

## **Report of the Cabinet Member: Children, Schools and Skills**

I have been asked to report, by Councillor Greenslade, as follows;

*.....on Small Schools Protection Factor and formula changes*

### **CONTEXT**

The Small School's Protection payment within Devon's own local formula was replaced in 2014 by a nationally determined funding formula which deliberately moved away from funding institutions placing greater emphasis on pupil led factors.

However, the new national formula did include a number of elements designed to protect small schools from financial instability. The Government's commitment to a national formula, based on pupil led factors, remains as this is seen as the fairest model for funding schools. This means that schools serving communities where there is a changing child demographic or even changes in parental choice, will be most impacted by this change in approach (either benefitting or being disadvantaged!).

Under the new funding arrangements from 2013-14 the Secretary of State agreed to allow some flexibility in the operation of the lump sum, sparsity and also the Minimum Funding Guarantee (MFG) for very small schools i.e. schools with fewer than 53 pupils at the time of the October 2012 census that had previously been in receipt of additional local protection.

### **MINIMUM FUNDING GUARANTEE**

The current minimum funding guarantee (MFG) for schools will be retained so that no school can face a funding reduction of more than 1.5% per pupil in what it receives through the local authority funding formula, providing continued protection from excessive year-on-year changes.

### **EXCEPTIONAL MFG EXCLUSIONS - SMALL SCHOOLS**

Some of these small schools still have a comparatively high per pupil funding rate as some of this protection is in their 2016-17 baseline, and where these schools continue to enjoy growth in pupil numbers, Devon will apply a cap on the MFG per pupil rate to that growth element. This means these schools will still see an increase in their funding, but at a more reasonable and equitable rate.

Conversely, where such a school suffers a reduction in roll, Devon will apply a cap on the MFG per pupil rate to the reduction in pupil numbers, so that these schools will still see a decrease in their funding, but at a more reasonable and equitable rate.

Devon will apply for MFG disapplication requests to prevent perverse results for very small schools with failing or rising rolls.

**Other Areas that protect these small schools are Lump Sum and Sparsity.**

**LUMP SUM**

This is an optional factor within the Schools Revenue Funding for 2017 to 2018, but all LAs use it.

In 2016-17 Devon gave every school a lump sum and this was differentiated between primary and secondary schools, with the primary lump sum of £67,516 and secondary lump sum of £147,516 (this applies to all-through schools too). We would continue this in 2017-18 funds permitting.

**SPARSITY**

This is an optional factor within the Schools Revenue Funding for 2017 to 2018. The calculations behind this factor have not changed. Schools that had approval for exceptional factor in 2016-17 will carry forward to 2017-18

Schools that are eligible for sparsity funding must meet two criteria: first, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close, and second, they are small schools.

The sparsity criteria thresholds continue to target funding at the smallest, rural schools whilst retaining a broader equity across the medium to larger sized primary schools

**It would suggest that Devon will continue to fund local threshold at;**

<b>Phase</b>		<b>Average year group threshold</b>
Primary	£ 55,000 (tapered)	8.57
Secondary	£100,000 (lump sum)	120
All-Through	£100,000 (lump sum)	55

**Councillor James McInnes**

**Cabinet Member for  
Children, Schools and Skills**