

WIRRAL COUNCIL

SCHOOLS FORUM – 24th NOVEMBER 2020

REPORT OF THE DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

SCHOOLS REVENUE FUNDING 2021-2022 AND LOCAL FUNDING FORMULA CONSULTATION

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide Forum with feedback from the consultation on the 2021-2022 Schools Funding Formula, and to seek Forum's views on the formula for the 2021-2022 financial year, which will in turn be considered in the budget recommendations to the February 2021 meeting of the Policy and Resources Committee.

2.0 BACKGROUND

2.1 As reported to Schools Forum at the September 2020 meeting, the Department for Education (DFE) announced in July 2020 that the minimum per pupil funding levels in 2021-2022 will be £4,180 in primary schools, £5,215 for Key Stage 3 pupils, and £5,715 for Key Stage 4 pupils. These funding levels include the following changes relevant to Wirral for 2021-2022:

- The incorporation of the 2019 update to the Income Deprivation Affecting Children Index (IDACI), ensuring that the deprivation funding through the NFF continues to target schools most likely to need additional funding.
- Funding previously received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG), including the supplementary fund, have now been rolled up into the NFF.
- Local authorities have the freedom to set the MFG in local formulae between +0.5% and +2% per pupil (previously +0.5% to 1.84%)

2.2 Indicative NFF 2021-2022 schools block allocations for Wirral, based on 2020-2021 pupil numbers are as follows:

	Schools Block
2020-21 final allocation	£211,908,043
2021-22 indicative allocation	£228,251,891
Increase	£16,343,848
Increase	7.71%

2.3 Given that Wirral have already adopted the individual factors from the National Funding Formula (NFF) and the DFE does not intend that changes to incorporate 2019 IDACI data or to roll in TPG and TPECG funding, which mirror technical changes in the NFF, should require consultation with schools on their own, only the options for the level of MFG required formal consultation.

3.0 2021-2022 LOCAL FUNDING FORMULA CONSULTATION

- 3.1 The consultation documents were issued to all schools and academies on 7th October 2020 and ran until 30th October.
- 3.2 The consultation sought views on the level of MFG for 2021-2022 for three options as follows:
- + 0.50% - this would give all schools at least the minimum 0.5% increase in per pupil funding and allow those due to gain most from the formula (i.e. those deemed underfunded) to gain closer to their full allocation.
 - + 1.25% - this would offer a greater minimum increase in per pupil funding but may result in some schools due to gain most having their gain capped.
 - + 2.00% - this would increase the minimum per pupil funding increase further, but similarly may increase the cap on some gaining schools as a result.
- 3.3 In addition, views will be sought on the usage of any funding that may be left following the allocation of the confirmed 2021-2022 schools block allocation. For 2020-2021, such funding was allocated to a Growth Fund and Falling Rolls Fund.
- 3.4 To support the consultation processes, the documents included a financial model to identify the indicative impact of the MFG options on each school.

4.0 SUMMARY OF RESPONSES

- 4.1 The responses to the consultation survey questions are summarised below.

Q1 - What level of Minimum Funding Guarantee (MFG) do you think should be included in the funding formula from April 2021? There were 32 responses to this question and the outcome of the responses is shown in the table below.

Level of MFG	Responses	
	Qty	%
+ 0.50%	5	15.63%
+ 1.25%	17	53.13%
+ 2.00%	10	31.25%
	32	100.00%

Q2 – Why have you selected this option? There were 29 responses to this question and the outcome of the responses is shown in the table below.

Reason for MFG preference	+ 0.50%	+ 1.25%	+ 2.00%	Total
Fairest/best for all schools, minimises 'capping'	4	12		16
Best for our school		2	6	8
Maximum distribution of funding available			4	4
Allows some capacity e.g. to establish falling rolls/growth fund		1		1
	4	15	10	29

Q3 – Do you have any comments on how any spare capacity within the funding available should be allocated. For example, establish a Growth Fund and/or Falling Rolls Fund? There were 29 responses to this question and the outcome of the responses is shown in the table below.

Use of spare capacity in 2021-22 funding	Responses	
	Qty	%
Establish a falling rolls and/or growth fund	16	55.17%
Falling rolls/growth fund	4	
Falling rolls only	5	
Falling rolls/distribution to all schools	1	
Falling rolls/SEN	1	
Growth only	5	
Distribute to all schools	5	17.24%
SEN/SEMH	6	20.69%
COVID-19	2	6.90%
	29	100.00%

5.0 RECOMMENDATIONS

- 5.1 That the Forum notes the report.
- 5.2 Schools Forum's views are sought on the proposal to include +1.25% Minimum Funding Guarantee within Wirral's funding formula in 2021-2022 based on 53.13% of feedback supporting that rate.
- 5.3 Schools Forum's views are sought on the proposal to allocate any spare capacity within the 2021-2022 funding to a falling roll and/or growth fund based on 55.17% of feedback supporting this approach.

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