



**Report to:** Schools Forum

**Date of Meeting(s):** 17<sup>th</sup> January 2019

**Subject:** National Funding Formula (NFF) 2019/20 – Schools Block

**Report of:** James Winterbottom - Director for Children and Families

**Contact Officer:** John McDonald Strategic Finance Manager  
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**Summary:** To provide details of the DSG allocations for 2019/20 and details of the allocation per school

**Recommendation(s):** For Schools Forum to sign off the formula for 2019/20. The de-delegated items were agreed previously (October '18 Forum)

**Implications:**

*What are the **financial** implications?* Contained within report

*What are the **staffing** implications?* n/a

**Risks:** n/a

Please list any appendices:-

Appendix number or letter	Description
1	Schools allocations 2019-20
2	Authority Pro-Forma Tool

## **1.0 SCHOOL FUNDING FORMULA 2019/20**

- 1.1 The LA will remain responsible for determining the local schools funding formula model to be used to distribute final delegated budget allocations to individual schools (referred to in previous DfE consultation documents as the NFF “soft” approach). This has been extended to 2020/21. Each authority’s process must ensure that there is sufficient time to gain political approval before the APT (authority pro forma tool) deadline in January 2019. Political ratification means approval in line with the authority’s local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council; the schools forum does not decide on the formula. It was agreed by Forum last year to mirror the new national funding formula rates.

## **2.0 SCHOOLS BLOCK**

- 2.1 The NFF model for the schools block calculates an “indicative” budget for each individual school in their host Local Authority and the aggregated total of such will form the 2019/20 LA baseline schools block allocation. The schools block allocation will be expressed as separate per pupil primary and secondary rates for each LA and will include funding for premises; mobility and growth based on historic spend. The total for 2019/20 is £203.992m, this includes a new formulaic allocation for growth of £1.048m.
- 2.2 The minimum funding guarantee (MFG) for schools will continue to provide protection and stability to school budgets, but local authorities will have the flexibility to set a local MFG rate between 0.5% and minus 1.5% per pupil. The current system of capping individual school budget gains will continue to be permitted up to the maximum level of the overall cost of the MFG in the local funding formula model.
- 2.3 The schools block will be ring-fenced, but the LA will be permitted to transfer up to 0.5% of the schools block funding allocated to other blocks (i.e. high needs) with the agreement of their Schools Forum. Forum agreed to a top slice of £0.750m at the November meeting. Since that meeting the DfE has awarded additional funding for High Needs to local authorities. Wigan’s allocation is £0.710m for 2018/19 and 2019/20.

## **3.0 THE NATIONAL FUNDING FORMULA**

- 3.1 As reported at the October Forum a sub-group of the Forum had met and discussed different options for matching funding, the group had considered changing the basic entitlement and modelling through MFG, three scenarios for each route had been presented. It had been agreed at the sub-group that the MFG route would allow for all schools to gain and a better spread of funds whereas changes to the basic entitlement would only allow individual schools to gain. This was endorsed at the October Forum meeting.

## **4.0 GROWTH FUND**

- 4.1 Growth funding will now be allocated to local authorities using a new formulaic method based on lagged growth data. The allocations are based on pupil data from the October 2018 census. The change in the method of funding local authorities has not changed the way in which authorities can allocate funding locally.

4.2 As it is within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.

4.3 The amount allocated for growth is £1.048m. The current projected cost of growth for next year is c£0.7m.

## **5.0 BUDGET ALLOCATIONS**

5.1 Appendix 1 shows the impact at school level for the proposed formula including the £0.750m top slice. The proforma which summarises the formula is attached as Appendix 2.

## **6.0 CENTRAL SCHOOL SERVICES BLOCK**

6.1 The central school services block (CSSB) is the fourth block of funding within the DSG framework from April 2018.

6.2 The new block funds local authorities for the statutory duties that they hold for both maintained schools and academies and will bring together the three former funding streams as detailed below:

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG) functions including education welfare and asset management;
- Funding previously top-sliced from the schools block for ongoing responsibilities (i.e. Admissions/Schools Forum); and
- Residual funding for historic commitments, previously top-sliced from the schools block

6.3 The CSSB block for 2019/20 is £0.652m.

6.4 Schools Forum approval will continue to be required each year to confirm the amounts for activities with the new CSSB and when using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

## **7.0 ACTIONS**

7.1 To agree the formula factors, rates and method of allocation as per Appendices 1 and 2.

7.2 To agree to the allocation of the central schools block for Local Authority statutory duties.