

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 6<sup>th</sup> NOVEMBER 2019**

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

#### **2020-21 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 2020-21 Schools Funding Formula, and to seek Forum's views on the formula for the 2020-21 financial year, which will in turn be considered in recommendations to Cabinet.

### **2.0 BACKGROUND**

- 2.1 As reported to Schools Forum in September 2019, the government's Spending Round announced on 4<sup>th</sup> September 2019 an increase in funding for education, including an additional £14.6 billion to schools in England across 3 years, and an increase to the minimum per pupil funding levels including in the National Funding Formula (NFF) to £3,750 for primary schools and £5,000 for secondary schools, with the primary rate increasing further to £4,000 per pupil from 2021-22.
- 2.2 Further information released by the Department for Education (DfE) confirmed that the core NFF formula factors would increase by up to 4%, and the Minimum Funding Guarantee (MFG) rate that Local Authorities include in their schools funding formula could be between +0.5% and +1.84%.
- 2.3 DfE also reaffirmed their intention to implement a 'hard' NFF whereby all schools in the country are funded on the same basis, and the first step towards achieving this would be to make the national minimum per pupil funding levels, at the values in the school NFF (per paragraph 2.1), compulsory for local authorities to use in their own funding formulae from 2020-21.
- 2.4 Although at the time of issuing Wirral's schools funding formula consultation there was insufficient information available to produce school level models, The DfE have now confirmed that key factors in the NFF will increase by 4%, while the Free School Meals factor rate will increase by 1.84% in line with inflation (as the factor is based on the actual cost of providing school meals). Premises funding will continue to be allocated at local authority level on the basis of actual 2019-20 allocations, with the PFI factor increased in line with the RPIX measure of inflation.
- 2.5 Provisional NFF 2020-21 schools block allocations have now been published for each LA, based on 2019-20 pupil numbers:

	<b>Schools Block</b>
2019-20 allocation (£)	202,890,533
2020-21 indicative allocation (£)	209,868,263
Diff (£)	6,977,730
Diff (%)	3.44%

### **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 their intention remains to implement a ‘hard’ formula which could 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, due to there being insufficient information released by the Department for Education to determine an indicative allocation for Wirral, it was not possible to provide illustrative school level funding models within the consultation documents. Instead schools were asked to consider the principles underpinning the consultation.
- 4.2 Schools were consulted on the following:
1. Retaining Wirral’s existing schools funding formula for 2020-21, or adopting the individual factor values from the NFF.
  2. Including within the funding formula a Minimum Funding Guarantee of +0.5%, +1.0%, or +1.5%.
  3. The use of any ‘headroom’ monies.
- 4.3 The consultation documents were issued to all schools and academies on 27<sup>th</sup> September 2019, and ran for 4 weeks until 25<sup>th</sup> October 2019. Briefings were also held with both Primary Headteachers Consultation Group (PHCG) with additional Headteacher attendance, and Wirral Association of Secondary Headteachers (WASH), and individual conversations also held with numerous Headteachers and School Business Managers.

4.4 In total there were 51 responses received via the electronic survey issued, giving a 41% response rate:

Phase	Response count	%
Primary	30	59%
Secondary	14	27%
Special	1	2%
Not specified	6	12%
	<b>51</b>	<b>100%</b>

