

SCHOOLS FORUM

13th March 2014

Minimum Funding Guarantee Analysis

Purpose of the paper

1. The purpose of the report is to provide Schools Forum with details and analysis of the effects of the Minimum Funding Guarantee (MFG) within the schools funding formula for the 2014-15 school budgets.

Background

2. The pre-16 Minimum Funding Guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2014-15, continuing with the simplified calculation, introduced in 2013-14. The purpose of the MFG being to protect the 'per pupil' level of funding and ensure that it does not fall by more than 1.5%.
3. The MFG applies to pupils in age ranges 5-16 and therefore excludes funding for early years children and young people over 16. The only formula factors which will be automatically excluded from the MFG baseline are
 - Lump Sum
 - Post 16 funding
 - Allocations from the High Needs Block, including those for named pupils with SEN
 - Allocations made through the early years single funding formula
 - Rates
4. The DfE have always been clear that in the move towards a national funding formula they want to protect the per pupil funding for schools from one year to the next against significant changes in funding formulae or changes in data not directly related to pupil numbers. They continue in 2014-15 to operate an MFG set at the same level as for 2013-14 - minus 1.5%.
5. Within Wiltshire, the limit on gains will continue to operate in order to fund the MFG. Any limits on gains are still a local decision and are not set nationally. The cost of the MFG in 2014-15 is £1,611,101, compared to £2,054,840 in 2013-14.

Analysis

6. The table below sets out the amount of funding awarded to schools between 2013-14 and 2014-15, along with the size of the MFG over the two years and the percentage change in both

	<u>2013-14</u>	<u>2014-15</u>	<u>% Change</u>
Number of Schools in Wiltshire	228	230	0.88%
Primary Pupils	34,550	35,182	1.83%
KS3 Pupils	14,460	13,999	-3.19%
KS4 Pupils	10,205	10,103	-1.00%
Total	59,215	59,284	0.12%
Total Funding for Schools Block Formula*	243,154,777	242,458,284	-0.29%
Minimum Funding Guarantee (Total)	2,054,840	1,611,101	-21.59%

*Excluding MFG

7. The total amount awarded to schools as MFG has fallen significantly between the two years, whereas the Total Block Formula has remained fairly constant. There are two new primary schools opening in the County, namely Wellington Primary and Castle Mead Primary, both due to open in September 2014.
8. In order to help with the comparison of the schools affected by the MFG and Capping, the table below sets out some further comparator information.

	<u>2013-14</u>	<u>2014-15</u>	<u>% Change</u>
Schools subject to MFG/Capping	175	168	-4.00%
MFG Recipient Schools	63	77	22.22%
Capped Schools	112	91	-18.75%
Schools within MFG threshold	53	62	16.98%
Highest MFG Value	182,965	133,683	-26.94%
Highest Cap Value	115,789	117,443	1.43%
No. of schools with MFG over £60k	11	8	-27.27%
No. of schools with Cap over £60k	5	4	-20.00%
No. of Primary Schools MFG	54	70	29.63%
No. of Primary Schools Capped	98	83	-15.31%
No. of Secondary Schools MFG	9	7	-22.22%
No. of Secondary Schools Capped	14	8	-42.86%

9. The number of schools in receipt of MFG, exceeding £60,000 has fallen from 11 down to 8 from 2013-14 to 2014-15. The total amount awarded to these schools has fallen from £1,438,699 in 2013-14 to £772,411 in 2014-15.
10. Of the 8 schools in 2014-15 in receipt of the MFG exceeding £60,000, 7 of these schools were also in receipt of the MFG exceeding £60,000 in 2013-14.
11. Of the 4 schools Capped in 2014-15 for an amount exceeding £60,000, 2 of these schools were also Capped for an amount exceeding £60,000 in 2013-14.

12. The average MFG value for 2014-15 is £20,923 (£1,611,101 / 77), with the range of MFG awarded to schools varying from £78 to £133,683.
13. The average Cap value for 2014-15 is £17,704 (£1,611,101 / 91), with the range of Cap's on schools varying from -£413 to -£117,442.
14. The school with the highest percentage of MFG compared to its overall school budget receives 29.5% of its overall school funding through the MFG. The range of the MFG awarded varies from 0.02% to 29.5% of the schools budget.
15. The school with the highest percentage of their budget being capped, was capped by 7.01% of their school budget. The range of capping to schools varies from 0.06% to 7.01% of the schools budget.

Recommendation

16. Schools Forum is asked to note the content of the paper in relation to the MFG and Capping.

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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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