

**Minutes of the Meeting of the Schools Forum
Schools Funding Formula Working Group
Thursday 7th December 2017 at 10.30 a.m.
at Orrell St Peter's RC High School**

Present:

Members: A.P. Hardy (Chair) E. Loftus, G. Hayes (deputizing for E. Ellis) A. McGlown and R. Halford.

LA Officers: J. McDonald (Strategic Finance Manager) C. Myers (Group Finance Manager) and F. Gore (Clerk)

1. Apologies for absence

All sectors were represented .

2. Items for inclusion under AOB

None.

3. National Funding Formula (NFF):

Further to the decision taken at the last meeting of the Forum, those present were reminded that this meeting had been convened to consider the potential impact of the technical guidance issued on the NFF; and make recommendations to the January 2018 meeting of the Forum on the schools funding formula to be adopted in Wigan for 2018-19.

A report had been circulated to all members of the Schools Forum prior to the meeting on the new NFF model for the schools block. The indicative schools block for Wigan was £198.453m for 2018/19 (including the premises factor (rates) and growth).

Appendix A to the report showed the current factors and values against the proposed NFF factors and values. Appendix B showed the modelling under the NFF and using the current formula adopted by Wigan. For added information the report modelled the impact of reducing the funding by £0.5m as a potential top slice contribution to meet the deferred payment made by the LA to fund the High Needs Block overspend in 2017-18.

The report confirmed that Local Authorities could top slice the Dedicated School Grant (DSG) in order to create a Growth Fund to support schools which were required to provide extra places in order to meet basic need within the Authority; and to support schools with falling rolls

The table below detailed those services that could be de-delegated and the amounts relevant to 2017/18 and 2018/19. For each of these services it was for the Schools Forum members in the relevant phase (primary or secondary) to decide whether that service should be provided centrally.

De-Delegated Services

De-Delegated Service based on estimated NOR	Budget 2017/18 £	Proposed Budget 2018/19 £	£ per pupil
Contingencies (including schools in financial difficulties and deficits of closing schools)	300,000	300,000	
Behaviour Support Services Primary Only	665,650	665,650	
Support to underperforming ethnic groups & bilingual learners	455,817	455,817	
FSM eligibility	16,803	16,803	
Insurance	6,095	6,095	
Staff Costs - Trade Union Public Duties	271,349	271,349	
	1,715,714	1,715,714	

The new block would fund Local Authorities for the statutory duties that they held for both maintained schools and academies.

The indicative High Needs Block for Wigan would be £28.064m for 2018/19. There were no decisions required at this time in respect of the High Needs Formula and allocation. A budget setting report would be included on the January 2018 agenda for Schools Forum. It is hoped that the outcome of the Strategic SEND review could be shared at the time and that this would help inform the future budget strategy.

The central school services block (CSSB) would become the fourth block of funding within the DSG framework from April 2018. The indicative CSSB for Wigan was £1.421m for 2018-19 but due to the existing baseline this would only see a modest rise to £0.625m.

The representatives raised the following points arising from the report:

- The 2 formulas produced some significant differences in the projected 2018-19 budgets for a number of schools;
- On the whole secondary schools benefitted from adoption of the NFF whilst primary schools benefited from retention of the current funding model;
- Although the AWPU was reduced in the NFF there were a wide range of factors that could enhance the overall allocations to individual schools depending on the make-up of their school population (e.g. prior attainment, deprivation, AEL); if the NFF was adopted it was important that there was a clear understanding amongst schools of these factors and their impact;

- The retention of the Minimum Funding Guarantee helped provide continued protection (whilst recognizing there were no protections against reduced pupil numbers);
- The reduction in the lump sum paid to each school under the NFF would disproportionately disadvantage smaller primary schools;
- The proposed “top-slicing” of mainstream school budgets to fund the overspend in the High Needs Block in 2017-18 would impact on schools’ ability to provide the staffing necessary to support SEND pupils, potentially then increasing the demand for special school places;
- If the current formula was retained in 2018-19 there were some secondary schools that would be required to reduce staffing levels in the short term, whereas adoption of the NFF would reduce the likelihood of such short-term actions being needed;
- The recent practice of moving funding from the DSG to the High Needs Block to meet shortfalls in High Needs was unsustainable; in light of the projected increase in High Needs funding in 2018-19 it was important that the LA had clear budget and service delivery strategies for ensuring there was no budget overspend from 2018-19 onwards;

A number of questions were asked and comments made regarding:

- the impact of adopting the NFF on the current primary:secondary funding ratio;
- the reported budget required to fund growth and schools with falling school rolls;
- the progress on the independent review of special school provision currently underway – including the review of the current “bandings” used to determine levels of funding per pupil;
- the level of detailed information that would be made available to the Schools Forum on why the High Needs Block had overspent in 2016-17 and projected overspends in 2017-18; and the budget strategy for High Needs following the outcome of the current independent review;
- the level of detailed budget information to be made available to demonstrate how the new service offer would ensure the High Needs Block was not overspent in the future;
- the importance of the LA providing special schools with information on their future year’s budget much earlier than had been the practice in recent years;
- the importance of the LA providing information that would allow special schools to set three year budgets as opposed to recent years when budget setting had been a reactive process due to the late confirmation of final budget figures;
- a breakdown in staff costs included in the de-delegated services should be given to Schools Forum.

It was agreed: That the Schools Forum be recommended as follows:

- 1 To adopt the National Funding Formula from 2018-19.
2. That the report to the Schools Forum on 11 January 2018 include reference to the issues discussed at this meeting, in particular the primary:secondary funding ratio under the NFF and the factors included in the NFF that can support school budgets when set against the reduction in the AWPU
3. That the factors relating to Looked After Children be removed as this will now form part of the PPG plus allocation within the NFF.

4. That a sum of £0.6m be allocated to the growth fund in 2018-19 and to note that further modelling will be required in order to identify the additional funding needed to meet the projected cost of continuing to fund growth.
- 5 That approval be given to top-slicing £0.5m from the Dedicated Schools Grant (DSG) to the High Needs Block to reflect the contribution met from school balances held by the Council in 2017-18.
6. That the recommended level of de-delegation of services, including the transfer of the former ESG retained rate in respect of statutory functions, be approved; and that a breakdown in staff costs included in the de-delegated services be given to Schools Forum.

Meeting closed at 12 noon.