

**SCHOOLS FORUM**  
**4<sup>th</sup> October 2012**

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**Minimum Funding Guarantee Exceptions**

**Purpose of the paper**

1. To inform School Forum of the exceptions from the minimum funding guarantee in 2013-14, 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 30<sup>th</sup> September 2012

**Background**

3. The DfE have invited local authorities to submit requests for exclusions from the MFG for specific factors, or schools. The DfE 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 2012-13 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 DfE will not consider requests which seek to adjust historic protections.
5. The DfE do not define "significant".
6. The deadline to submit exceptions for approval is 30 September 2012.

**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 2012-13 which require consideration. These are listed below and are

summarised in the attached Appendix A. Where the DfE have already published a decision on any of the proposals below a comment has been included.

### **Minimum Funding Guarantee Exceptions**

- 9. Special staff costs** (safeguarded salaries) - Following the three tier review in the south of the county, which saw the closure of all middle schools, a number of middle school employees were successfully redeployed to other Wiltshire schools. The redeployments were on the basis that any difference between the substantive post and their previous grade/salary would be funded by the local authority. The DfE have refused previous applications to remove this funding from the MFG. However, it is not clear if this applies when the funding is no longer due, for instance when the employee has left the school.
- 10. Service School Safety Net** – This factor has been designed to provide a safety net for service schools affected by large year on year budget reductions due to pupil movement. One school received this protection in 2012-13. The DfE has refused applications to remove this funding from the MFG stating that it is part of a schools “core budget” and therefore it is reasonable that this funding should be protected. However, an inappropriate level of protection could be given where a schools pupil numbers used in the forthcoming financial year budget calculation, exceeds the protected numbers under this factor in the previous year.
- 11. New school allowances and new school new year group funding** – Paid to newly opened schools whilst numbers build up. The DfE has approved previous applications of this nature as local authorities are permitted to fund these factors from de-delegated budgets from April 2013.
- 12. Early Years Single Funding Formula (EYSFF) Rates abatement** - This applies to schools with nursery classes and it removes an element of double funding from the schools formula in respect of rates which is already included in the EYSFF hourly rate. As this factor is no longer permitted Schools Forum have previously agreed that a reduction should be made to the maintained nursery class EYSFF hourly rate. The DfE have not commented on this type of exception.
- 13. Small school curriculum protection** - Paid to schools to ensure no school receives funding for less than thirty five pupils. Two schools received this funding in 2012-13. The DfE have not commented on this type of exception.
- 14. 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 schools 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 EFAs view has already been sought as to whether the LA could continue to fund rents where the cost exceed 1% of a schools budget share and they have confirmed that this would be approved. However, for those schools where the LA currently funds rents which do not exceed 1% of their budget share it would seem appropriate to remove this factor from the MFG. The sums involved are generally quite small. The schools affected are shown on Appendix A.

**15. Split site funding where a school no longer qualifies** - At its last meeting Schools Forum agreed a revised definition of a split site school which removes two schools from qualifying for this funding. See Appendix A. The DfE have already approved requests from other LAs to remove split site funding from the MFG where a school no longer qualifies.

**16. Service school turbulence funding** – Paid to schools with a high proportion of service pupils. This factor is no longer allowed under the funding reforms. A significant number of schools receive this funding and the sums involved are quite large in some cases. Wiltshire has robustly lobbied the government on this issue but the Secretary of State for Education has written to the Council leader, Jane Scott, confirming that a service factor would not be permitted under the funding reforms.

**17. In year “trigger” funding for pupil growth** – Wiltshire provides additional funding to schools that experience significant pupil growth and it is paid in the spring, after the January census confirms the numbers. The DfE have approved requests from other LAs to remove this funding from the MFG on the condition that the LA makes provision to fund such provision centrally in future.

### **Recommendations**

**18. Special staff costs:** To seek approval in principle from the EFA to remove safeguarded salary funding from the MFG when it is no longer payable.

**19. Service school safety net:** To seek approval from the EFA in principle to remove service school Safety net funding from the MFG where a schools pupil numbers used in the forthcoming financial year budget calculation, exceeded the protected numbers under this factor in the previous year.

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

**21. Early Years Single Funding Formula Rates abatement** – To seek approval from the EFA to remove the abatement from the MFG,

otherwise the cost of rates in schools with nursery classes would not be fully funded.

- 22. Small school curriculum protection** – The removal of this funding from the MFG would cause a significant reduction in funding for one school that received it this year. Following consideration by the School Funding Working Group it is recommended that it should not be removed from the MFG in 2013-14.
- 23. Rents, where the school no longer qualifies under the revised funding proposals** - To seek approval from the EFA to remove rents from the MFG where the cost does not exceed 1% of a schools' budget share.
- 24. 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.
- 25. Service school turbulence funding** – As the removal of this funding from the MFG would cause funding turbulence for a number of schools, it is recommended that it should not be removed from the MFG.
- 26. In year “trigger” funding for pupil growth** - To seek approval from the EFA to remove “trigger” funding from the MFG and to confirm that existing arrangements for pupil growth will be held centrally from April 2013. As this funding is paid in February it is not possible to list the schools on the Appendix.

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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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