## 5.0 SUMMARY OF RESPONSES

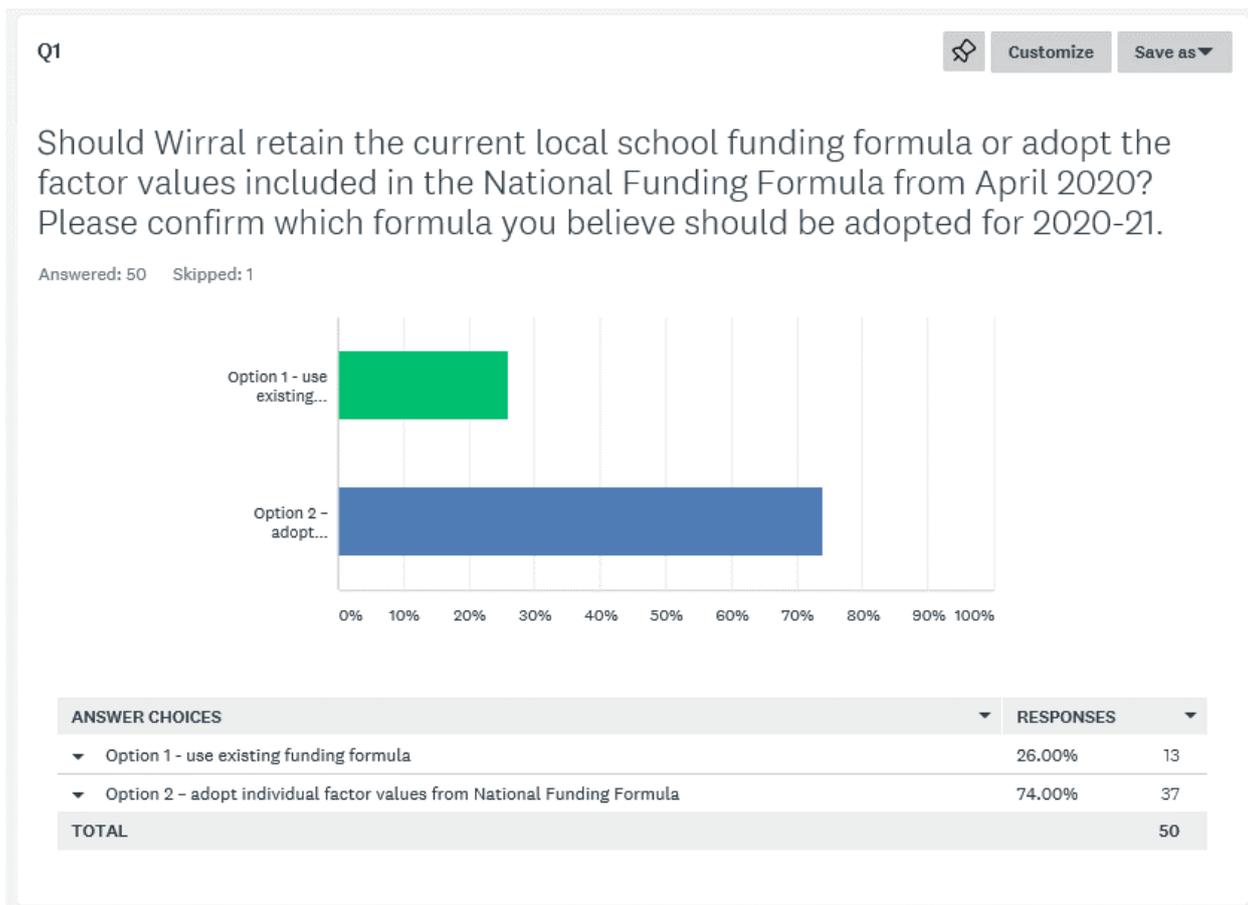
### 5.1 Schools Funding Formula

5.1.1 Views were sought on the preferred formula from the following:

1. Retain Wirral's current formula with funding allocated across formula factors using existing proportions;
2. Adoption of individual formula factor rates from the National Funding Formula.

5.1.2 Only one responder didn't specify a favoured funding model, with the preferred model being the option 2, the adoption of factor rates from the National Funding Formula which was selected in 37 responses (74%), with the remaining 13 (26%) preferring to retain Wirral's current formula in its existing structure:

	Primary	Secondary	Special	Other	Total
Option 1 - existing formula	6	5	1	1	13
Option 2 - NFF	23	9	0	5	37
<b>Total</b>	<b>29</b>	<b>14</b>	<b>1</b>	<b>6</b>	<b>50</b>



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, particularly while there is additional funding in the system and while a positive MFG is compulsory, to enable a smoother transition. Some also commented that this reflects central Governments view of a ‘fair’ funding system for all schools nationally, and would therefore offer consistency, transparency and certainty to aid longer term planning.

