

## Adjustments to the Minimum Funding Guarantee for 2011-12

### Purpose of Report

1. The purpose of this report is to seek agreement to vary the normal operation of the DfE's Minimum Funding Guarantee (MFG) where not to do so would lead to inappropriate MFGs and to update Schools Forum on responses received from the DfE to requests to vary the MFG to date.

### Background

2. Local Authorities are required to calculate for each of its schools a guaranteed minimum level of funding based on the DfEs formulae set out in Regulations. The purpose of the guarantee is to provide stability and predictability in school funding.
3. The starting point for the MFG calculation is the per pupil amount an individual school received in the previous financial year, known as the baseline budget share per pupil.
4. The baseline amount is then applied to the DfEs MFG formulae to arrive at each schools Guaranteed Level of Funding for the following financial year taking into account pupil number changes and the annual MFG percentage adjustment.
5. Schools Forum no longer has the general power to approve variations to the MFG affecting schools covering no more than 50% of pupils in the authority. However, it does not need to seek approval for variations in respect of removing the following from the MFG baseline; Diploma Funding grant and/or the targeted elements of primary and secondary National Strategies Grant or where the variation may result in a higher level of MFG than -1.5%. For all other variations we are now required to seek School Forums agreement to vary the normal operation of the MFG and then to seek the Secretary of States approval.
6. At its meeting on the 2 February Schools Forum agreed that the following adjustments should be applied:
  - a) To remove new school and new year group allowances from the MFG Baseline
  - b) To remove small schools curriculum protection from the MFG Baseline
  - c) To remove service school safety net from the MFG Baseline
  - d) To remove SLC funding from the MFG Baseline from schools experiencing significant pupil growth
  - e) To remove the 6th form non AWPU adjustment from the MFG Baseline
  - f) To remove the basic flat rate from the MFG Baseline for schools experiencing significant pupil growth
  - g) Where a Specialist Learning Centre is to close, to remove the associated funding from the Baseline.
  - h) 1 2 1 allocations of grant paid in 2010-11 as these are deemed to be one-off allocations.

7. At its October meeting Schools Forum also noted that it would be necessary to adjust the MFG Baseline in respect of the additional SEN delegation agreed for secondary and primary schools in 2011-12.

### **Update on current position**

8. Requests to the Secretary of State for the following baseline adjustments have been made:
- a) Where a Specialist Learning Centre is to close, to remove the associated funding from the Baseline.
  - b) In respect of increased SEN delegation; to add to a schools baseline the appropriate amount of devolved funding it received in 2010-11.
  - c) In respect of 1 2 1 tuition funding in 2010-11; to remove the funding totalling £2.1m, paid in 2010-11, from a schools MFG Baseline and add an equivalent amount to the baseline to reflect the revised delegation methodology in 2011-12.
9. Approval has been received from the Secretary of State for a & b above, but not for c.
10. In respect of c, the Secretary of State will not allow the LA to remove the funding from the baseline “unless the funding is allocated including a significant weighting for deprivation or low attainment”. This conflicts with the decision made in February by Schools Forum to allocate this funding through KS 2 and KS 3 AWPUs.
11. As work progresses on calculating school budgets other instances where it would be appropriate to adjust the MFG Baseline come to light. These include:
- a) Transitional protection provided to special schools in 2010-11.
  - b) In year “pupil trigger” funding allocated to schools in late February.

### **Proposals**

12. In respect of 1 2 1 tuition, another funding methodology for 2011-12 must be agreed to enable the MFG Baseline to be adjusted. The following are possible options:
- a. Include the funding in existing sub formulae that are driven by low attainment or deprivation. These are as follows:

#### **Primary**

- i. Personalised learning-uses MOSAIC indices of deprivation. This formula is based on the average deprivation score for each school, therefore all schools receive funding.
- ii. Targeted deprivation funding-uses MOSAIC indices of deprivation. This formula targets funding to schools with a high proportion of pupils with high deprivation.
- iii. Personalised learning KS1 SATS Index-Uses KSI attainment scores. This formula targets funding to schools where pupils did not achieve a specified level at KS1.

- iv. SEN delegation-uses MOSAIC indices of deprivation. This is a most recent sub-formula agreed by Schools Forum to use to delegate central SEN funding and targets those pupils in the lowest deprivation quartile nationally.
- v. SEN delegation-uses a mix of Foundation stage profile and KS 1 prior attainment scores. This is a most recent sub-formula agreed by Schools Forum to delegate central SEN funding.

Secondary

- i. Personalised learning-uses MOSAIC indices of deprivation.
  - ii. Targeted deprivation funding-uses MOSAIC indices of deprivation.
  - iii. Secondary SENAs-uses prior attainment scores.
- b. Allocate the funding on free meals entitlement as recorded on the January 2011 census.
  - c. Allocate the funding via the existing Social Needs sub-formula which is based on average free meals entitlement in 2010.
13. To seek the Secretary of States permission to adjust the MFG Baseline of those schools that have received the in-year pupil increase (“trigger”) funding in 2010-11 by an amount equal to the funding allocated in 2010-11.
14. To seek the Secretary of States permission to adjust the MFG Baseline of those special schools that received transitional protection by an amount equal to the funding allocated in 2010-11

**Recommendation**

15. Schools Forum is recommended to:
- a. Decide how to allocate 1 2 1 funding in 2011-2.
  - b. Agree to seek the Secretary of States permission to adjust the MFG Baseline as described in paragraphs 13 and 14 above.

CAROLYN GODFREY  
Director, Department for Children & Education

---

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

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

Report Author: *Phil Cooch*  
Tel: *01225 713814*  
e-mail: *philcooch@wiltshire.gov.uk*