

Wiltshire Council

SCHOOLS FORUM

3rd October 2013

Minimum Funding Guarantee Exceptions

Purpose of the paper

1. To inform Schools Forum of the exceptions from the minimum funding guarantee in 2014-15, being sent to the Education Funding Agency for approval.
2. The exceptions were considered and recommended by the School Funding Working Group in order to meet the deadline for submission of 30th September 2013

Background

3. The EFA have invited local authorities to submit requests for exclusions from the MFG for specific factors, or schools. The EFA guidance states that exceptional requests to disapply the MFG would only be considered if there is a **significant** change in a school's circumstances or pupil numbers for example, if there has been additional funding in a school's 2013-14 formula budget for pupil number growth.
4. The EFA will only consider applications where the inclusion of a factor in the MFG will lead to **significant** inappropriate levels of protection. Authorities should, therefore, provide detailed information on the financial effect of the request. The EFA will not consider requests which seek to adjust historic protections.
5. The EFA do not define "significant".
6. The deadline to submit exceptions for approval is 30 September 2013.

Issues for consideration

7. Local authorities were invited to apply for exceptions within an earlier window but Wiltshire was not in a position to do so. Following this earlier window the DfE have published a list of requests for MFG exceptions that they have either approved and those that have been refused.

8. Officers have identified a number of funding elements in 2013-14 which require consideration. These are listed below and are summarised in the attached Appendix A.

Minimum Funding Guarantee Exceptions

9. **New school allowances and new school new year group funding**
– Paid to newly opened schools whilst numbers build up. Approval is sought for the LA to remove this funding from the MFG baseline. These factors will be funded from de-delegated budgets from April 2014.
10. **Rents, where the school no longer qualifies under the revised funding proposals** – Local authorities may apply for exceptional premises factors where the cost is greater than 1% of the school budget share.

Wiltshire currently funds the cost of hiring facilities where the school does not have adequate premises i.e. village halls for P.E. The EFA's permission has already been granted as to whether the LA could continue to fund rents where the cost exceeds 1% of a school's budget share, and approval has also been granted that for those schools where the LA currently funds rents that do not exceed 1% of their budget share, this factor is removed from the MFG baseline.

Wiltshire wishes to continue this arrangement into 2014-2015, but at the lower threshold of 0.75% of a school budget share and not the 1% as previously approved. Approval is sought to remove this factor from the MFG baseline (as in previous years) and at the lower level of 0.75%. The schools affected are listed on the attached Appendix.

11. **Split site funding where a school no longer qualifies** – During the year one school ceases operating from a split site and so will no longer qualify for split site funding. Approval is sought to remove this factor from the MFG baseline for that one school listed on the attached Appendix.
12. **Changes categories of, or spending on, central budgets** – Wiltshire is currently consulting on aspects of the new funding formula. Part of the consultation is seeking schools' views on the delegation and de-delegations of central budgets. The outcome of the consultation may result in changes to the delegations and de-delegations and so Wiltshire is seeking approval from the EFA to exclude new additional categories or changes in spend on central services budgets in anticipation, should the consultation recommend any such change. Further detail of any change will be available once the consultation closes.

13. Schools with special units – to seek approval from the EFA to amend the baselines of schools with special units to reflect the new deduction of places from the number on roll, rather than the number of pupils, in order to calculate MFG protection on a consistent basis.

14. Requests to vary the protection for special schools and academies – to seek approval from the EFA to allow amendment to the baseline of special schools and academies in order to not overfund the school via the MFG mechanism as day and residential pupil numbers have changed.

Wiltshire has previously explained to the EFA that we are embarking on a review of our special school top up values for next year and that it is likely that for day provision the values will increase and for residential provision the values will decrease – both in funding and number on roll.

The MFG considers whether if the LA place all of the pupils would the overall budget show a decrease of more than 1.5%. In reducing the number of residential places in a school, and increase the day places, then even if the top up values don't change there will potentially be a decrease in funding to that school – and the MFG calculation will compensate for that; in effect the MFG will continue to fund the previous mix of places even though that is no longer required. Wiltshire is seeking an MFG exception for this instance so we can work it out on the new place numbers.

Detailed work is underway on what this actually means for the schools and can be shared with the EFA once ready.

Recommendations

15. New school allowances and new school new year group funding:
To seek DfE approval to remove this funding from the MFG.

16. Rents, where the school no longer qualifies under the revised funding proposals - To seek approval from the EFA 1) to decrease the qualifying threshold from 1% to 0.75% of school budgets, and 2) to continue to remove rent from the MFG calculation.

17. Split site funding where a school no longer qualifies - To seek approval from the EFA to remove split site funding from the MFG where a school no longer qualifies under the revised definition.

18. Changes categories of, or spending on, central budgets – To seek approval from the EFA to exclude new additional categories or changes in spend on central services budgets should the consultation recommend such changes to the delegation or de-delegations.

19. Schools with special units – to seek approval from the EFA to amend the baselines of schools with special units to reflect the new deduction of places from the number on roll, rather than the number of pupils, in order to calculate MFG protection on a consistent basis.

20. Requests to vary the protection for special schools and academies – to seek approval from the EFA to allow amendment to the baseline of special schools and academies in order to not overfund the school via the MFG mechanism as day and residential pupil numbers have changed.

Unpublished documents relied upon in the production of this Report: NONE

Environmental impact of the recommendations contained in this Report:
NONE KNOWN

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