

**WIRRAL COUNCIL  
SCHOOLS FORUM – 17<sup>th</sup> JANUARY 2018  
REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES**

**SCHOOLS AND HIGH NEEDS FUNDING FORMULA 2018-19 UPDATE**

**1. EXECUTIVE SUMMARY**

This report seeks the views of Schools Forum on two matters with regard to the Schools Budget for 2018-19:

- The consideration of a 0.5% top slice from the Schools Budget for High Needs
- The format of the Schools Funding Formula for 2018-19.

**2. BACKGROUND**

The Schools Funding formula is the means to distribute £198.6m to Wirral's 111 maintained and academy primary and secondary schools.

The Funding Formula and Top Slice was previously considered by the Forum on 13<sup>th</sup> December 2017. This report is attached for reference.

The meeting did not agree with the proposal for a transitional formula and a top slice from the Schools Budget of 0.5%. Instead members asked for the matter to be referred back to the Schools Formula Working Group for further discussion. This took place on 9<sup>th</sup> January and notes from the meeting are attached.

**3. LOCAL SCHOOLS FUNDING FORMULA GUIDELINES**

Wirral remains responsible for agreeing the funding formula for schools until a "hard" formula is implemented; this is expected in 2020-21. 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.

In agreeing any changes to the formula for schools the final decision is taken by the Council and Cabinet. The LA is required to consult with schools on any proposals. In addition School Forum members must also be consulted on their views. If the Forum does not express a clear view Cabinet would still make a decision on the schools formula, this would however then be more difficult to do.

Decisions on a top slice of school budgets require the approval of the Forum. If this is not given a top slice can only be implemented with agreement of the Secretary of State, in the timescales set out this would be difficult to achieve.

Regulations confirm that in considering the recommendations arising from this report Forum voting is restricted, by the exclusion of all non-schools members except PVI representatives.

#### **4. REVISED SCHOOL FUNDING FORMULA PROPOSALS**

The Schools Funding Formula Working Group proposed that for clarity the decision on the Funding Formula and the Top Slice should be separated and that members should express their views on all the relevant options.

On this basis a decision will be taken first on:

- Should there be a 0.5% top slice from the Schools Budget to support the outcome of the High Needs Review?
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If the answer to this question is **yes** the following funding options will be considered:

- A transition formula introducing some elements of NFF (Option 4)
- Using the existing funding formula (option 2 with top slice)

A National Funding Formula (Option 1) was not agreed by the Formula Working group and is not proposed. Around 20% of schools receive less than the 0.5% increase in cash terms and would therefore receive a cut in funding from a top slice.

If the answer to the top slice question is **no** then Options 1, 2 and 3 will be considered:

- Option 1 – move straight to NFF values
- Option 2 – use existing funding formula
- Option 3 – transition and introduce some elements of NFF

All models are illustrated in Appendix 3 attached. The models use 2017-18 pupil numbers and data; whereas the 2018-19 budget will be based on October 17 pupil numbers. Final budget allocations will therefore change and may increase / decrease from this position.

#### **5. HIGH NEEDS PLACES**

At the last meeting members were asked to agree High Needs place changes from September 2018. For clarity and consistency with the budget this recommendation should be withdrawn. It was not intended that all the increased numbers described in the consultation paper should result in a change in place numbers, as clear trends and numbers have not been established for future years.

The revised recommendation is to only change the following places from September 2018:

- Birkenhead 6<sup>th</sup> Form College reduce by 8 places to 57
- Wirral Met College to increase by 2 places to 119

#### **6. RECOMMENDATIONS**

That:

- 6.1. There should there be a 0.5% top slice from the Schools Budget to support the outcome of the High needs

- 6.2 That the school funding formula should be based on either
- A transition formula introducing some elements of NFF (Option 4)
  - Use existing funding formula (option 2 with top slice)
- 6.3 If the answer to the top slice is no then the school funding formula should be based on:
- Option 1 – move straight to NFF values
  - Or Option 2 – use the existing funding formula
  - Or Option 3 – transition and introduce some elements of NFF
- 6.4 For all funding models with the exception of the National funding Formula
- Headroom is allocated evenly over all funding formula elements and that PFI is increased in line with the contract inflation provision
  - The unit value of the LAC element within the formula is reduced to take account of the increase in LAC Pupil Premium
- 6.5 That recommendation 5 e from the 13<sup>th</sup> December meeting “Forum agree that the special school place changes are agreed and implemented from September 2018” is withdrawn and replaced with:

The following place changes are agreed from September 2018:

- Birkenhead 6<sup>th</sup> Form College reduce by 8 places to 57
- Wirral Met College to increase by 2 places to 119

Paul Boyce  
Director of Children’s Services

#### Appendices

1. Forum Report 13<sup>th</sup> December – Changes to School Funding Formula 2018-19
2. Notes from the Forum Formula Working Group 9th January 2018
3. Illustration of Funding Formula Options