

Minster School – Application of the Minimum Per Pupil Methodology

Purpose of the Report

To inform the Early Years and Schools Forum (Forum) of an anomaly which affects Minster School funding allocation, the application of the Minimum Per Pupil (MPP) methodology and the action taken since 2020 following approval by Forum.

Information and Advice

Background

Minster School pursued an issue with the ESFA regarding the application of the MPP methodology on the basis that it disadvantages the school due to it having a low cohort of primary pupils compared to that of secondary pupils which the National Funding Formula (NFF) methodology does not take account of.

The ESFA confirmed to the school that the formula treatment applied by the LA is correct and recognised there is an anomaly. The ESFA also confirmed that the LA could apply for a disapplication if it was identified as an exceptionally disproportionate split, but this would be outside the NFF.

The application of the NFF MPP, including the methodology, has been mandatory for all LAs to use in their local funding formula since the 2020-21 funding period.

Information

The MPP protection was introduced in 2018-19 as part of the National Funding Formula (NFF). It set minimum levels of protection for primary and secondary pupils. The methodology is straightforward for single phase schools but for schools with a combination of phases and year groups, the calculation is based on the key stage and number of year groups.

The issue is the way the NFF calculates the MPP funding protection for schools with more than 5-year groups in secondary schools. A secondary school with 5-year groups would be protected at the £5,995 MPP but for schools with any variation to this, the MPP calculation is applied to each Key Stage and a weighted average MPP is calculated using the number of year groups (not pupils) as illustrated below and then applied to all the pupils.

Minster has 40 primary pupils and 1,221 secondary pupils and the large discrepancy in the number of pupils in primary year groups and those in secondary year groups has significantly reduced the MPP protection they would have received as a stand-alone secondary school.

| Yr Group | Primary (Key Stage 1 & 2) | | | | Key Stage 3 | | | Key Stage 4 | | Total Yr Groups |
|----------|---------------------------|---|---|---|-------------|---|---|-------------|---|------------------|
| | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 1 | 2 | 9 |
| MPP | £4,610 | | | | £5,771 | | | £6,331 | | |
| | £18,440 | | | | £17,313 | | | £12,662 | | £5,379.44 |

£18,440 = number of year groups in Key Stage 1 & 2 (4) x Primary MPP (£4,610)

£17,313 = number of year groups in Key Stage 3 (3) x Key Stage 3 MPP (£5,771)

£12,662 = number of year groups in Key Stage 4 (2) x Key Stage 4 MPP (£6,331)

£5,379.44 = £18,440 + £17,313 + £12,662 (£48,415) / total year groups (9)

The ESFA and the LA acknowledges that there is an anomaly created by the NFF in the way it calculates the MPP for schools that do not have a standard structure as the MPP is determined by their particular year groups. LAs are required to follow the NFF methodology, but they can request to alter this for specific schools in these circumstances.

There is another school, Serlby Park (an all-through school), which this MPP methodology also applies to. However, it receives more funding per pupil through the core formula compared to the MPP levels and there is a more equal split of pupils across the year groups, so it does not create the same anomaly.

Action taken.

In view of this anomaly, the LA redetermines the budget allocation for Minster School accepting that this is a unique circumstance. To be able to do this, a disapplication request is required. The request seeks permission to calculate the MPP for the school based on the MPP value for primary pupils (in 24-25 this is £4,610), and the MPP value for secondary pupils (in 24-25 this is £5,995). It is the intention to apply this amendment to the MPP NFF methodology for the school in future years which requires the submission of a disapplication request on an annual basis following approval unless the NFF is changed to reflect this anomaly.

Financial implications

The cost of redetermining the budget for Minster is approximately £300,000 each year. We are unable to confirm actual cost of re-determining the budget in future years until the Authority Proforma Tool (APT) is completed for all schools' budgets in January of each year.

Nottinghamshire funding allocation is based on the NFF which does not account for this anomaly. Unless the ESFA reviews its policy on the application of the MPP formula in these circumstances, Nottinghamshire is not funded each year for this anomaly.

There is a risk therefore, this may impact on the affordability of the NFF which could potentially impact on all other schools in the County. However, now that we have adopted the NFF in full, it is very difficult to reduce the funding allocations because of the protections in the formula. The funding of any shortfall would be addressed as part of the consultation process for the following year's funding formula.

RECOMMENDATION/S

That the Forum:

- 1) Notes the requirement to make the alteration to the MPP for the Minster School to address this anomaly.

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