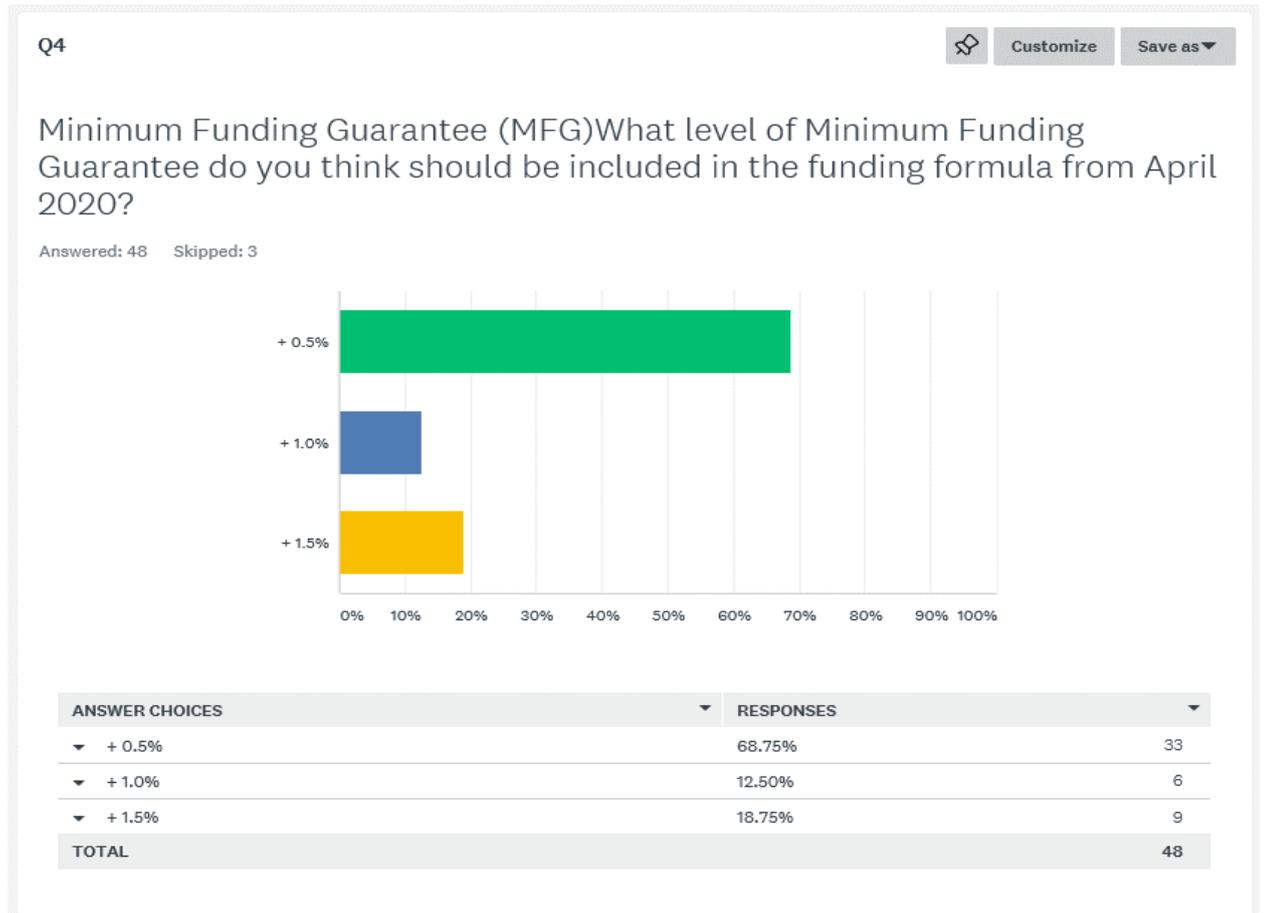
5.1.4 Some responses supporting the retention of Wirral’s current formula structure noted that their particular school would lose out with the NFF due to the broader allocation of deprivation funding, and some felt that the current formula reflects local circumstances due to being based on annual consultations, and therefore met local needs which are different to other areas of the country.

5.1.5 **Recommendation:** Schools Forum’s views are sought on the proposal to adopt individual factor rates from the National Funding Formula (option 2) in Wirral’s schools funding formula in 2020-21 based on 74% of consultation feedback supporting that option.

## 5.2 Minimum Funding Guarantee (MFG)

5.2.1 Three options were given for the MFG rate included in the formula: +0.5%, +1% and +1.5%, with views sought on the preferred rate. Of 51 responses, 48 answered this question, with the majority of responses (69%) preferring an MFG of +0.5%:

	Primary	Secondary	Special	Other	Total
Option 1 - + 0.5%	21	11	0	1	33
Option 2 - + 1.0%	4	1	1	0	6
Option 3 - + 1.5%	5	2	0	2	9
<b>Total</b>	<b>30</b>	<b>14</b>	<b>1</b>	<b>3</b>	<b>48</b>



5.2.2 A large number of schools commented that a higher MFG rate would delay transition to the NFF as it would be protecting against the current formula, and therefore a lower protection rate should be adopted, particularly with a positive MFG meaning an increase in per pupil funding compared with the previous year.

Others felt that schools have had sufficient time to prepare budgets for a national allocation and so there wasn't a need for a high protection rate, and a lower MFG would reduce the cap on schools due to gain the most from the National Funding Formula.

