

Schools Funding Forum 17th January 2019

ITEM 5

Subject Heading:

Schools Funding Formula 2019-20

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All school and academy members

SUMMARY

This report seeks the approval of the Schools Funding Forum to the formula and funding values on which that Havering's schools and academies will be funded in the financial year 2019-20.

RECOMMENDATIONS

That the Schools Funding Forum agrees that the Local Authority adopts the national funding formula rates for the funding of schools and academies in financial year 2019-20 and also ensures that all schools receive a minimum funding guarantee of 0.5% per pupil with gains capped at 2%.

REPORT DETAIL

At the meeting held on 8th November 2018 the Schools Funding Forum received a report on the Local Authority's estimate of the Schools Block DSG funding that was to be received for financial year 2019-20 for distribution to schools and academies.

On this basis, a range of options were presented all of which were modelled using the DfE's national funding formula rates. Consideration was then given to the level of minimum funding guarantee (mfg) and the gains cap. The national funding formula rates are attached at Appendix A uplifted for the area cost adjustment applicable to Havering.

At the November meeting it was demonstrated that a repeat of the 0.5% mfg and 3% gains cap that were applied in 2018-19 was unaffordable. However, it was considered that the fairest option would be to ensure that every school received the 0.5% per pupil increase with the gains cap reduced to a level that was affordable at 2% per pupil.

A consultation paper was sent to schools on 26th November summarising all of the decisions made by the Funding Forum that will impact on school budgets in 2019-20 including the above proposal. This is attached at Appendix B. No responses were received from schools for the Forum to take into consideration so the Local Authority is proposing to apply the formula that was agreed at the November meeting.

On 18th December the final Schools Block settlement was received which has confirmed that the proposals for a 0.5% per pupil increase and a gains cap of 2% per pupil can be implemented.

The Schools Block funding settlement for 2019-20 is set out below.

Schools block primary unit of funding £	Schools block secondary unit of funding £	Schools block primary pupils	Schools block secondary pupils	Sub-total Schools Block £	Pupil Mobility	Rates	Growth funding £	Total schools block £
4,054.28	5,494.97	22,118	14,447	169,055,649	63,051	2,098,445	2,498,944	173,716,089

For 2018-19, corresponding figures were:

4,004.60	5,474.26	21,969	14,388	166,740,710	71,605	2,036,420	3,360,129	172,208,864
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Differences

49.68	20.71	149	59	2,314,939	-8,554	62,025	-861,185	1,507,225
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The funding available for distribution to schools through the formula, including pupil mobility and rates is £171,217,145 (Schools Block + Pupil mobility + Rates).

To fund all schools and academies on the national funding formula values, apply a 0.5% mfg and a 2 % gains cap will cost £171,404,334. An allocation of £187,189 is therefore required from the contingency set aside to implement the national funding formula for a second year.

Applying the formula as proposed would result in the number of schools receiving at least an increase of 0.5% per pupil as follows:

No of schools receiving the minimum 0.5% increase per pupil	No of schools receiving an increase between 0.5% and 2.0% (3.0%) per pupil	No of schools receiving the maximum 2% (3%) increase per pupil
7 (4)	3 (2)	2 (6)
1 (0)	3 (2)	8 (10)
12 (3)	12 (10)	13 (24)
16 (11)	2 (5)	0 (2)
36 (18)	20 (19)	23 (42)
46% (23%)	25% (24%)	29% (53%)

The allocation of Pupil Growth funding to local authorities is, from 2019-20 allocated to local authorities according to a formula. This reduces the amount available to Havering. In 2018-19 Havering set a budget of £2.7m for pupil growth and £0.4m for Good and Outstanding schools with falling rolls. Applying the same formula as in 2018-19 the estimated costs of growth arising in 2019-20 can be met from within the revised allocation. These are set out at Appendix C.