



Schools Funding Forum 22nd September 2016 ITEM 12

Subject Heading:

Exceptions to Minimum Funding Guarantee

Report Author:

David Allen – Strategic Finance Manager

Eligibility to vote:

All members

SUMMARY

This item is to consider an application to the DFE of applying an exception to the operation of the minimum funding guarantee.

RECOMMENDATIONS

To approve an application to the DFE to disapply the minimum funding guarantee for the schools that previously benefitted from grants.

REPORT DETAIL

The pre-16 minimum funding guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2017 to 2018. The DFE will only exclude factors from the MFG where not doing so would result in excessive protection or be inconsistent with other policies.

The DFE asked in the first stage of the consultation whether local authorities should have the flexibility to set a local MFG for the schools in their area. This change will not be made in 2017 to 2018 but local authorities will continue to be able to use the usual disapplication process for exceptional circumstances as set out below.

The MFG applies to pupils in the age ranges 5-16; early years pupils and EFA funded post-16 pupils are excluded from the calculation. Some formula factors are automatically excluded from the MFG calculation such as the lump sum and business rates.

Exceptional requests to disapply the MFG will only be considered if there is a significant change in a school's circumstances or pupil numbers. EFA will only consider applications where the inclusion of a factor in the MFG will lead to significant inappropriate levels of protection. Local authorities should, therefore, provide detailed information on the financial effect of any request.

Examples of MFG disapplication requests which have been approved previously include:

- schools which previously qualified for a split site, PFI or exceptional factor, but are no longer eligible (or vice versa)
- where the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls
- secondary schools which are admitting primary age pupils who would otherwise be over-protected at the secondary age-weighted pupil unit of funding
- where over-protection would otherwise occur, for example where additional funding has been distributed in the previous year and the authority can demonstrate that the funding is genuinely one-off

In Havering, £1,220,125 is spent in 2016-17 on ensuring that schools do not have funding reductions per pupil of greater than 1.5%. £1,187,110 of this allocated to schools that previously benefitted from Excellence Cluster and Behaviour Improvement grants.

Application is made each to the DFE to disapply the MFG without success.