Others felt that while they supported the NFF being implemented that a higher MFG would help to smooth the transition from the current formula and therefore limit the negative impact it would have on some schools.

5.2.3 **Recommendation:** Schools Forum's views are sought on the proposal to include a +0.5% Minimum Funding Guarantee within Wirral's funding formula in 2019-20 based on 69% of feedback supporting that rate.

## 5.3 Headroom

- 5.3.1 As per paragraph 2.5 above, illustrative allocations released by the DfE in October 2019 indicate that Wirral will have an additional £6.98m (3.44%) in its Schools Block of the DSG grant compared with its 2019-20 allocation. This would first be allocated to increased Business Rates estimates and PFI allocations, pupil number changes and increased NFF rates should that option be implemented. Views were sought on how any remaining funding should be allocated across the funding formula.
- 5.3.2 Approximately half of responders (27 out of 51) commented on this question. There were various suggestions by individual responses such as distributing to all schools based on the same rate per pupil, using for school-based projects, and supporting the Education Welfare Service.
- 5.3.3 Two responses suggested using any remaining funds to support Special Education Needs (SEN). However, this would be classed as a top slice from the schools block to High Needs block of DSG, which would require support of the wider schools estate and Schools Forum.
- 5.3.4 Some responses suggested holding a small contingency pot to support schools as and when necessary via a growth fund and falling roll fund. However, the majority of responses supported any additional funding being shared amongst schools and included in the formula. In Wirral's current formula this would be allocated across all formula factors in current proportions, while in the NFF this would reduce the cap on gaining schools due to the factor rates being fixed.
- 5.3.5 **Recommendation:** Schools Forum's views are sought on the proposal to include all funding received in the Schools Block of the Dedicated Schools Grant within the funding formula by minimising the cap applied to the highest gaining schools should the NFF option be adopted (or across all formula factors should Wirral's current formula be retained), and that any remaining funding be split between a falling rolls fund and a growth fund to be accessed by schools meeting specific criteria to be agreed.

## 6.0 CONCLUSION

- 6.1 The level of engagement with this consultation process has reduced from the previous year which is perhaps understandable given the absence of school level information. However, the process has provided valuable feedback to inform the plans for the 2020-21 School Funding Formula, and thanks are expressed to all those who took part.

## 7.0 RECOMMENDATIONS

- 7.1 That the Forum notes the report.
- 7.2 Schools Forum's views are sought on the proposal to adopt individual factor rates from the National Funding Formula (option 2) in Wirral's schools funding formula in 2020-21 based on 74% of consultation feedback supporting that option

- 7.3 Schools Forum's views are sought on the proposal to include a +0.5% Minimum Funding Guarantee within Wirral's funding formula in 2019-20 based on 69% of feedback supporting that rate.
- 7.4 Schools Forum's views are sought on the proposal to include all funding received in the Schools Block of the Dedicated Schools Grant within the funding formula by minimising the cap applied to the highest gaining schools should the NFF option be adopted (or across all formula factors should Wirral's current formula be retained), and that any remaining funding be split between a falling rolls fund and a growth fund to be accessed by schools meeting specific criteria to be agreed.

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

## Appendix 1

### Schools responding to the Funding Formula Consultation

Bedford Drive Primary School	Weatherhead High School
Brackenwood Infant School	The Mosslands School
Brackenwood Junior School	Pensby High School
Brookhurst Primary School	Hilbre High School
Co-op Academy Portland	Calday Grange Grammar School
Co-op Academy Woodslee	St Mary's Catholic College
Devonshire Park Primary School	St Anselm's College
Greasby Junior School	Woodchurch High School
Holy Cross Catholic Primary School	The Birkenhead Park School
Holy Spirit Catholic & C of E Primary	Upton Hall School
Irby Primary School	Wirral Grammar School for Girls
Lingham Primary School	South Wirral High School
Mendell Primary School	West Kirby Grammar School
Mersey Park Primary School	Wirral Grammar Schools for Boys
New Brighton Primary School	Wirral Hospitals' School
Overchurch Infant School	
Overchurch Junior School	
Overchurch Junior School	
Prenton Primary School	
Raeburn Primary School	
Rock Ferry Primary School	
Somerville Federation	
St George's Primary School	
St Michael and All Angels	
St Paul's Catholic Primary School	
St Peters Catholic Primary School	
St Peters CE Primary School	
St. Alban's Catholic Primary School	
Woodchurch CE Primary School	