funding to Local Authorities via the Schools' Block of the Dedicated Schools Grant (DSG), with the intention that Local Authorities redistribute this funding to schools via a local funding formula for two years, before a 'hard' formula is in place for 2020-21.

- 2.2 In July 2018, the Department for Education confirmed details of the new NFF which will be in place from April 2019. The format of the NFF remains largely unchanged from the 2018-19 version, with a few important changes:

- The funding floor will increase giving a 1% gain per pupil against 2017-18 baselines;
- The gains cap will increase to 6.09% per pupil against 2017-18 baselines;
- The minimum per pupil funding levels have increased to £4,800 for secondary schools, and £3,500 for primary schools (from £4,600 and £3,300 respectively);
- A reduction in the primary Low Prior Attainment factor value from £1,050 in 2018-19 to £1,022;
- Growth funding for 2019-20 will be allocated to Local Authorities on a formulaic approach, based on pupil data from the October 2018 census;
- The overall Schools' Block funding provided to LAs will continue to be ring-fenced, with limited flexibility to transfer up to 0.5% out of the Schools' Block to High Needs, subject to consultation and Schools' Forum approval.

- 2.3 These changes result in an additional £1.4m for Wirral using October 2017 pupil data.

### 3.0 LOCAL SCHOOLS FUNDING FORMULA GUIDELINES

- 3.1 Wirral remains responsible for agreeing the funding formula for its schools until a "hard" formula is implemented. DfE have confirmed that a 'hard' formula will now not be implemented until 2021-22 at the earliest. During this intervening time the NFF will run alongside any local formula for schools. This "soft" period is seen by the DfE as a transition, giving LA's flexibility to move towards the NFF and may also protect against turbulence.

- 3.2 In agreeing any changes to the funding formula for schools the final decision is taken by the Council and Cabinet. However, Local authorities must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula.
- 3.3 Schools Forum regulations confirm that in considering recommendations on the Schools Funding Formula voting is restricted to Schools, Academy and PVI members. All other non-school members are not permitted to vote on the funding formula.

#### 4.0 CONSULTATION

- 4.1 As reported to Schools Forum in September, consultation documents issued to all schools included five formula models based on October 2017 pupil data, with the illustrative impact on each school shown with both a minus 1.5% and a 0% minimum funding guarantee.
- 4.2 Schools were consulted on the following:
1. Retaining the current schools funding formula for 2019-20, adopting the individual factor values from the NFF, or moving towards the NFF via a transition formula.
  2. Retaining the current MFG rate of 0%, or adopting a -1.5% MFG.
  3. The use of any 'headroom' monies.
- 4.3 The consultation documents were issued to all schools and academies on 5<sup>th</sup> September 2018, and ran for 6 weeks until 17<sup>th</sup> October 2018. Briefings were also held with some headteacher groups, and conversations also held with individual school Headteachers.
- 4.4 In total there were 86 responses – 79 via the electronic survey issued and a further 7 returned a hard copy response – giving a 69% response rate:

Phase	Response count	%
Primary	59	69%
Secondary	20	23%
Special	1	1%
Not specified	6	7%
	<b>86</b>	<b>100%</b>

