

WIRRAL COUNCIL

SCHOOLS FORUM – 15th JANUARY 2020

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

2020-21 SCHOOLS FUNDING FORMULA

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to propose an increased Minimum Funding Guarantee in the 2020-21 schools funding formula to that which was previously recommended and supported at the November 2019 Forum, this being due to an increase in the funding level.

2.0 BACKGROUND

2.1 Following a consultation across all Wirral maintained primary, secondary and special schools, academies, and 6th form colleges, feedback was presented to Schools' Forum on 6th November 2019 who supported the following recommendations:

1. To adopt the individual factor rates from the National Funding Formula (NFF) in Wirral's school funding formula in 2020-21;
2. To include a +0.5% Minimum Funding Guarantee within Wirral's funding formula in 2020-21;
3. To include all funding received in the Schools Block of the Dedicated Schools Grant (DSG) within the funding formula by minimising the cap applied to the highest gaining schools should the NFF be adopted, 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.

2.2 Indicative NFF 2020-21 schools block allocations for Wirral at that time, based on 2019-21 pupil numbers, were as follows:

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

2.3 Local Authorities are able to set a Minimum Funding Guarantee (MFG) of between +0.5% and +1.84% in their local funding formula.

2.4 The Department for Education (DfE) retain their intention to implement a 'hard' NFF, and as a first step towards doing so have made the Minimum Per Pupil Funding rates compulsory for all LAs from 2020-21. These rates are £3,750 for primary school pupils and £5,000 for secondary school pupils for 2020-21.

3.0 FINAL 2020-21 SCHOOLS BLOCK ALLOCATIONS

- 3.1 Following completion of the autumn 2019 school census, final schools block allocations were published on 19th December 2019, along with the other 3 blocks of the DSG.
- 3.2 Wirral's final 2020-21 schools block is as follows:

	Schools Block
2019-20 allocation (£)	202,890,533
2020-21 final allocation (£)	211,908,043
Diff (£)	9,017,510
Diff (%)	4.44%

- 3.3 This increase from the indicative schools block is in part due to a net increase in pupil numbers from October 2018 to October 2019. However, in total there is £2,039,780 in addition to the indicative amount previously reported.
- 3.4 Initial work on the 2020-21 funding formula has identified that, with this increased level of funding, no gains cap will be required for any school in the 2020-21 formula. However in line with the recommendations supported by Schools Forum in November 2019 (referred to in paragraph 2.1 above), using a +0.5% MFG with the NFF factor rates would leave a significant sum remaining for growth/falling roll funds:

	+0.5% MFG (£)	+1.84% MFG (£)
Available schools block funding	211,908,000	211,908,000
Funding allocated through NFF factors	206,784,647	206,784,647
Additional funding to meet the minimum per pupil funding level	3,656,622	3,656,622
Total formula funding excluding MFG	210,441,270	210,441,270
Minimum Funding Guarantee	306,496	1,000,417
Total funding for Schools Block Formula	210,747,766	211,441,687
Funding remaining for growth/falling roll funds	1,160,234	466,313

- 3.5 It is therefore proposed that the previously recommended MFG of +0.5% is revised to the maximum permitted +1.84% so as to maximise the funding allocated to school budgets via the funding formula.

4.0 RECOMMENDATIONS

- 4.1 That the Forum notes the report.
- 4.2 Schools Forum's views are sought on the proposal to increase the previously proposed +0.5% MFG to the maximum permitted 1.84%, so as to maximise funding directed to schools via the funding formula. The remaining funding will be used to create a falling rolls fund and growth fund as previously agreed.

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