

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 26<sup>th</sup> JUNE 2019**

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

#### **SCHOOLS FUNDING FORMULA 2020-21**

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### **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to propose and seek Schools Forum's views on the consultation process in respect of the 2020-21 funding formula.

### **2.0 BACKGROUND**

- 2.1 The Schools Block of the Dedicated Schools Grant (DSG) for 2019-20 totaled £202,890,532, which was allocated to mainstream schools via the local funding formula as reported to January Forum and approved by Cabinet on 18<sup>th</sup> February 2019. This formula adopted the National Funding Formula (NFF) values for Low Prior Attainment, as well as the minimum per pupil funding amounts included within the NFF.
- 2.2 At the time of writing, there has been no indication from the Department for Education that there will be any change to the level of DSG funding for 2020-21, as future funding is subject to the government spending review 2019. It is therefore assumed at this stage that the DSG Schools Block will remain the same.
- 2.3 Wirral's DSG allocation is in line with the National Funding Formula. 2019-20 was originally planned to be the last year that Local Authorities could set a local funding formula ('soft NFF') before adopting the 'hard' NFF in 2020-21. However, in July 2018 it was confirmed that LAs will also determine local formulae in 2020-21. It is assumed that the 'hard' NFF formula will therefore be implemented in 2021-22.
- 2.4 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 2019-20 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.
- 2.5 The DfE usually release details of the following year's NFF along with indicative allocations based on the previous October census data in July. However, it has been indicated that this is unlikely for the 2020-21 NFF, with early autumn being more realistic.
- 2.6 This presents a difficulty in terms of consultation for the local 2020-21 funding formula as allowing for time to analyze the data and produce funding models would not leave significant time for meaningful consultation, although no significant changes to the NFF are expected.

### **3.0 2020-21 FUNDING FORMULA 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.
- 3.2 The consultation process for the 2020-21 schools funding formula aims to learn from lessons learnt in previous years. Following a difference in views between Schools Forum and the consultation feedback regarding the MFG level included in the 2019-20 formula, it should be clarified that any vote by Schools Forum on the final formula and MFG will be for consultative purposes only, and would be to obtain the view of Forum rather than a decision or approval of the formula.
- 3.3 Feedback in previous years has also highlighted that schools require clarity in the consultation, which must be balanced with not being overloaded with information. Consultation for the 2019-20 formula was based on 5 different models, each demonstrated with 2 MFG levels, which meant a significant amount of data was presented.
- 3.4 To simplify this, and considering Wirral's current local funding formula has already adopted some of the elements of the NFF, it is proposed to demonstrate just two models within the consultation:
  1. Current formula unchanged from 2019-20 formula;
  2. National Funding Formula factor values.
- 3.5 As the formula models would be using pupil data from the October 2018 census, they would be purely illustrative. Each model would be displayed with both a minus 1.5% and 0% MFG, and would assume no top-slice as it is unclear at this stage if this would still be possible for 2020-21.
- 3.6 As any changes to the 2020-21 NFF, along with indicative allocations, are not likely to be received until the autumn term it is proposed that the models assume no change to the funding level, and no changes to the structure of the NFF to enable a meaningful consultation period. However, should DfE release details prior to summer recess, models will be updated accordingly.
- 3.7 The intention is to begin the consultation at the beginning of September, and to run until half-term, which would allow at least 6 weeks for responses. Results will then be reviewed and reported back to Schools Forum with a proposed formula in November.

### **4.0 RECOMMENDATIONS**

- 4.1 That the Forum notes the report.
- 4.2 That consultation regarding the schools funding formula runs for 6 weeks from early September until October half term, and a proposed 2020-21 formula is subsequently presented to Schools Forum in November.

**Paul Boyce**  
**Corporate Director for Children Services**