

WIRRAL COUNCIL

SCHOOLS FORUM – 25th SEPTEMBER 2019

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN

SCHOOLS REVENUE FUNDING 2020-21 AND LOCAL FUNDING FORMULA CONSULTATION

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to update Forum on funding announcements for 2020-21, as well as update on the local funding formula consultation documents issued to schools and academies

2.0 BACKGROUND

2.1 In previous years at the end of July, the Education & Skills Funding Agency (ESFA) have confirmed details of the National Funding Formula (NFF) for the following financial year along with indicative local authority allocations. They have also released the “Schools Revenue Funding Operational Guide” document. The aim of this is to aid local authorities and their Schools Forums to plan the local implementation of the funding system for the following financial year.

2.2 Wirral has in turn used this information to model some funding formula options, giving indicative formula budget allocations for each school, as part of the consultation on the funding formula.

2.3 Partly due to the ongoing discussions around Britain’s withdrawal from the European Union, as well as a change in Prime Minister, there have been delays in this process, and as such the information referred to in paragraph 2.1 has not yet been released and is not expected until mid to late October.

2.4 This has made the consultation process for the 2020-21 schools funding formula particularly difficult, although some announcements around school funding for 2020-21 have been made by central government.

3.0 SPENDING ROUND

3.1 On Wednesday 4th September 2019 the Chancellor of the Exchequer delivered his Spending Round to Parliament which included an increase in funding for education. The key points were:

- An additional £14.6 billion to schools across England over 3 years;
- A cash increase compared to 2019-20 of £2.6 billion to core schools funding in 2020-21, £4.8 billion in 2021-22 and £7.1 billion in 2022-23;
- This additional investment includes £700m to support children with Special Educational Needs and Disabilities;

- The minimum per pupil funding levels will increase to £5,000 for secondary schools (currently £4,800) and £3,750 for primary schools (currently £3,500), rising to £4,000 in 2021-22;
- The government will provide almost £1.5 billion of funding to compensate schools for the increased cost of employer pension contributions;
- A £400m investment in further education in 2020-21, including £190m to increase core funding for 16-19 year olds, and £210m in targeted interventions such as high cost programmes, English & Maths resits etc.;
- £66m increase in Early Years spending to increase the hourly rate paid to childcare providers through the free hours offer.

3.2 The Department for Education later confirmed some additional detail:

- An increase of up to 4% to the NFF's core formula factors, excluding Free School Meals;
- No gains cap in the NFF unlike in previous years, meaning all schools attract their full core allocations under the formula;
- The government's intention remains to move to a 'hard' NFF for schools, where budgets will be set on the basis of a single national formula;
- Local authorities to retain discretion over their schools funding formulae and will ultimately decide allocations in their area following consultation;
- As a first step towards hardening the NFF, from 2020-21 the use of the national minimum per pupil funding levels, at the values in the school NFF, will be compulsory for local authorities to use in their own funding formulae;
- LAs will continue to set a Minimum Funding Guarantee (MFG), which in 2020-21 must be between +0.5% and +1.84%;
- LAs can transfer up to 0.5% of their School Block to other blocks of the Dedicated Schools Grant (DSG) with Schools Forum approval.
- Teachers pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21.

4.0 2020-21 LOCAL FUNDING FORMULA CONSULTATION

4.1 As outlined above, the NFF will continue as a "soft" formula in 2020-21, which means while DSG Schools Block allocations for LAs reflect the NFF, LAs continue to determine local formulas. As stated above LAs must consult with schools, academies and Schools Forum when considering changes to the local funding formula.

4.2 At Schools Forum on 26th June 2019 it was agreed that the consultation will give two options for a funding formula:

1. Current formula unchanged from 2019-20 formula, using the same factors and allocating funding across the factors in the same proportions as 2019-20;
 2. Use formula factors values included in the National Funding Formula.
- 4.3 Due to the revised allowable MFG range of +0.5% to +1.84%, the consultation will give options for MFG of +0.5%, +1.0% and +1.5% (replacing the previously suggested -1.5%, -0.75% and 0%).
- 4.3 As referred to in section 2 above, indicative local authority allocations for 2020-21 and NFF factor values have not yet been released. It was agreed at June's Schools Forum that in this instance modelling for the consultation would assume no change to funding levels and no changes to the NFF structure or rates.
- 4.4 However, due to the confirmed allowable MFG range and the increased minimum per pupil funding levels, an unchanged funding level would not have sufficient funding to model using these parameters. Due to there being insufficient information to determine an indicative allocation for Wirral it has therefore not been possible to provide illustrative funding models on a school by school basis for this year's consultation.
- 4.5 Consultation documents (attached) will be issued to schools and academies during the week commencing 23rd September 2019. The consultation is being conducted electronically via Survey Monkey and will run until Friday 25th October 2019. Responses should be on behalf of an individual school only.
- 4.6 A summary of feedback from the consultation will be reported back to Schools' Forum in November, and a funding formula for 2020-21 will be proposed.

5.0 RECOMMENDATIONS

- 5.1 That the Forum notes the report.

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