



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 11 December 2019**. The decisions will come into force and may be implemented from **Monday 23 December 2019** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Quarter Two 2019/20 Performance Management Report

Summary

The Cabinet considered a report of the Corporate Director of Resources which provided progress towards achieving the key outcomes of the council's corporate performance framework.

Following an extensive public consultation programme, a shared vision for the county for the next 15 years had been developed with partners. This vision, agreed by Council on 23 October and formally launched at the County Durham Partnership event on 25 October, is structured around three externally focused results-based ambitions of 'more and better jobs', 'long and independent lives' and 'connected communities'.

As the Council has now adopted this vision, key performance messages for quarter two have been realigned to the ambitions of the new Durham 2035 vision plus a 'better council' theme, and these were contained in the report.

Decision

That Cabinet considered the overall position and direction of travel in relation to quarter two performance, and the actions being taken to address areas of underperformance.

Update on the delivery of the Medium Term Financial Plan 9

Summary

The Cabinet considered a report of the Corporate Director of Resources that provided an update on the position of the delivery of the 2019/20 Medium Term Financial Plan (MTFP9).

Cabinet receives regular updates on the progress made by the Council in delivering the financial targets within the MTFP since 2011/12.

MTFP9 savings were agreed by Council in February 2019 and set a savings target of just under £10 million for 2019/20. This brings the overall savings target for the period from 2011/12 to 2020/21 to circa £251 million. At the current time there is significant progress towards these savings.

The development of MTFP10 proposals for 2020/21 has been underway since the 2019/20 proposals were agreed. The latest information suggest that the settlement figure will be higher than anticipated therefore further consideration is currently being undertaken and some of the proposals for next year are being revisited.

Decision

The Cabinet:

- (a) Noted the contents of this report and the amount of savings delivered during quarter 2 of the MTFP9 period.
- (b) Agreed to consider MTFP10 proposals once all information is available.

Mainstream Primary and Secondary Formula Funding 2020-21

Summary

The Cabinet considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which provided an update on the mainstream primary and secondary funding formula funding arrangements for the coming financial year and recommended that Members approve the proposed approach to setting the local formula for mainstream primary and secondary funding 2020/21.

Information about mainstream primary and secondary formula funding for the 2020-21 financial year was published on 11 October 2019, following the Spending Round announcements on 4 September 2019. There has been a national increase in funding for 2020-21 and further increases are planned for 2021-22 and 2022-23. There is no information at this stage about how much of the announced increases for 2021-22 and 2022-23 will be for the mainstream formula.

The Units of Funding per pupil (UFs), which determine most of the funding for the formula have increased from last year. The primary increase is near the national average (4.4%), but the secondary increase (2.5%) is less than the national average (3.8%). The National Funding Formula, which determines UFs, has been amended for 2020/21:

- (a) The mobility factor has been amended and Durham will receive funding for this for the first time. The proposed local formula includes the mobility factor for the first time;
- (b) There has been an increase in most factor values;
- (c) The Minimum Per Pupil Funding (MPPF) values have increased and the NFF values will be mandatory for local formulas;
- (d) The MPPF changes are of concern, because they tend to benefit larger schools with relatively few pupils with additional needs. The council has responded to a consultation about this and a copy of the response was included at appendix 2 of the report;
- (e) There are changes to the Funding Floor in the NFF and to the Minimum Funding Guarantee (MFG) in the local formula, which means that all schools will see an increase in funding per pupil next year. Local formulas are allowed to vary the MFG value, between a minimum of a 0.5% increase per pupil and a 1.84% increase per pupil;
- (f) The increase in funding per pupil does not protect schools from falling rolls and some funding is excluded from the MFG calculation.

The council will continue to determine the local formula and needs to take account of feedback from the Schools Forum when doing so. The formula includes a continuation of the transition from the local formula to the NFF at the rate set last year i.e. to achieve convergence in 2021-22.

The report identifies that a request has been made to the Secretary of State to disapply funding regulations in respect of the MFG/capping calculation for Bowburn Primary School, so that it does not lose the benefit of a split-site allowance in the first year in which this is received. This was supported by the Schools Forum at its meeting on 25 November 2019.

The council intends to make adjustments to the pupil numbers used in the 2020-21 formula for four primary schools in respect of basic need growth. The council asked the DfE to review a decision not to provide growth funding for a group of secondary schools and the DfE has not questioned the decision.

The Schools Forum is to meet again on 7 January 2020 to consider the use of the growth funding provided as part of formula funding.

Options for the formula have been modelled using current year's pupil numbers and data, with changes to reflect school amalgamations and academy conversions to demonstrate the pure formula impacts. The council is not requesting a transfer of funding from the Schools Block to the High Needs Block in 2020/21. Five options have been modelled, using the minimum and maximum permitted MFG values. These were discussed with the Schools Forum on 25 November 2019, which supported a transitional mid-point option, therefore the MFG will be a 1.17% increase next year.

Decision

The Cabinet:

- (a) noted the impact of the government's announcements and the draft local formula funding proposals for 2020-21 outlined in the report;
- (b) noted and supported the request to disapply the funding regulations to exclude the split-site allowance for Bowburn Primary from the MFG/capping calculation;
- (c) noted that the Schools Forum will meet again on 7 January 2020, to consider the use of growth funding;
- (d) agreed to the adjustments planned for growth at Red Rose, Howden-le-Wear, Montalbo and Framwellgate Moor primary schools for the 2020-21 formula;
- (e) agreed the continued use of the transitional formula, including the new mobility factor, with the aim of achieving convergence with the NFF in 2021-22;
- (f) agreed the use of a transitional MFG value of 1.17% in the local formula for 2020-21.
- (g) noted that a further report will be brought to Cabinet in February with the final formula vales and factoring the impacts on schools of the formula and the October 2019 pupil census numbers.

The Cabinet resolved to exclude the press and public by virtue of paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972 during discussions on agenda item 9.

Variation to Existing Agreement at Merchant Park, Heighington Lane Industrial Estate

Summary

The Cabinet considered a report of the Corporate Director of Regeneration and Local Services which sought endorsement of the action taken to agree a variation to an existing agreement on land located at Heighington Lane Industrial Estate.

Decision

The Cabinet approved the recommendation contained in the report.

Helen Lynch
Head of Legal and Democratic Services
13 December 2019