#### 5.0 SUMMARY OF RESPONSES

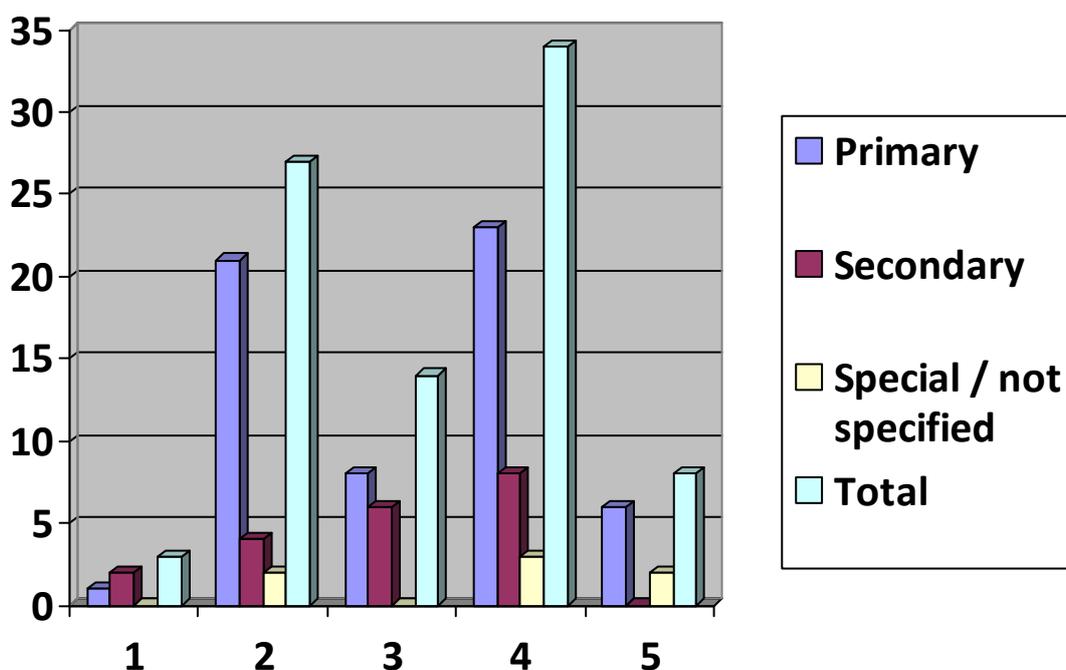
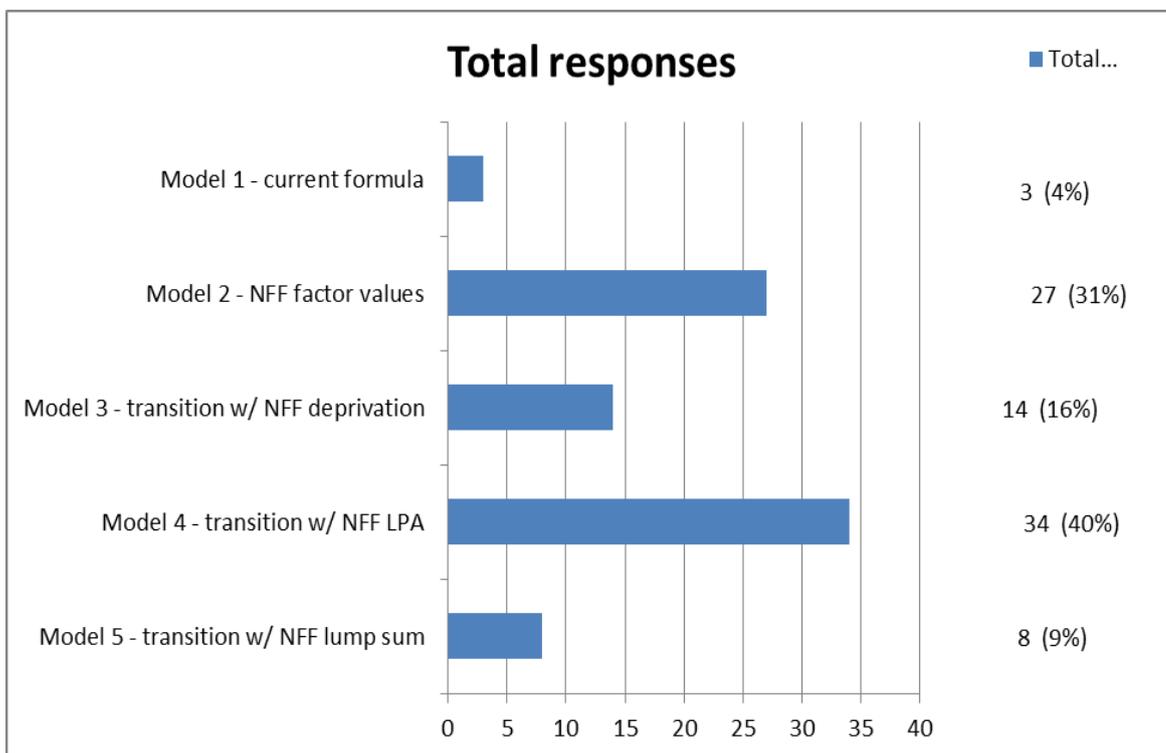
##### 5.1 Schools Funding Formula

- 5.1.1 5 funding formula models, based on pupil data from the October 2017 census, were presented as part of the consultation illustrating the potential impact of both a 0% and minus 1.5% MFG on all schools. Views were sought on the preferred formula from the 5 models, which were as follows:

1. Wirral's current formula;
2. Adoption of individual NFF Factor values;

3. Wirral's current formula with NFF's deprivation factor values, including Ever6;
4. Wirral's current formula with NFF's Prior Attainment values;
5. Wirral's current formula but with the NFF lump sum amount of £110,000 for all schools.

