

## **WIRRAL COUNCIL**

### **WIRRAL SCHOOLS FORUM**

**18<sup>TH</sup> JANUARY 2017**

#### **Schools and High needs National Funding Formula Briefing**

#### **EXECUTIVE SUMMARY**

This report summarises the latest information published by the EFA with regard to a National Funding Formula for Schools and High Needs. It is recommended that this information and the consultation papers are considered by Schools Forum Working Groups and reported back to a Forum meeting in March

#### **BACKGROUND**

Earlier in 2016 the DfE circulated their first consultation paper seeking views on School Funding Reform. On the 14<sup>th</sup> December the DfE's response to the consultation was published, together with a second paper seeking views. This second consultation includes detailed tables to illustrate the impact of changes on schools and local authorities. The funding formula proposals include:

- The introduction of a soft funding formula for schools up to 2019
- The introduction of a hard funding formula for schools from 2019
- A breakdown of the proposed formula that will be used
- Illustrative school budgets based on the new formula
- A new formula for funding High needs
- A new formula to fund the LA's duties for maintained schools and academies.

#### **HEADLINE MESSAGES**

The Government is committed to introducing new national formulae across the schools sector and have now done so for Early Years. These proposals for Schools and High Needs will complete the reforms.

"We want to move towards a hard NFF that distributes the majority of funding directly to schools. It is the only way we can be sure that the same child with the same needs will attract the same funding regardless of where they live.....It fits squarely with our vision of a school led system"

Justine Greening Secretary of State for Education

Papers comment on:

- The positive responses to the first consultation and support for the formula principles identified – fairness, efficiency, transparency, simple and predictable
- Increases in funding for some schools in 2018-19 of up to 3% (and a floor on losses of 3%). A continuing MFG of minus 1.5%.
- High Needs increases of 3% in 2018-19 and a guarantee of no losses.
- For central services increases of up to 2.4% (no losses greater than 2.5%).
- Continuing Pupil Premium which is mainly unaffected by these changes

- The national core Schools budget will continue to be protected in real terms until 2020

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## IMPLICATIONS FOR WIRRAL

As part of this consultation indicative tables have been issued. These illustrate the impact of changes proposed on each school and collectively for the Local Authority. Overall for Wirral a small increase in funding is indicated of £1m (0.5%), this increase is in line with North West average, but below the England average of 1.4%.

However increases are not evenly distributed across spending blocks and will be subject to floors and ceilings. At a school level Wirral Primary schools see an increase of 1%, whilst Secondary schools have a reduction of 2%. The main factors influencing this appear to be the Primary / Secondary ratio:

- For Wirral it is 1 : 1.36
- For the NFF it is 1 : 1.29

And a higher lump sum (£110,000 rather than £100,000).

The indicative DSG summary is shown below

### DSG Funding Blocks

	Baseline £000	Transition £000	Full year £000	Increase / Decrease £000
Schools Block	189,224	188,227	188,227	-997
High needs	33,225	34,086	34,917	1,692
Central	1,056	1,082	1,386	330
	<b>223,505</b>	<b>223,395</b>	<b>224,530</b>	<b>1,025</b>

Excludes historic commitments

## FUNDING FORMULA

### Schools

Most of the funding elements within the formula are familiar to Wirral, although not all elements are used locally – the Area Cost Adjustment, Sparsity and Mobility. One significant change is the withdrawal of the element for Looked After Children. Funding in this area will in future be distributed through the Pupil Premium plus.

The table below shows the school funding elements and the weighting given to them compared to Wirral's current formula. This indicates that:

- There is a significant shift from Basic funding per pupil to Low Prior Attainment
- The percentage allocated to deprivation is similar to Wirral – 9%, but it is distributed to across a wider range of pupils via Ever 6 and IDACI.
- Lump Sums are higher for Wirral as is English as an Additional Language.
- PFI factors will be included and initially increased by inflation (RPIX)

**DfE factor values and weightings proposed for the national funding formula, with Wirral comparators**

Factor		Proposed weighting for the national funding formula	Wirral 2016-17	Per-pupil/school funding under the proposed national funding formula (NB These exclude area cost adjustment funding)					
				Primary			Secondary		
				National			National		Wirral
AWPU (£ per pupil)		72.5%	78.1%	KS 1	2,712	2807	KS 3	3797	3986
				KS 2			KS 4		
Deprivation (£ per pupil)	Ever6 FSM	9.3%	9.9%	540		0	785		0
	Current FSM			980		1,944	1,225		2,349
	IDACI A			575		340	810		355
	IDACI B			420		272	600		285
	IDACI C			360		204	515		216
	IDACI D			360		137	515		146
	IDACI E			240		80	390		91
IDACI F	200		45	290		48			
Prior Attainment (£ per pupil)		7.5%	4.44%	1,050		1,060	1,550		991
EAL (£ per pupil)		1.2%	0.15%	515		493	1,385		327
Lump Sum (£ per school)		7.1%	5.93%	110,000		100,000	110,000		100,000
LAC (£ per school)		0%	0.34%	0		1,500	0		1,500
Premises (historic spend)	Rates	1.8%	1.03%	N/A					
	PFI								
	Spilt sites								
	Exceptional circumstances								
Mobility (historic spend)		0.1%	0%	N/A					
Sparsity (£ per school)		0.08%	0%	£0 - £25,000		N/A	£0 - £65,000		N/A
Growth (historic spend)		0.5%	0%	N/A					

**Central Block**

The central schools block will support the LA's continuing role in education including the retained duties for ESG and covers areas such as admissions and education welfare services. Historic commitments will be recognised on the basis of actual costs where they are compliant with regulations, but will continue to unwind. Distribution is based on 90% pupil numbers and 10% deprivation

## **High Needs**

The formula for High Needs guarantees that no LA will lose funding in 2018-19 (Wirral has a gain of 5%).

The make-up of the formula which includes Alternative Provision is:

- Population (25%)
- Health and Disability (7%)
- Low attainment (8%)
- Deprivation (10%)
- and Historic Spend 50% (to smooth transition until reviewed in 4 years' time)

The funding for the Hospital School will also continue to be based on historic spend.

## **CONSULTATION QUESTIONS**

Both consultation papers ask a number of questions, some general eg about fairness and stability and others more specific about weightings and the proportions allocated to formula elements. In addition there are opportunities to make wider comments re other considerations, flexibilities etc.

## **FORUM RECOMMENDATIONS**

That the Formula Working Group and the High Needs Working Group meet to consider these consultation papers and that the March Forum meeting consider the views put forward and agree an overall response to the DfE.

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