

## **WIRRAL COUNCIL**

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

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

##### **2019-20 SCHOOLS FUNDING FORMULA CONSULTATION**

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### **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>

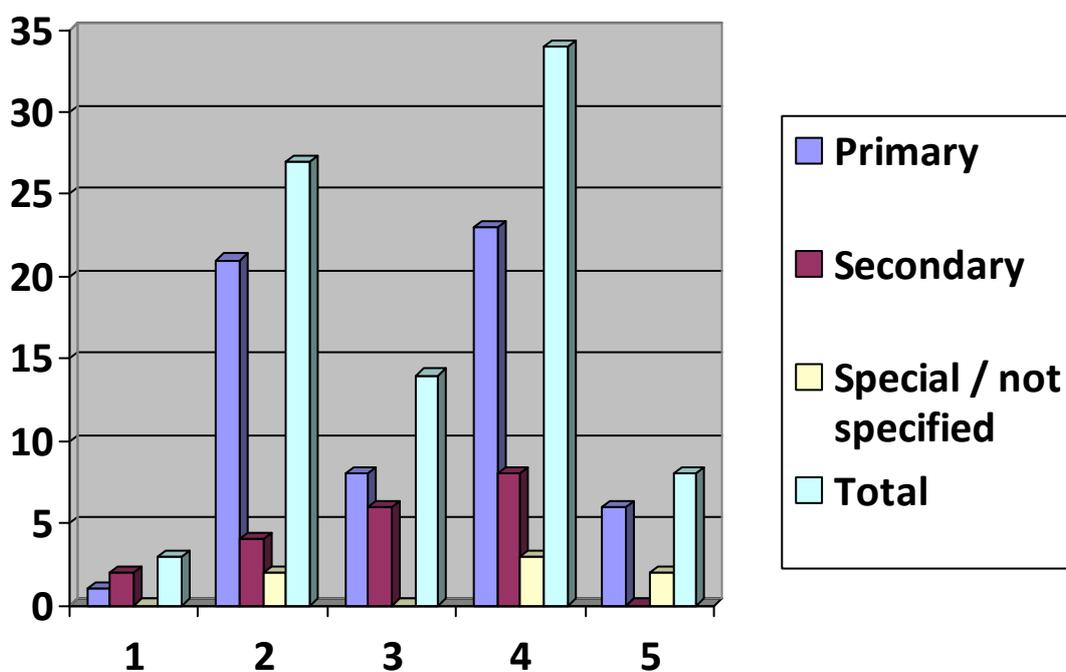
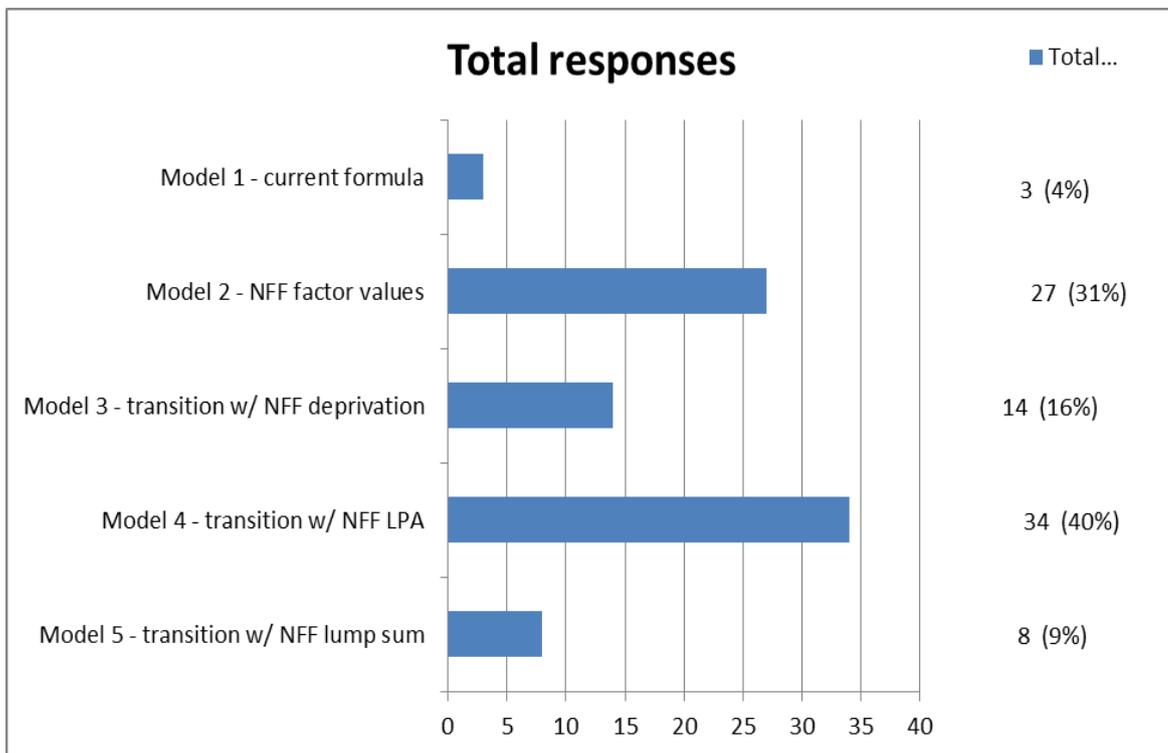
#### 5.0 SUMMARY OF RESPONSES