5.1.2 All responders voted for a funding model. Although there was no clear majority, model 4 received the most votes (34), with model 2 the second favourite (27 responders chose this model), with a clear gap to the remaining models. There was little support for retaining Wirral's current formula:



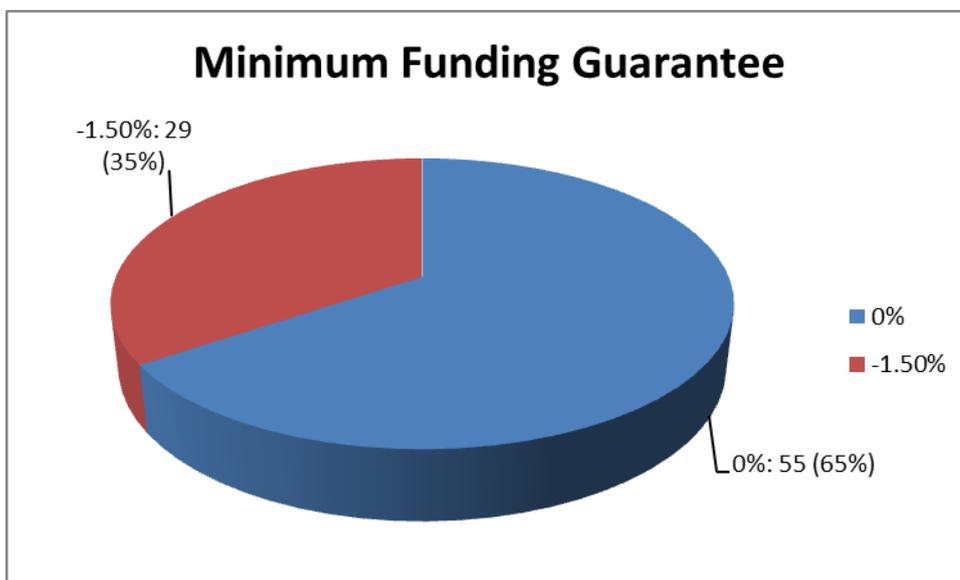
5.1.3 Some schools commented that due to the inevitability of a 'hard' National Funding Formula that it should be implemented straight away in Wirral rather than delay, while a large number of schools recognised that the NFF resulted in more significant turbulence for a large number of schools, and therefore a transition model was required, and would give schools more time to plan for the impact of the NFF. Some schools also felt that the one year delay in implementing a 'hard' formula indicated that the DfE's view was that there should also be a transition period.

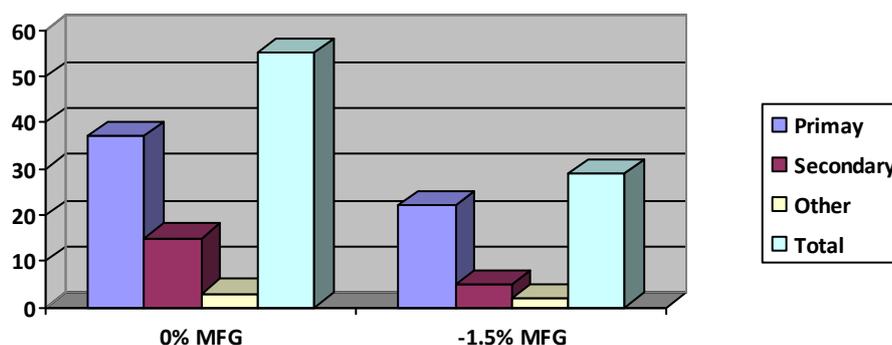
5.1.4 There were also comments that more funding should be targeted towards SEN pupils due to the increasing numbers in mainstream schools, while a large number of schools said they had voted for the option with the highest illustrative allocation for their particular school.

5.1.5 **Recommendation:** that based on the proportion of votes and the level of support for a transition formula Wirral's current formula with NFF Low Prior Attainment values (formula model 4) is implemented as the basis for the school funding formula in 2019-20.

