

STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: EDUCATION FUNDING SETTLEMENT and LOCAL FORMULA for 2019/20

Report to Cabinet

Date: 5.Feb.2019

Report of: (a) Cabinet Member for Education & Borough Treasurer

Key Decision: (b) Y

Forward Plan ☒ General Exception ☐ Special Urgency ☐ (Mark with a Y if applicable)

Summary:

The Education Ministerial announcement in July 2018 confirmed details of the 2019/20 schools funding arrangements, which included details of the new guaranteed unit of funding (primary/secondary) per pupil funding rates for application to the national funding formula (NFF) models and confirmation that the transition to a “hard” NFF model would be deferred a further year until 2021/22 at the earliest now.

The Dedicated Schools Grant (DSG) will be allocated in four notional blocks (certain national controls apply) and will continue to be allocated to the Local Authority (LA). The government will provide the second element of least a 0.5% per pupil increase (when compared to the 2017/18 baseline) for each school in 2019/20 through the schools’ NFF model and a further 0.5% overall cash increase in the high needs NFF model allocation for all local authorities, again to ensure a minimum 1% increase overall when compared to the 2017/18 baseline. This provides Stockport Council an initial DSG allocation at £223.081m before any academy recoupment/technical adjustments.

The minimum funding guarantee (MFG) control mechanism will continue to provide schools protection and stability within the overall funding system. The LA will continue to have the flexibility to adjust the MFG to offer higher levels of protection locally and be able to set the MFG rate anywhere between the former -1.5% to 0.5% per pupil. MFG was set locally at 0% per pupil in 2018/19 and there is no proposal to amend.

The LA will remain responsible for determining and administering the locally agreed schools funding formula model for allocating schools their individual delegated budget share for 2019/20 and also 2020/21 following the latest announcement as part of the “soft” transition years towards a full “hard” NFF model currently now planned for implementation at the earliest from April 2021.

The early year’s national funding formula (EYNFF) was implemented from April 2017 and provides a flat rate funding level of £4.30 per hour (national floor) alongside a series of other key reform requirements for local authorities to adhere to (i.e. single base rate, 95% pass through rate, SEN inclusion fund).

The LA also determines and administers the locally agreed early year’s single funding formula (EYSFF) model to be used to determine individual funding allocations to all providers for both the universal (15hrs) and the extended 30hrs (working parents only) educational entitlement which was introduced from September 2017.

The Pupil Premium grant and the Early Years Premium will continue in 2019/20. The general funding rates will remain fixed at 2018/19 levels and targeted specifically at pupils from deprived wards.

The Local Authority continues to work closely with Schools Forum as the key partnership arrangement in relation to all schools funding matters. The second phase 0.5% per pupil increase alongside the new minimum funding levels introduced in 2018/19 provide an overall increase in funding to Stockport schools; is welcomed by all, however the cash/funding increases still provide a significant challenge for the Local Authority and Schools in meeting cost pressures (i.e. pay award, inflation, living wage, Apprentice Levy, etc.) and increased SEND demand requirements increasing at a higher rate than the general pupil population.

Comments/Views of the Cabinet Member: (c)

The 2019/20 quantum DSG allocation determined via application of the NFF model provides the second phase (i.e. further 0.5%) of the additional 1% per pupil guaranteed when compared to the 2017/18 baseline position and provides additional financial resources to our schools, which will ensure the minimum funding levels provided will increase to £3,500 per pupil primary and £4,800 per pupil secondary.

However it should continue to be recognised that 2019/20 schools funding levels still do not provide sufficient resources to meet all the government pledges/school requirements (i.e. pay award, living wage, Apprenticeship levy) and whilst the introduction of the NFF models in 2018/19 for determining national funding allocations were long overdue, there is still further works required to ensure the national distribution is fair.

Recommendation(s) of Cabinet Member: (d)

The Cabinet is asked to:

- (i) Note the details of the Education Funding Settlement for 2019/20.
- (ii) Approves the construction of the early years budget as per section 4.5 and the updated 2019/20 local funding formula for schools as detailed in the table(s) in section 7.2 which will form the basis of the calculation of school budgets and be notified to the DfE in accordance with statutory requirements.

Relevant Scrutiny Committee (if decision called in): **(e)**
Children & Families

Background Papers (if report for publication): **(f)**

Contact person for accessing
background papers and discussing the report

Officer: Peter Hughes
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'Urgent Business': (g) **No (Please circle)**

Certification (if applicable) – N/A

This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring
Officer/ Borough Treasurer for the decision to be treated as 'urgent business' was obtained on
/will be obtained before the decision is implemented.