

Report No.  
ED15110

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:**      **SCHOOLS' FORUM**

**Date:**                      **Thursday 24 September 2015**

**Decision Type:**      Non-Urgent                      Non-Executive                      Non-Key

**Title:**                      **APPLICATION TO SECRETARY OF STATE TO REQUEST MFG EXEMPTION**

**Contact Officer:**      Amanda Russell, Head of Schools Finance Support  
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**Chief Officer:**              Assistant Director: Education (ECHS)

**Ward:**                      (All Wards);

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1.      Reason for report

1.1 This report outlines the process for applying to the Secretary of State to request a Minimum Funding Guarantee (MFG) exemption relating to the additional funding that was allocated to schools in 2015/16.

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2.      **RECOMMENDATION(S)**

2.1 **The Schools Forum is asked to discuss and minute their support of their application.**

### **3. COMMENTARY**

- 3.1 Last year it was agreed with the Schools Forum that unspent Dedicated Schools Grant of £3.5million would be allocated to schools through the Funding Formula. This was calculated at £79 per pupil to be included in the Age Weighted Pupil Unit ( AWPU) funding.
- 3.2 It was agreed that this funding would be for one year only as it was a one-off allocation which would be funded from the carry forward. Therefore in 2016/17 AWPU funding will be reduced by £79 per pupil. However, in order to ensure that the Minimum Funding Guarantee does not artificially replicate this funding moving forwards it is necessary to make a formal application to the Secretary of State to formally ask for permission for this amount to be excluded from the MFG calculation.
- 3.3 Appendix 1 shows the form which is provided by the DfE specifically for this purpose which has been partially completed in preparation. This will be submitted at the end of October along with the annual APT submission.
- 3.4 The form specifically asks for confirmation that the request has been agreed by the Schools Forum – this box has been left blank at present. The Schools Forum is asked to discuss this matter with a view to confirming whether or not it supports the application.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 If the disapplication request is not approved then the MFG will apply to the 2016/17 funding formula, and the Dedicated Schools Grant will effectively be overspent by £3.5 million in 2016/17. This could also cause further overspends in subsequent years.
- 4.2 As members will be aware, the accumulated underspent DSG carried forward from previous years has been almost fully spent or earmarked, so this would likely result in an overall deficit to be carried forward to 2017/18.