## 5.2 Minimum Funding Guarantee

5.2.1 As stated in paragraph 5.1.1 all models were presented with MFG of both 0% and minus 1.5%, and views were sought on the preferred level of MFG in the funding formula. 84 of 86 responders answered this question, with the majority of responses (65%) preferring to retain MFG at 0%:





5.2.2 A large number of schools commented that a reduction in protection for schools would have too much of a negative impact on schools at a time where school budgets are under significant pressures, and that schools should not lose pupil led funding when there is additional funding in the formula.

5.2.3 However, others commented that reducing the protection to minus 1.5% enabled a transition to the NFF, while a 0% MFG would slow this process.

5.2.4 **Recommendation:** that the funding formula retains a 0% MFG in 2019-20.

### 5.3 Headroom

5.3.1 Illustrative allocations released by the DfE in July 2018 indicate that Wirral will have an additional £1.4m in its Schools Block of the DSG grant, and views were sought on how this should be allocated across the funding formula.

5.3.2 Approximately half of responders commented on this question. The majority of comments reflected the view that it should be allocated across all formula factors based on existing weightings, while some suggested it is used to target funding towards deprivation or Low Prior Attainment (reflecting their model choice). One comment suggested using it as a growth fund, while several commented that it should be kept outside the funding formula and used to support High Needs as an alternative to top-slicing (although this would in effect be a top-slice of the schools budget above the permitted 0.5%).

5.3.3 If model 4 is approved all headroom would likely be used by the Low Prior Attainment factor, and may require a reduction in the value of some other factors. Other models may have some headroom funding remaining after meeting the specific requirements for that model.

5.3.4 **Recommendation:** that any headroom remaining after meeting the specific requirements of the approved formula is allocated across all remaining pupil-led formula elements, and if the approved model requires some factor values to be reduced, this is also done across all factors.

## 6.0 CONCLUSION

6.1 The level of engagement with this consultation process has significantly increased from previous years, and has provided valuable feedback to inform the plans for the 2019-20 School Funding Formula. Thanks are expressed to all those who took part.

## **7.0 RECOMMENDATIONS**

7.1 That the Forum notes the report.

7.2 Due to the level of support for model 4 and the general support for a transition model, formula model 4 (Wirral's current formula with National Funding Formula factor values for Low Prior Attainment) is implemented as the school funding formula for 2019-20

7.2.1 If Forum does not agree with recommendation 7.2, the school funding formula should be based on:

1. Wirral's current formula;
2. Adoption of individual NFF Factor values;
3. Wirral's current formula with NFF's deprivation factor values, including Ever6;
4. Wirral's current formula with NFF's Prior Attainment values;
5. Wirral's current formula but with the NFF lump sum amount of £110,000 for all schools.

7.3 The funding formula retains a 0% MFG in 2019-20.

7.3.1 If Forum does not agree recommendation 7.3, the funding formula should implement a minus 1.5% MFG in 2019-20.

7.4 That any headroom remaining after meeting the specific requirements of the approved formula is allocated across all remaining pupil-led formula elements, and if the approved model requires some factor values to be reduced, this is also done across all factors.

**Paul Boyce**  
**Corporate Director for Children Services**

## Schools responding to the Funding Formula Consultation

Barnston Primary	Sacred Heart Catholic Primary
Bedford Drive Primary	Somerville Federation
Bidston Avenue Primary	Ss. Peter and Paul Catholic Primary
Bidston Village CE Primary	St Alban's Catholic Primary
Black Horse Hill Infant	St Andrew's CE Primary
Brackenwood Juniors	St George's Primary
Brookhurst Primary	St Joseph's Catholic Primary (B'head)
Christ Church Moreton	St Michael & All Angels Catholic Primary
Christ the King Catholic Primary	St Paul's Catholic Primary
Church Drive Primary	St Peters Catholic Primary
Dawpool Primary	St Peter's CE Primary
Devonshire Park	St Werburgh's Catholic Primary
Eastway Primary	The Priory Parish C of E Primary
Fender Primary	Thingwall Primary
Gayton Primary	Thornton Hough Primary
Greasby Junior	Town Lane Infant School
Great Meols Primary	Well Lane Primary
Greenleas Primary	Woodlands Primary
Heygarth Primary	Woodslee Primary
Higher Bebington Junior	Bebington High Sports College
Hillside Primary	Birkenhead High School Academy
Holy Cross Catholic Primary	Calday Grange Grammar School
Hoylake Holy Trinity CE Primary	Hilbre High School
Irby Primary	Pensby High School
Kingsway Primary	Prenton High School for Girls
Ladymount Catholic Primary	Ridgeway High School
Lingham Primary	South Wirral High School
Manor Primary	St Anselm's College
Mersey Park Primary	St John Plessington Catholic College
Millfields CofE Primary	St Mary's Catholic College
Mount Primary	The Birkenhead Park School
New Brighton Primary	The Mosslands School
Oak Trees MAT	The Oldershaw Academy
Our Lady & St. Edward's Catholic Primary	Upton Hall School FCJ
Overchurch Infants	Weatherhead High School
Overchurch Juniors	West Kirby Grammar School
Pensby Primary	Wirral Grammar School for Boys
Prenton Primary	Wirral Grammar School for Girls
Riverside Primary	Woodchurch High School
Rock Ferry Primary	Wirral Hospital School

