

22 January 2020

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet at its meetings held on to enable Members to ask related questions.

Contents

11 December 2019

- Item 1 Quarter Two – 2019/20 Performance Management Report
- Item 2 Update on the delivery on the Medium Term Financial Plan
- Item 3 Mainstream Primary and Secondary Formula Funding 2020-21

1. Quarter Two, 2019/20 Performance Management Report **Councillor S Henig, Leader of the Council** **Contact - Jenny Haworth – 03000 268 071**

We 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, was 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

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

- 2. Update on the delivery of the Medium Term Financial Plan 9**
Councillor Simon Henig, Leader of the Council and all Cabinet collectively
Contacts - Andy Palmer, Tel: 03000 268551,
Abbie McQuillan, Tel: 03000 264714

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

We have received 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. Significant progress towards these savings was being made at the present time.

The development of MTFP10 proposals for 2020/21 had been underway since the 2019/20 proposals were agreed. The latest information suggested that the settlement figure would be higher than anticipated, therefore, further consideration was currently being undertaken and some of the proposals for next year were being revisited.

Decision

We noted the contents of the report and the amount of savings delivered during quarter 2 of the MTFP9 period and agreed to consider MTFP10 proposals once all relevant information is available.

3. Mainstream Primary and Secondary Formula Funding 2020-21
Councillor O Gunn, Cabinet Portfolio Holder for Children and Young People's Services
Contacts - Paul Darby 03000 261 930,
David Shirer 03000 268 554

We 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 approval 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 had been a national increase in funding for 2020-21, with further increases planned for 2021-22 and 2022-23. There was no information available relating to how much of the announced increases for 2021-22 and 2022-23 would be in terms of the mainstream formula.

The Units of Funding per pupil (UFs), which determined most of the funding for the formula had increased from last year. The primary increase was near the national average (4.4%), but the secondary increase (2.5%) was less than the national average (3.8%). The national funding formula, which determines UFs, had been amended for 2020/21 as follows:

- (a) The mobility factor had been amended and Durham would receive funding for this for the first time. The proposed local formula included the mobility factor for the first time;
- (b) There had been an increase in most factor values;
- (c) The Minimum Per Pupil Funding (MPPF) values had increased and the NFF values would be mandatory for local formulas;
- (d) The MPPF changes were of concern, because they tended to benefit larger schools with relatively few pupils with additional needs. The council had responded to a consultation regarding this. A copy of the response was included at appendix 2 of the report;
- (e) There were changes to the funding floor in the NFF and to the Minimum Funding Guarantee (MFG) in the local formula, which would result in all schools seeing an increase in funding per pupil next year. Local formulas were 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 did not protect schools from falling rolls and some funding was excluded from the MFG calculation.

The council would continue to determine the local formula and take account of feedback from the Schools Forum in doing so. The formula included 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 identified that a request had 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 did 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 intended 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 had not questioned the decision.

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

Options for the formula had 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 had been modelled, using the minimum and maximum permitted MFG values. These were discussed with the Schools Forum on 25 November 2019. The forum supported a transitional mid-point option, therefore the MFG would result in a 1.17% increase next year.

Decision

We have noted:

- (a) the impact of the government's announcements and the draft local formula funding proposals for 2020-21 outlined in the report;
- (b) and supported the request to disapply the funding regulations to exclude the split-site allowance for Bowburn Primary from the MFG/capping calculation;

- (c) that the Schools Forum will meet again on 7 January 2020, to consider the use of growth funding;

We have agreed:

- (d) to the adjustments planned for growth at Red Rose, Howden-le-Wear, Montalbo and Framwellgate Moor primary schools for the 2020-21 formula;
- (e) the continued use of the transitional formula, including the new mobility factor, with the aim of achieving convergence with the NFF in 2021-22; and
- (f) the use of a transitional MFG value of 1.17% in the local formula for 2020-21.

A further report will be presented to Cabinet in February with the final formula values and will factor the impact of the formula on schools and the October 2019 pupil census numbers.

Councillor S Henig
Leader of the County Council

14 January 2020