

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 30<sup>th</sup> JUNE 2020**

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

#### **2020-21 GROWTH FUND AND FALLING ROLLS FUND**

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### **1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to propose the criteria for accessing the Growth Fund and Falling Rolls Fund in 2020-21, which have been created for the first time as part of Wirral's funding formula.

### **2.0 BACKGROUND**

2.1 Following a consultation across all Wirral maintained primary, secondary, and special schools, academies, and 6<sup>th</sup> form colleges, feedback was presented to Schools' Forum on 6<sup>th</sup> 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 Following completion of the autumn 2019 school census, final schools block allocations were published on 19<sup>th</sup> December 2019, along with the other 3 blocks of the DSG. Wirral's schools block had increased to £211.9m, a £2m increase from the previously indicated total of £209.9m, partly due to an increase in pupil numbers from October 2018 to October 2019.

2.3 This improved funding allowed an increased Minimum Funding Guarantee (MFG) to be implemented without the need for a cap on schools due to gain most from the formula. It was therefore agreed at Schools Forum on 15<sup>th</sup> January 2020 to increase MFG to the maximum permitted 1.84%.

2.4 Once the formula rates and 1.84% MFG had been applied to pupil data, there was £465,900 remaining to be split equally between a Growth Fund and a Falling Rolls Fund.

### **3.0 GROWTH FUND - £233,000**

3.1 Schools Funding regulations state that a growth fund must fund all schools on the same criteria, and can only be used to:

- support growth in pre-16 pupil numbers to meet basic need.

- support additional classes needed to meet the infant class size regulation.
  - meet the cost of new schools.
- 3.2 In addition, the growth fund must not be used to support:
- schools in financial difficulty.
  - general growth due to popularity (this is managed through lagged funding).
- 3.3 Local Authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the Schools Forum. The Schools Forum should also be consulted on the size of the growth fund and receive regular updates on the use of the funding.
- 3.4 Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.
- 3.5 Methodologies for distributing funding could include:
- a lump sum payment with clear parameters for calculation.
  - a per-pupil rate (usually based on AWPU and reflecting the proportion of the year which is not funded within the school's budget share).
  - a per-pupil rate, with a maximum ceiling.
- 3.6 Where growth funding is payable to academies the local authority should fund the increase for the period from the additional September intake through until the following August.
- 3.7 Local authorities should report any unspent growth funding remaining at the year-end to the Schools Forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.
- 3.8 The proposed criteria for Wirral's 2020-21 Growth Fund is as follows:
- Mainstream schools and academies can access the fund.
  - pupil numbers grow as a result of basic need to above 6.5% of the budgeted numbers between the budget setting period and October census.
  - growth funding will be equivalent to the Basic Entitlement factor (AWPU) only for the additional pupils (i.e. over the 6.5%).
  - funding is for the remainder of their relevant funding period (pro rata).
- 3.9 These criteria have been submitted to the Department for Education (DfE) as provisional criteria along with school budgets for 2020-21.

#### **4.0 FALLING ROLLS FUND - £233,000**

- 4.1 Schools funding regulations state that Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

- 4.2 The Schools Forum should agree both the value of the fund and the criteria for allocation, and the local authority should regularly update the Schools Forum on the use of the funding. As with the growth fund, the falling rolls fund is also within the NFF schools block.
- 4.3 Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.
- 4.4 Methodologies for distributing funding could include:
- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)
  - a lump sum payment with clear parameters for calculation.
- 4.5 Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.
- 4.6 Local authorities should report any falling rolls funds remaining at the end of the financial year to the Schools Forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.
- 4.7 The proposed criteria for Wirral's 2020-21 Falling Rolls Fund is as follows:
- the fund is accessible to 'Good' or 'Outstanding' mainstream schools and academies.
  - the Number On Roll (NOR) is less than 80% of its Published Admission Number (PAN);
  - planning data shows surplus places will be required within 3 years.
  - falling rolls funding will be equivalent to the basic entitlement factor (AWPU) only over the 6.5% threshold
  - e.g. if drop by 8%, would receive basic entitlement for 1.5% of its previous intake for the relevant funding period.
- 4.8 These criteria have been submitted to the Department for Education (DfE) as provisional criteria along with school budgets for 2020-21.

## **5.0 RECOMMENDATIONS**

- 5.1 That the Forum notes the report.
- 5.2 Schools Forum agrees the criteria for the 2020-21 Growth Fund as outlined in paragraph 3.8.
- 5.3 Schools Forum agrees the criteria for the 2020-21 Falling Rolls Fund as outlined in paragraph 4.7.

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