

WIRRAL COUNCIL

SCHOOLS FORUM – 4th JULY 2018

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN

SCHOOLS FUNDING FORMULA 2019-20

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to update Schools Forum on the meeting of the Schools Funding Formula working group, and to set out the process for the consultation in respect of the 2019-20 funding formula.

2.0 FUNDING FORMULA WORKING GROUP

2.1 The Schools Funding Formula working group met on Tuesday 19th June 2018. Based on indicative allocations in the Schools Block of Dedicated Schools Grant released by DfE in September 2017, and subsequent changes in pupil numbers, it is assumed that in 2019-20 the Schools Block will increase by approximately £1.5m, or 0.8%:

<u>DSG Schools Block</u>	2017-18	2018-19		2019-20	Illustrative change	
	Total	Total	Increase	Total	£	%
Indicative allocations per DfE Sep-17	194,723,498	197,758,549	1.6%	199,313,312	1,554,762	0.8%
Actual allocation per DfE Dec-17		198,653,459				
Assumed 2019-20 allocation (0.8% increase)				200,215,257	1,561,798	0.8%

2.2 By 2019-20 the Wirral allocation will be in line with the National Funding Formula, although Local Authorities will still be able to distribute this via a local formula in 2019-20.

2.3 The local formula has to have a Minimum Funding Guarantee (MFG) between minus 1.5% and 0.5%. This protects schools from large changes to their budget year on year on a per pupil basis. The 2018-19 formula included 0% MFG to maintain stability and ensure no school lost funding (per pupil). However, the higher the MFG percentage (i.e. the more protection included) in the formula the longer it will take to bring Wirral's local formula in line with the National Funding Formula.

2.4 The DfE will release the 2019-20 NFF along with indicative allocations based on October 2017 census data in July 2018. A number of models were presented at to the working group to give the illustrative impact to individual schools of each model. The models were based on October 2017 pupil data, with no inflation to the overall funding pot, and with a 0.5% top-slice but no deduction for de-delegation. This was purely to make the models comparable to the current 2018-19 budgets, and therefore show what the allocations would have been if the models had been introduced from April 2018. However, no assumptions have been made at this stage about a further top-slice.

2.5 The following models were chosen as they reflect the most significant changes in the National Funding Formula, and were presented with both a 0% MFG and a -1.5% MFG:

1. Current formula, unchanged from 2018-19 formula (therefore this model reflected the actual 2018-19 allocations);

2. National Funding Formula factor values;

3. Current formula but adopting the NFF factor values for Deprivation, including the introduction of Ever6. This means that a significantly higher number of pupils attracted deprivation funding so the deprivation factor reaches a broader range of children with a wider range of needs, but may be seen as less targeted.

4. Current formula but adopting the NFF factor values and criteria for Low Prior Attainment. This significantly increases the amount allocated through the LPA factor with an offsetting reduction in the total AWPU allocation. Wirral traditionally has had a relatively low allocation of resources to this area. Allocations are based on a good level of development in primary schools, and KS2 data in secondary schools.

5. Current formula but with all schools lump sum increased from £100,000 to £110,000. This will also help move money from Secondary Schools to Primary Schools, which for Wirral is a key feature of the National Funding Formula.

2.6 The working group generally felt that a bridge was needed from the current formula to the NFF to avoid any big changes the following year, and Primary representatives recognised the difficulties faced by Secondary School, particularly due to the lagged funding they receive for Kingsway pupils they have admitted.

3.0 CONSULTATION

3.1 Local Authorities must consult with all schools and the Schools Forum on how the funding formula should look. It is likely that if there is no agreement, the existing formula would be retained by Cabinet. Feedback from last year's consultation highlighted that schools require more clarity in the consultation, although this must be balanced with not overloading them with information. Schools could be provided with example model schools (e.g. 11-16, 11-18, Grammar schools etc.) and the impact of each model to help understand the impact of changes more generally. This would be in addition to information on all allocations for their own and all other schools.

3.2 It was agreed that Primary and Secondary representatives will take the models presented to the working group to discuss amongst Primary and Secondary Headteacher groups to set the scene and outline the consultation process.

3.3 Following the DfE release of the updated National Funding Formula and indicative allocations, the models in 2.5 will then be updated to reflect the new total indicative Schools Block value and each model will be shown with both a -1.5% and 0% MFG. They will be based on October 2017 pupil data, and will be shown without the 0.5% top-slice for High Needs.

- 3.4 Last year's consultation started mid-September, but the intention is to start the consultation earlier this year so that it runs from the beginning of September up until half term. Following a review of the responses a recommendation for the 2019-20 School Funding Formula will be presented to Schools Forum in November.
- 3.5 The consultation paper will also include any specific changes where consultation is required for High Needs.
- 3.6 It is likely that a further consultation will then follow regarding the potential for a 0.5% top-slice for High Needs.

3.0 RECOMMENDATION

- 3.1 That the Forum notes the report.
- 3.2 That consultation regarding the schools funding formula runs for 6 weeks from early September until October half term, and a recommendation for the 2019-20 formula is subsequently presented to Schools Forum in November.
- 3.2 That the top-slice from the Schools Block to support High needs is consulted on separately following the agreement of the funding formula.

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