

## WIRRAL COUNCIL

### SCHOOLS FORUM – 19<sup>th</sup> JANUARY 2021

#### REPORT OF THE DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

#### 2021-22 SCHOOLS FUNDING FORMULA

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### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to propose a potential increase to the Minimum Funding Guarantee in the 2021-22 schools funding formula to that which was previously recommended and supported at the November 2020 Forum, 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 6<sup>th</sup> form colleges, feedback was presented to Schools' Forum on 24<sup>th</sup> November 2020 who supported the following recommendations:

1. To include a +1.25% Minimum Funding Guarantee within Wirral's funding formula in 2020-21, and
2. To allocate any spare capacity within the 2021-22 funding to a falling roll and/or growth fund.

2.2 Indicative National Funding Formula (NFF) 2021-22 schools block allocations for Wirral at that time, based on 2020-21 pupil numbers, were as follows:

	<b>Schools Block</b>
2020-21 allocation (£)	£211,908,043
2020-21 indicative allocation (£)	£228,251,891
Diff (£)	£16,343,848
Diff (%)	7.71%

2.3 Local Authorities can set a Minimum Funding Guarantee (MFG) of between +0.5% and +2.00% in their local funding formula.

### 3.0 FINAL 2020-21 SCHOOLS BLOCK ALLOCATIONS

3.1 Following completion of the autumn 2020 school census, final schools block allocations were published on 17<sup>th</sup> December 2020 along with the other 3 blocks of the DSG.

3.2 Wirral's final 2021-22 schools block is £230,289,791 which is an increase of £2,037,900. This increase from the indicative schools' block is in part due to a net increase in pupil numbers from October 2019 to October 2020.

- 3.3 Work on the completion of the authority pro-forma tool (APT), which uses the National Funding Formula and other data to determine the individual schools budget share, is on-going at the time of writing this report. In line with the recommendations supported by Schools Forum in November 2020 (referred to in paragraph 2.1 above), using a +1.25% MFG with the NFF factor rates may leave a significant sum remaining for growth/falling roll funds given the increased funding.
- 3.4 Work on the APT includes the adoption of an alternative composite Minimum per Pupil Level (MPPL) rate for Wirral's all-through school. The MPPL in the National Funding Formula applies a composite rate across Primary and Secondary year groups for all-through schools. As the MPPL for Primary is significantly less than that for Secondary, the use of the composite rate can disadvantage all-through schools where they have unusual year group sizes. A disapplication request was submitted to the ESFA under paragraph 47 of the Schools Revenue Funding Operational guide and this has now been approved. The impact on the schools' budget share has not yet been determined.
- 3.5 It is therefore proposed that, should the application of a +1.25% MFG generate spare capacity for a falling rolls/growth fund of more than £0.5m, the MFG % is increased to a level that maximises the allocation of funding to individual schools whilst ensuring that no gains cap will be required for any school. In the unlikely event that the maximum MFG of +2.00% is applied and spare capacity within the allocation is greater than £0.5m, then the full value of the spare capacity will be allocated to the falling rolls/growth fund.

#### **4.0 RECOMMENDATIONS**

- 4.1 That the Forum notes the report.
- 4.2 Schools Forum's views are sought on the proposal to cap the falling rolls/growth fund at £0.5m and to maximise the allocation of funding to individual schools by applying an MFG % greater than +1.25% if the headroom in the 2021-22 allocation can accommodate this.

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