

**Meeting of the Schools Forum  
Wednesday 15<sup>th</sup> February 2017 at 10.00 a.m.  
at Hawkley Hall High School**

**Present:**

**Members:** A.P. Hardy (Chair) F. Quinlivan, G. Hayes, H. Phillips, A. Birchall, R. Halford, K. Pilkington and R. Lewis .

**Observers:** Cllr J. Platt, M. Wilkinson and M. Atkins.

**LA Officers:** J. McDonald (Strategic Finance Manager) C. Myers (Finance Group Manager) Ms J. Challiner (Early Years' Service Manager) and F. Gore (Clerk)

**1. Apologies for absence**

Apologies for absence were received from J. Holland, P. McGhee, E. Loftus, S. Bruen, V. Birchall, D. Winstanley , A. McGlown, A. Isherwood, A Wells and T. Warren; and from A. Lindsay (Assistant Director).

**2. Items for inclusion under AOB**

None.

**3. Minutes of the meeting of the Forum held on 12 January 2016:** enclosed.

**It was agreed:** That the minutes of the meeting held on 12 January 2017 be approved as a true and correct record.

**4. Early Years National Funding Formula**

Mr McDonald presented a report (circulated prior to the meeting) on a new Early Years National Funding Formula (NFF). He reported on the following aspects of the new formula:

- The new formula allocated funding to Local Authorities for the existing 15-hour entitlement for all three- and four-year-olds and the additional 15 hours for three- and four-year children of eligible working parents. The funding rates for both the existing 15-hour entitlement and the additional 15-hour entitlement would be the same. Funding in 2017-18 for the additional 15-hour entitlement (the 30 hour childcare policy) was for part of the financial year, reflecting the fact that this policy began in September 2017.
- The formula consisted of a universal base rate plus factors for additional needs, using measures of free school meals; disability living allowance and English as an additional language.
- The formula included an area cost adjustment multiplier to reflect variations in local costs.

- The formula included a minimum funding rate of £4.30 per hour to Local Authorities, which would give Local Authorities the scope to pay providers an average funding rate of at least £4 per hour.
- A funding floor would ensure that no Local Authority could face a reduction in its hourly funding rate of greater than 10% against its 2016-17 baseline. Transitional protections ensured that in any year, no Local Authority would have an annual reduction in their hourly funding rate of more than 5%.

Details of the new requirements on Local Authorities in respect of EY funding were given. There was also a requirement for Local Authorities to establish a special educational needs inclusion fund (from within the allocated EY funding).

Local Authorities were required to consult providers on their local formula; the Schools Forum must be consulted on changes to local Early Years funding formulae, including agreeing central spend by 28th February; however the final decision rested with the Local Authority.

A consultation questionnaire had been sent to all of Wigan's nursey providers – PVI (Private, Voluntary and Independent), settings within maintained schools and Nursey Schools. The questions and responses were contained in an appendix to the report. In addition officers from the Early Years Team and Finance had met with all key stakeholders. No major concerns had been raised in respect of the Authorities planned funding arrangements.

The Forum was informed that the PVI Sector welcomed the planned changes. The two maintained nursery schools in the Borough, whilst welcoming some elements of the changes and the funding protections given to 2020 were concerned at the long-term impact of the changes and that the settings would face significant reductions in income from 2020.

The maintained sector had asked why they did not have the protections of the Minimum Funding Guarantee, as it applied to schools?

Mr McDonald confirmed that there was no discretion to allow the MFG for Early Years after 2017 and the LA had to operate to more prescriptive Regulations under the new Formula. It was also noted that if there were funding protections then the total funding available to other setting would have to be reduced accordingly. It was also noted that the PVI Sector received less funding than maintained nursery schools and that this would continue to be the case until the protections ended in 2020.

It was agreed: (1) That the report be accepted and the Local Authority be recommended to adopt the following recommendations:

(2) That a move to a universal rate from the 1<sup>st</sup> April 2017 and the proposal to pass through 95% of the funding from this date be approved.

(3) That a universal base rate at £4.04 across the sector be set and the current FSM and Deprivation rate be retained.

(4) That it be noted that maintained nursery settings are protected until 2020 and the government funding for this will be transferred directly to the nurseries

(5) That the retained 5% funding be used to continue to support settings including Quality; training; speech and language; safeguarding; deprivation; and SEN inclusion fund (3 - 4 year olds)

(6) That in addition to the above centrally retained fund, approval be given to increase the top slice the hourly rate from 2 year old funding from 5p to 10p to help fund SEN support. In order to provide extra support as the requirement for specialist provision increases for 2 year olds.

(7) That the current payment model be continued ( 80% at the beginning of each term and the remaining 20% paid mid-term).

(8) That the concerns now expressed regarding the impact of the new funding arrangements on maintained nursery schools after 2020 be noted and the Local Authority are working closely with both of the schools to help support their sustainability in the longer term.

## **5. National Funding Formula Response to Consultation:**

Mr McDonald had circulated prior to the meeting the following:

- A report on the impact of the changes arising from the proposed new National Funding Formula in respect of both the Schools Block and the High Neds Block;
- The list of questions included in the Consultation on the new Funding Formula for schools and the High Needs Block;
- The draft response prepared by the f40 group of poorest funding Local Authorities to the consultation;
- A copy of a letter prepared for circulation by schools in Warrington informing parents of the detrimental impact of the new Formula on their school and the LA.