##### 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:



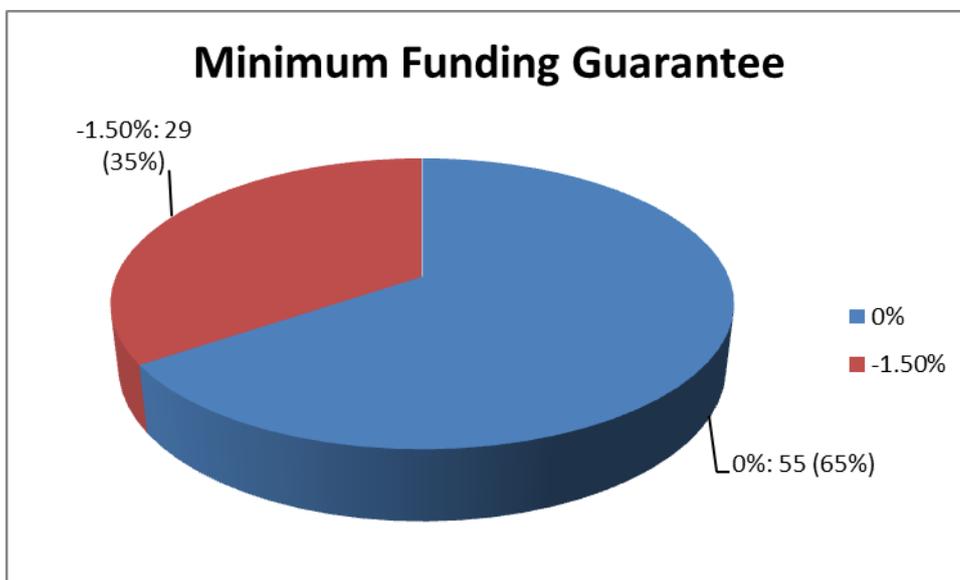
5.1.3 Some schools commented that due to the inevitability of a 'hard' National Funding Formula that it should be implemented straight away in Wirral rather than delay, while a large number of schools recognised that the NFF resulted in more significant turbulence for a large number of schools, and therefore 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.

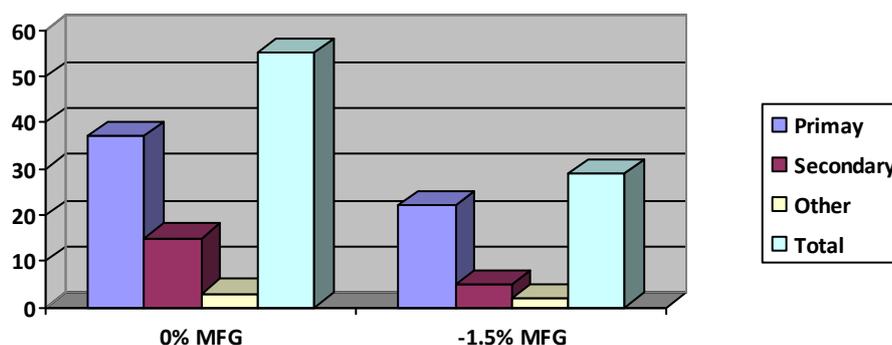
5.1.4 There were also comments that more funding should be targeted towards SEN pupils due to the increasing numbers in mainstream schools, while a large number of schools said they had voted for the option with the highest illustrative allocation for their particular school.

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