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**TITLE OF REPORT: Disapplication of schools and Early Years Finance Regulations**

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**Purpose of the Report**

The purpose of this report is to update Schools Forum on the application to the Secretary of State for Education to disapply the Schools and Early Years Finance Regulations to enable a positive minimum funding guarantee (MFG) to be set of up to a value of 0.5% for mainstream schools.

**Background**

This report builds on a report from the last meeting in November of Schools Forum.

On 14 September the Education Secretary announced the following:-

“Alongside the formula published for schools today, the government also confirmed reforms to funding for children and young people with high needs. Every local authority will see a minimum increase of 0.5% per head in 2018-19, and 1% per head in 2019-20. And underfunded local authorities will receive up to 3% per head gains a year for the next two years. Overall, local authorities will gain 4.6% on average on their high needs budgets.”

However under the current mainstream school funding operational guidance for 2018/19 the MFG for mainstream schools has a value range of -1.5% to 0%, and without disapplying the regulations it would be impossible to replicate the funding allocations published by the Department for Education (DfE) alongside the announcement, or provide additional funding for schools receiving MFG.

The DfE have issued additional guidance following feedback from LAs stating that if LAs want to set a positive MFG (of up to 0.5%) they must have had a disapplication request approved by the Secretary of State to disapply the regulations relating to MFG. The DfE issued a new Authority Proforma Tool (APT) to enable LA's to undertake modelling with a positive MFG of up to 0.5%.

Gateshead did apply to the Secretary of State to disapply the regulations to allow mainstream schools MFG to be set with an MFG range of between -1.5% and 0.5% before the deadline of 30 November 2017.

However following the submission the attached e-mail (appendix 1) was received 23 November 2017, which states that funding regulations will be amended to allow local formulae to have a positive MFG of up to 0.5%.

**Proposal**

It is proposed that Schools Forum notes the report and that the disapplication request has been submitted within timescales, but is no longer required.

## **Recommendations**

It is recommended that School Forum notes the contents of the report and the contents of the e-mail in appendix 1.

### **For the following reasons:**

- To enable Gateshead mainstream schools funding formula to have greater flexibility to have a positive MFG of up to 0.5%
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**CONTACT: Carole Smith ext. 2747**

Dear local authority finance officers

### Local implementation of the national funding formula (NFF)

We're aware that a large number of local authorities have requested to move as closely as possible to the NFF for 2018 to 2019. As a result, it's been agreed that the funding regulations will be amended to enable local formulae to include a positive minimum funding guarantee (MFG) up to + 0.5% per pupil. It's also been agreed to allow the premises factors to be removed from the calculation of the minimum funding levels using the same methodology as that used for the NFF calculation.

It will also now be possible for the amount capped and scaled to exceed the amount of MFG protection.

This will mean that disapplications will not be required if local authorities want to make these changes to their local formula. An amended operational guide will be published shortly. For all other changes, the current disapplication arrangements will apply.

### Further information

If you have any questions about the contents of this email, please [contact us](#).

Yours sincerely

Helen Bennett

**Deputy Director  
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Education & Skills  
Funding Agency