

REPORT TO: Schools Forum
DATE: 16th January 2019
REPORTING OFFICER: Senior Finance Officer
SUBJECT: Schools Block funding for 2019-20
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the Schools Block funding for 2019-20.

2.0 RECOMMENDATION: That

1. The report is noted.
2. The level of Minimum Funding Guarantee to be applied to the Schools Block funding formula for 2019-20 is agreed.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The Dedicated Schools Grant settlement was announced on 17th December giving a total of £86,931,157 for the Schools Block for 2019-20. This includes an amount of £475,302 for 'Growth Funding'.

The Schools Block for 2018-19 is £84,318,746 before the 0.5% transfer to the High Needs Block. Funding for the Schools Block for 2019-20 has increased by £2,137,109 of which £1,179,711 relates to the increase in the Primary Unit of Funding, £175,126 relates to the smaller increase in the Secondary Unit of Funding.

3.2 Pupil Numbers

Pupil numbers in primary and secondary schools have increased again by 191 from 17,957 to 18,148. This is split as follows: Primary 10,720, exactly the same as for 2018-19, Secondary 7,428, an increase from 7,257 in 2018-19.

The Authority Pro-forma Tool (APT) spreadsheet which has individual school data for the funding formula shows 7,428 secondary pupils to be funded. The DSG allocation spreadsheet issued on the same day as the APT has funding for 7,427 secondary pupils. A query has been submitted to the ESFA to explain why there is a difference and to clarify if we should be funded for 7,428 or for which secondary school the numbers need to be reduced by 1.

3.3 Disapplication request

Following consultation with schools and with Schools Forum agreement, we have submitted a disapplication request to transfer 1% from the Schools Block to the High Needs Block, which would be £869,311 leaving £86,061,846 for distribution through the funding formula. At the time of writing we have not been told if our submission has been accepted or refused.

The disapplication process has been delayed by the announcement of additional High Needs funding on 16th December.

3.4 Minimum Funding Guarantee

The MFG protection can be varied between minus 1.5% as per previous years to plus 0.5%. This is to allow local authorities flexibility to meet the NFF requirements.

As per the consultation held with schools during the Autumn Term and agreement at the last Schools Forum meeting, Schools Forum are required to agree the level of MFG to be applied for 2019-20. The recommendation for the level of MFG will be tabled at the meeting as it will not be known until the Schools Block calculations are completed.

3.5 Current position

As in previous years, at the time of writing the individual schools block budget have not been calculated but will be tabled at the meeting. Indicative budgets will be notified to schools as soon as possible after the meeting and confirmed once the ESFA has approved our formula.

3.6 Growth Funding

Growth funding of £350,302 has been included in the Schools Block settlement. This is the first year of a new formulaic method of allocation based on lagged growth data. Using this formula, Halton would have received £700k of Growth Funding but is limited to receiving 50% of this figure through capping and scaling measures.

The regulations are unclear as to whether we can continue with a Growth Fund set at nil and put this additional funding through the formula. A query has been submitted but we are unlikely to receive a response until after the report submission deadline. If we are not allowed to do this, clarification will be sought as to whether we are required to consult with schools on how the Growth Fund will operate.

3.7 PFI funding

Following a telephone meeting with ESFA representatives, the ESFA have increased Schools Block funding for 2019-20 by £125,000 to be used to increase the PFI per pupil amount. This funding has been included in the 'Growth funding' allocation. The PFI per pupil value for 2018-19 is £197.82. The number of pupils for 2019-20 is 984 giving total PFI funding of £194,655. Adding the extra £125,000 gives £319,655 or £324.85 per pupil.

We have been told that this funding will remain within our settlement for future years.

4.0 FINANCIAL IMPLICATIONS

4.1 We are required to pass the full amount of Schools Block DSG to mainstream schools and academies via the funding formula. We are allowed to set aside the Growth funding and to take more Schools Block to supplement the Growth Fund. We are allowed after consultation with schools and Schools Forum to transfer up to 0.5% to the High Needs Block. To transfer an amount greater than 0.5% requires the permission of the Secretary of State.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 We need to comply with the regulations otherwise could have formula imposed on us.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.