

WIRRAL COUNCIL

SCHOOLS FORUM – 26th SEPTEMBER 2018

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

SCHOOLS REVENUE FUNDING 2019-20 OPERATIONAL GUIDANCE, 2019-20 NATIONAL FUNDING FORMULA AND LOCAL FORMULA CONSULTATION

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to summarise the Schools Revenue Funding Guidance for 2019-20 and some of the main changes that have been announced by the ESFA, including changes to the National Funding Formula, as well as update on the local funding formula consultation documents issued to Schools and Academies.

2.0 BACKGROUND

2.1 At the end of July 2018, the Education & Skills Funding Agency (ESFA) confirmed details of the National Funding Formula (NFF) for 2019-20, and also issued the “Schools Revenue Funding 2019 to 2020 Operational Guide” document. The aim of this document is to aid local authorities and their Schools Forums to plan the local implementation of the funding system for the 2019-20 financial year.

2.2 The guide sets out some of the main requirements including:

- the factors allowable within local funding formulas;
- funding floor and Minimum Funding Guarantee (MFG);
- capping;
- minimum per pupil funding levels for schools;
- excluded pupils;
- growth fund and falling rolls fund;
- movement between DSG funding blocks;
- High Needs;
- Central Schools Services Block;
- Budget timescales.

2.3 The full document can be found at:

<https://www.gov.uk/government/publications/pre-16-schools-funding-guidance-for-2019-to-2020>

3.0 KEY ISSUES

3.1 Some of the key areas and changes within the updated NFF and Operational Guidance for 2019-20 are set out below.

3.2 It was previously intended that the NFF would be introduced as a “soft” formula in 2018-19 and 2019-20. ESFA have now confirmed that in light of Local Authorities’ progress in moving towards the NFF within their local formulas, the “soft” formula will continue for a further year in 2020-21.

- 3.3 As confirmed in July 2017, all LAs will receive an increase in funding, with all schools attracting at least 1% per pupil increase to the DSG Schools Block compared with their 2017-18 baselines.
- 3.4 The gains cap has increased so that schools can attract gains of up to 6.09% against their 2017 to 2018 baselines.
- 3.5 The minimum per pupil funding levels in the NFF have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11.
- 3.6 There is a reduction in the Low Prior Attainment factor value from £1,050 in 2018-19 to £1,022 in 2019-20 for Primary School pupils.
- 3.7 Growth funding will be allocated to Local Authorities on a formulaic approach based on data in the October 2018 census, although no changes are being made to the way in which LAs can distribute growth funding.
- 3.8 A flexible MFG for schools will continue. LAs will continue to have flexibility to set a local MFG of between minus 1.5% and plus 0.5%.
- 3.9 As in 2018-19, the Schools Block of DSG will be ring-fenced in 2019-20, with the ability to transfer up to 0.5% of schools block funding out, for example for High Needs, with the agreement of Schools Forum. For Wirral this is about £1m.
- 3.10 LAs must consult with schools and academies when considering any changes to the local funding formula, or when seeking agreement to transfer any funding out of the schools block.
- 3.11 A requirement from 2019-20 for Local Authorities incurring a deficit on their overall DSG account to submit a report to ESFA setting out the authority's plans for bringing the DSG account back into balance.
- 3.12 Confirmation of continuing de-delegation for School Improvement, Contingencies, Behaviour Support, MEAS, Free School Meal eligibility, Insurance, Library Service and Special Staff costs.
- 3.13 The NFF for High Needs will include a funding floor so all LAs will attract at least 1% gain per head of population against 2017-18 baselines. The gains cap will also increase to 6.09% compared to 2017-18 baselines.
- 3.14 Final 2019-20 allocations for the High Needs block of DSG may include a new formulaic hospital education factor to replace the current historic spend based allocations. ESFA will consult on options in the autumn.

4.0 2019-20 LOCAL FUNDING FORMULA CONSULTATION

- 4.1 The NFF will continue as a "soft" formula in 2019-20, which means while DSG Schools Block allocations for LAs reflect the NFF, LAs continue to determine local formulas. As stated in paragraph 3.10 LAs must consult with schools and academies when considering changes to the local funding formula.
- 4.2 Consultation documents (attached) were issued to all schools and academies on 5th September 2018, and included 5 formula models, each shown with minus 1.5%

MFG and 0% MFG. The models reflected discussions of the Schools Funding Formula working group on 19th June 2018 and Schools' Forum on 4th July 2018, and 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.
- 4.3 The consultation is being conducted electronically via Survey Monkey, and will run until 17th October 2018. Responses should be on behalf of an individual school only.
- 4.4 Feedback from the consultation will be reported back to Schools' Forum in November, along with a recommendation of a funding formula for 2019-20.

5.0 RECOMMENDATIONS

- 5.1 That the Forum notes the report.

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