

Report to Hartlepool Schools' Forum 16 October 2018
From Mark Patton – Assistant Director Education

Item 6: Indicative Schools Block Budgets 2019/20

1. Introduction

- 1.1 The purpose of the report is to provide information on the 2019/20 Schools Block indicative funding issued by the Education and Skills Funding Agency (ESFA), along with options to be considered for setting Individual School Budgets (ISBs).
- 1.2 Information on the key ESFA funding and policy changes for schools is also presented in this report.

2. Background

- 2.1 ESFA have published indicative National Funding Formula (NFF) allocations for 2019/20. These allocations are currently based on pupil numbers and characteristics from the October 2017 census.
- 2.2 In consultation with their Schools' Forum, local authorities are required to consider how they set ISBs for 2019/20.
- 2.3 Any transfers to and from the Schools Block should be considered. For 2018/19, Schools' Forum proposed a transfer of £0.550m from the Schools Block to the High Needs Block. This was agreed by the Secretary of State. Schools' Forum also transferred £0.316m into the Schools Block from the Central Schools Services Block. This funding used to cover Vulnerable Pupils, Schools Meals and Space to Learn (S2L).
- 2.4 A local approach to setting both a Minimum Funding Guarantee (MFG) and Capping must be considered and implemented.

3. Key Funding Changes in 2019/20

- 3.1 Within the indicative Schools Block for 2019/20, each school is provided with at least a 1% per pupil increase compared to their 2017/18 baseline. This is called the funding floor factor. Local authorities could choose to pass on the 1% per pupil increase before setting their local MFG and Capping policy. Before any block transfers, the funding floor factor for Hartlepool amounts to £1.851m. This amount reflects the 2019/20 level of ESFA protection against the hard formula.
- 3.2 The minimum per pupil funding levels in 2019/20 have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in Years 10 and 11. This protection is separate to the funding floor factor protection outlined in the paragraph above and is calculated by taking a school's pupil-led funding plus the lump sum, divided by the Number on Roll. Only one primary school in Hartlepool qualifies for the minimum per pupil funding level protection using the indicative NFF.

- 3.3 Funding for 2019/20 includes a rate reduction for primary low attainment. The rate has reduced from £1,050 to £1,022. Across Hartlepool schools, this equates to a reduction of £76.5k on the basis of October 2017 pupil numbers.

4. Key Policy Changes in 2019/20

- 4.1 New reporting requirements are being introduced by ESFA in 2019/20 for any local authority with a deficit balance on their overall Dedicated Schools Grant (DSG).
- 4.2 Where an authority has a DSG deficit of 1% or more as at 31 March 2019, they will be required to submit a report to ESFA. For Hartlepool, this would equate to an overspend above £805k for 2018/19. The report must include a strategy on bringing the deficit back to a balanced position.
- 4.3 Schools' Forum would need to review such a report prior to submission to ESFA.

5. Indicative NFF 2019/20

- 5.1 Indicative 2019/20 figures issued by ESFA are currently based on pupil numbers and characteristics from the October 2017 census. Allocations will be updated for the October 2018 census and reissued during December 2018.
- 5.2 The following table shows the authority-level NFF Schools Block indicative allocation for 2019/20.

Schools Block	Pupil Numbers (Oct 2017)	2019/20 £m
Primary	8,098	34.553
Secondary	5,215	28.117
Premises		0.589
TOTAL 2019/20		63.259

This compares with the comparable figure of £62.723m for 2018/19.

6. Setting a Local Policy for MFG and Capping

- 6.1 For 2018/19, a local policy was agreed and implemented to ensure that each school received an appropriate level of protection, or did not receive an excessive funding increase from the previous year. The policy was achieved through a Minimum Funding Guarantee (MFG) of 0.1%, along with a Cap of 0.5%.
- 6.2 For 2019/20, ESFA have included a funding floor factor in indicative allocations. This funding floor factor guarantees an increase of 1% per pupil to each school based on their 2017/18 per pupil baseline. For Hartlepool schools, the funding floor factor amounts to £1.851m prior to any block transfers. This represents the 2019/20 level of protection against the hard formula.
- 6.4 ESFA has suggested that local authorities should model 2019/20 budget options for MFG and Capping that both include and exclude the funding floor factor.

7. **Recommendations**

7.1 Forum is recommended to

- a) note both the funding and policy changes for 2019/20 included in this report
- b) consider the options and budget impact for setting a local policy on MFG protection and capping in 2019/20.