

SCHOOLS FORUM24 September 2018Report of the Strategic Director for Children's ServicesMinimum Funding Guarantee/Minimum Funding Level Disapplications1. Purpose of the Report

To seek the Schools Forum's support to make changes to the Minimum Funding Guarantee (MFG) and Minimum Funding Level (MFL) calculations for specific schools for 2019-20.

2. Information and Analysis2.1 Minimum Funding Guarantee

Local authorities will be allowed to set a pre-16 Minimum Funding Guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes in budget, and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through. For 2019-20, the DfE will allow local authorities to set an MFG of between plus 0.5% and minus 1.5% per pupil. Local authorities will need to consult on the level of the MFG, as with the rest of the formula. The 2019-20 MFG rate is one of the issues on which the Authority is seeking views from schools as part of its mainstream formula consultation.

The structure of the MFG calculation is largely unchanged with several factors (lump sum, sparsity, rates) being automatically excluded from the protection arrangements. Any changes outside of these core adjustments require the approval of the Secretary of State for Education and any applications need to be with the DfE by 30th September 2018.

At this time there is only one MFG issue for which the Authority would wish to make an application to the DfE.

2.1.1 Glossopdale School Split Site funding

In 2018-19 Glossopdale received split site funding of £0.392m through the formula. Following a major capital investment the school has moved from three sites into a new single site at Hadfield. The new school buildings will be more efficient and cost effective and will allow the school over time to reduce its running costs. Given the transitional costs facing the governors - namely operating three inefficient buildings whilst at the same time preparing for the transfer to the new school - the Authority agreed to allow Glossopdale to keep its split site funding until the end of the first academic year on the new site i.e. until the end of the summer term 2019.

In order to avoid the removal of split site funding from the school's budget from September 2019 triggering an entitlement to MFG protection, it is necessary to make an application to the DfE to adjust the school's MFG calculation for 2019-20

accordingly. The reduction in split site funding (7/12ths of £0.392m i.e. £0.229m) would be available on a one off basis in 2019-20 for use elsewhere within the Schools Block. The remaining 5/12ths (i.e. summer term 2019) split site funding would be similarly removed from the 2020-21 MFG budget calculations.

It should be noted that the saving to the Schools Block would be for one year only as the LA's entitlement to split site funding from the DfE is based on the previous year's planned spend. Hence the £0.229m reduction in split site funding for Glossopdale in 2019-20 would mean an equivalent reduction in Derbyshire's secondary sector Schools Block in 2020-21.

The reductions in funding have been agreed with the governors and senior leadership of Glossopdale School.

The Schools Forum is asked to support the request to the DfE to adjust Glossopdale School's MFG calculation for 2019-20 and 2020-21 as outlined above.

2.2 Minimum Funding Level (MFL) support

The National Funding Formula (NFF) for 2019-20 provides local authorities with per-pupil funding of at least £3,500 for each primary school and £4,800 for each secondary school in 2019-20, known as the Minimum Funding Level (MFL).

The DfE's operational guidance states that the relevant funding for the MFL calculation is the total schools block budget excluding funding for premises, mobility and growth. However, the DfE's APT (Authority Proforma Tool), which is the mechanism by which the LA formally notifies the DfE of the final budget shares, does not include exceptional premises factors as an adjustment, only rates, split site and PFI are listed.

Belper School currently receives £0.083m as an exceptional site factor, equivalent to £79.53 per pupil. This supports the school which is reliant on the adjacent leisure centre for all of its physical education curriculum and examinations requirements, but which comes at a higher cost. Including this exceptional site funding in the school's MFL calculation would mean it losing out on an equivalent sum of MFL support: the Authority considers this outcome unreasonable.

There are 10 other schools which are funded for exceptional site issues at a total cost of £0.124m per year. However, none of the allocations to these schools affect their entitlement to MFL support as their relevant funding is already well above the £3,500/£4,800 thresholds.

The Schools Forum is asked to support an application to the DfE to adjust Belper High School's 2019-20 per pupil MFL figure to exclude the exceptional site factor in the calculation.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal &

human rights, environmental, financial, social value, health, property and transport considerations.

4. Background Papers

Held in Children's Services Finance.

5. Strategic Director's Recommendation

That the Schools Forum agrees to:

- (i) Support the Authority's disapplication request to adjust Glossopdale School's MFG calculations for 2019-20 and 2020-21 as set out in section 2.1 of the report ; and
- (ii) Supports the Authority's disapplication request to adjust Belper High School's MFL calculation for 2019-20 as set out in section 2.2 of the report.

JANE PARFREMENT
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