This page is intentionally left blank

**WIRRAL COUNCIL  
SCHOOLS FORUM – 7<sup>th</sup> November 2018  
REPORT OF THE ASSISTANT CHIEF EXECUTIVE**

**PFI Update**

---

**1. EXECUTIVE SUMMARY**

This report updates the Forum on PFI matters, inclusive of the developments with two PFI City Learning Centres, an update on the PFI Budget, an update on Kingsway Academy, following the recent closure of the school, and the ongoing developments with the PFI Provider and the DfE with regards to future use.

It also includes a brief update on progress made on the five yearly Value for Money Testing exercise.

**BACKGROUND**

Previous Forum reports have summarised the position with regard to the Wirral Schools PFI Project Agreement, which was signed by the Council, school governing bodies, and the PFI contractor in 2001, in respect of the rebuild / refurbishment and facilities management of nine Wirral schools:

- Leasowe Primary
- Bebington High
- Birkenhead Park School
- South Wirral High
- Weatherhead High
- Hilbre High
- Prenton High
- Kingsway Academy
- Wirral Grammar Girls

The contract also supports two former City Learning Centres. The contract is for 30 years and will expire in July 2031.

From 2017 PFI agreements have also been arranged for Bedford Drive Primary School and Ridgeway High School. These are entirely separate contracts arranged directly with the DfE and do not include facilities management costs or any Authority involvement in the Operations.

**2. PFI FUNDING FORMULA AND COSTS**

The budgeted PFI costs for the 9 school scheme in 2018-19 are:

	£m
Contract Payments of	13.2
Funded by:	
PFI grant	5.5
Individual school contributions	6.6
Council Contribution	0.9
Ex CLC's	0.2
<b>Total</b>	<b>13.2</b>

Funding continues to reflect the delegation of most of the PFI affordability gap to the 9 schools concerned together with an amount of £400,000 to reflect additional FM costs.

The PFI Government grant is fixed for the duration of the contract, whereas other costs and income sources are increased by the Retail Prices Index (less 10%) annually.

As part of the National Funding Formula the PFI element within the previous years' school funding formula will be uplifted annually by inflation (using RPIX data published by ONS which in August 2018 was 3.4%). No further changes are planned to the funding formula for PFI at this time.

### **3. EX CITY LEARNING CENTRES**

#### **West Wirral Works**

The lease and cost arrangements drawn up between the Council and Hilbre High school have been operating for some time, and the arrangement is working well. The minor adaptations needed to accommodate the school's needs were completed during the summer, and The Home Education Team continues to occupy part of the CLC site.

#### **Learning Lighthouse**

A short term agreement has been reached between Clare Mount School and the Council to allow Clare Mount Sixth Form to utilise the Learning Lighthouse CLC building attached to Kingsway Academy at no rental cost. A number of minor repair works were carried out to the building during the summer – at the request of the Head of Sixth Form. The staff and pupils are really pleased with the facilities and the Head of Clare Mount Sixth form very recently commented that the number of students going to college has increased significantly since they took occupation of the site.

### **4. PFI – VALUE FOR MONEY TESTING**

As briefly mentioned in the previous Forum Report, the PFI contract provides that from the first "Price Adjustment Date" and every five years thereafter, the PFI Provider, Wirral Schools Services Ltd. is given the opportunity to revise the annual price charged for specific facilities management (FM) services in line with current market prices. This price is then fixed for the next five years.