### **A. Schools Funding Formula**

It was noted that the proposed national funding formula would mean, for the first time, all schools would be funded on the same basis. Under the new formula 10,740 schools nationally would receive increased funding (54 per cent of all schools). The remaining 9,128 would receive less funding (46 per cent). The government had confirmed that schools would have losses capped at three per cent against their current per-pupil funding level. A total of 101 local authority areas would see gains and 49 would see reductions. There would be a 3 per cent per-pupil cap on schools set to have increased funding from 2018-19, reducing to 2.5 per cent in 2019-20.

Local Authorities would continue to have a say in “limited parts” of the formula, particularly in relation to funding for pupil growth and there would be the flexibility to move cash between the school and high needs budgets, provided there was agreement from the majority of schools and the local School Forum.

Representatives noted with concern that the formula was simply a reallocation of funding and did not tackle the more fundamental problem of an overall lack of funding within the

education sector; there was an increasingly urgent problem facing schools as school budgets failed to keep up with rising budget pressures. An analysis from the National Audit Office had shown that state schools in England would have to reduce spending by £3bn by 2019-20 to address cost pressures. The DfE's overall school budget was protected in real terms but did not provide for funding per pupil to increase in line with inflation.

Within a detailed analysis of the proposed Formula and its impact on Wigan schools; members noted the following:

### **Per-pupil funding**

This would be the largest factor within the Formula with a weighting of 72.5 per cent of the school block budget – amounting to **£23 billion** overall. However this was lower than the current 78% currently allocated under the Wigan funding formula.

Primary pupils would be funded at £2,712 each; Key Stage 3 at £3,797, and Key Stage 4 at £4,312.

### **Additional needs funding**

The formula increased this factor to **£5.8 billion** (18 per cent) of the national schools block budget.

### **Lump sum**

This would be set at £110,000 (Wigan's formula provided for £15,000 per school). This equated to 7.1 per cent of the block budget – a total of **£2.3 billion**.

### **Growth**

A total of **£167 million** has been set aside for schools that had significant changes in pupil numbers that don't get recognised under lagged funding. This would be based on historic spend on growth for the immediate future but could be subject to change.

### **Impact on Wigan Schools**

In terms of schools in Wigan, 11 primary schools would gain from the formula but 88 would lose. All Wigan's secondary schools would lose funding under the NFF. Wigan sat at 72/152 in terms of funding but would fall to 109 under the new formula. In terms of per pupil funding Wigan would become 9th lowest funded in terms of its statistical neighbours.

### **Implementation**

In the Government's response to the first stage consultation, it confirmed that it would move to a 'soft' national funding formula in 2018-19 ie. Local Authorities would still determine individual schools' funding allocations through their local formula. It would be for local authorities to agree their individual formulae for 2018-19, according to the usual rules including the MFG of minus 1.5% per pupil. Wigan did

not intend to make any substantive changes to the arrangements for local formula construction.

It was the view of the Forum that:

- fundamentally there was insufficient funding within the education system nationally and locally to allow schools to meet the budgetary pressures they faced;
- the new NFF failed to meet the objectives the government had set, as it was primarily based on historical funding and therefore, with the 3% cap on any loss of funding, the formula continued the inequalities that presently existed;
- the planned reduction in the percentage of funding allocated to the per-pupil funding and to the school lump-sum was of great concern because they were the factors that underpinned the funding to all schools; the Forum believed that the percentage of spend on per-pupil funding should be 75% at the minimum;
- the increased spend on deprivation factors was to the detriment of those schools who did not have a high percentage of disadvantaged pupils;
- since Pupil Premium funding had been introduced to specifically help disadvantaged pupils why had that not been increased rather than have further funding identified through a separate element within the NFF?
- the proposals represented a lost opportunity to introduce a Funding Formula based on a needs-based model that reflected the actual costs of educating a child, regardless of where they lived rather than be based on historical spend and use of national averages

The Forum considered the questions in the consultation paper on the Schools Block and its responses.

Consideration was also given to the preparation of information that could be shared via schools to alert parents to the implications of the new NFF on their school.

**It was agreed:** (1) That the Forum respond as now agreed to the consultation on the Schools NFF.

(2) That a copy of the response be submitted to the next meeting of the Forum; and further consideration be given at that meeting to the High Needs NFF consultation paper.

(3) That information be prepared informing parents of pupils attending Wigan schools of the impact of the proposed changes in school funding and explaining how they can make representation on the proposals.

## **B. High Needs Funding**

Under the revised funding arrangements no Local Authority would face a reduction in High Needs funding. The government proposed an increase of up to 3% in the next two years for underfunded authorities. Like the schools block the funding for high needs had been based on historic spending and did not reflect the need across different local authorities or nationally.

The government had recognised the financial pressures faced by Authorities and had awarded an extra £130million in 2017/18. There would be a separate grant to undertake more strategic thinking and to work in collaboration with partners, other local authorities and

families. There would also be a £200m capital fund to help build extra and more effective provision.

Mr McDonald reported that a national conference would shortly be held which could give more detailed information on the intentions and potential impact of the changes in the High Needs funding and he would report to the next meeting so that a response could be given to the consultation by the deadline of 22<sup>nd</sup> March 2017.

**It was agreed:** That the Forum's response to the High Needs consultation paper be deferred to the next meeting.

## **6. AOB**

**None.**

## **7. Date and Time of Future Meetings:**

9<sup>th</sup> March 2017 at 1.30 p.m - at Bedford High School

11<sup>th</sup> May 2017 at 1.30 p.m - at Hawkley Hall High School

29<sup>th</sup> June 2017 at 1.30 p.m - at Hawkley Hall High School