The first "Price Adjustment Date" for Wirral was 31<sup>st</sup> August 2013 and the second was 31<sup>st</sup> August 2018, by which time the revised price has to be agreed and implemented.

Schedule 4 Part 8 Value for Money Testing from the PFI Agreement sets out the process in detail and explains both the Benchmarking and Market Testing regimes in legal terms.

Benchmarking is the process by which WSSL (Wirral School Services Ltd) compares the costs of its FM subcontractor (SPIE Ltd.) against the market price of equivalent FM services.

Market Testing means the re-tendering by WSSL of the FM services, to test the value for money of each service in the market. The Wirral Schools' PFI Scheme is a multi-school contract and as such, it is not possible for example, for one school to elect to Benchmark a service, whilst another pursues a Market Test – it has to be a majority decision, to which all schools subscribe.

Many meetings have been held over the year. In terms of the Benchmarking process with SPIE (the Facilities Management Provider), the PFI team engaged with Wirral non-PFI schools in order to gather comparable benchmarking data.

The outcome of the exercise was favourable, resulting in there being no financial increase for the PFI Schools for the Facilities Management Tested Services, other than the regular annual inflation adjustment. The assistance of the Non-PFI schools was greatly appreciated.

Value for Money Testing of the Catering Service is ongoing. Proposals have been put forward by Chartwells Ltd., the incumbent service provider and both joint and individual meetings as required have taken place with the PFI Schools and all parties. The PFI Team remains optimistic that an agreement can be reached and the exercise will be concluded over the coming weeks.

## **6 PFI - KINGSWAY ACADEMY**

Following the decision last year by the Minister for Education to close Kingsway Academy, the school officially closed on 31<sup>st</sup> August.

The Local Authority worked with the Trust to offer a number of surplus school resources to local non-PFI schools.

In addition, the school's library books were offered to a number of charities in the area and were gratefully accepted by The Hive Youth Centre, The New Beginnings Project in Rock Ferry, The Rotary Club and an organisation named "Change a Child's Life" which is building a library in Kenya.

As the Council is committed through the PFI Agreement to pay for the Kingsway building until 2031, discussions have been ongoing with the PFI Provider, Senior Management and the ESFA to look at alternative options and to make savings where possible, during the period when the building remains closed.

## **RECOMMENDATION**

That the Forum notes the report

David Armstrong  
Assistant Chief Executive

This page is intentionally left blank

**WIRRAL SCHOOLS FORUM – 7<sup>th</sup> November 2018  
WORK PLAN**

<b>Meeting Date</b>	<b>16<sup>th</sup> January 2019</b>	<b>15<sup>th</sup> May 2019</b>	<b>26<sup>th</sup> June 2019</b>	<b>September 2019</b>	<b>November 2019</b>
				Elect chair & vice chair	
Budget	Budget Monitoring Schools Budget 2019-20 High Needs and Early Years changes De-delegation of budgets Update on School budgets/balances	Schools Budget update 2019-20 Schools Budget provisional outturn Update on School budgets/balances	School Balances and Reserves School Budget Monitoring	Budget monitoring and Final DSG (SDA) Update on School budgets/balances (SMA)	
Consultation			2019-20 School Funding Arrangements	2019-20 National Funding Formula for Schools, High Needs and Early Years (SDA)	Outcome of school funding formula consultation
DfE Regs & guidelines	School Finance Regulations Schools Forum Structure (identifies voting rights)			DfE Operational Guide (SDA)	
Working Groups	School Formula High Needs Early Years	School Formula High Needs Early Years	School Formula High Needs (to include places and pilot schemes Early Years	School Formula High Needs Early Years	
Other	School Contracts MEAs Update Academy update Sensory Support Service Update Primary place planning (SG Confirmed) Revision of Support Staff salary scales TU Facilities Time review of costs	School Admissions Early Years Edsential Business Plan High Needs Funding arrangements Home Tuition Update	Energy update Wirral Traded Services Update Free School Meals Hospital School Admissions Update Alternative Provision (JL confirmed)	Forum Membership (SMA) High needs funding & places (ST) De-delegated services <ul style="list-style-type: none"> <li>• Contingency(SDA)</li> <li>• Special Staff Costs(SDA)</li> <li>• Library Service (LR)</li> <li>• Insurance(SDA)</li> </ul>	

This page is intentionally left blank