

**Schools Forum
11 October 2022**

‘Exceptional Circumstances’ Disapplication Request for 2023/24

1. Purpose of report

- 1.1 To provide Schools Forum with information regarding premises rental costs that one school in the borough incurs and to seek support for an application to disapply the regulations and (if approved by the Secretary of State) provide funding to that school to meet those costs.

2. Recommendation

- 2.1 Schools Forum support the proposal to apply to the Secretary of State for a disapplication for a period of up to 6 years, which (if approved) aims to ensure that appropriate funding continues to be allocated to support the premises rental costs of the school concerned, minimising uncertainty and the financial impact that would otherwise be placed upon that schools budget.

3. Background

- 3.1 Schools do not normally incur premises rental costs, as the land and buildings in the main are either owned by the local authority, an academy trust or another education trust. However there is one school in Walsall that does incur such costs.
- 3.2 The funding factors allowed within local authority mainstream schools funding formula do not include a specific factor to allocate remises rental funding, like they do with other building related costs such as business rates (which as set out above is in the main due to the fact that the majority of schools do not incur these costs).
- 3.3 The allowable funding factors however do, in certain circumstances, include the ability to utilise an ‘Exceptional Circumstances’ factor – where examples of possible use within that factor do include premises rental.
- 3.4 Funding for the premises rental costs of the school concerned are added to the overall Schools Block of DSG funding that is paid to Walsall – and as such do not therefore represent a pressure on other school budget allocations. Given this Walsall has for a significant number of years therefore included an ‘Exceptional Circumstances’ factor within its local mainstream schools funding formula to passport this funding to the individual school incurring those costs.

- 3.5 However to utilise the 'Exceptional Circumstances' factor local authorities need to seek approval from the Secretary of State to disapply the normal regulations. Whilst Walsall did originally gain this approval some years ago, updated guidance now confirms that where local authorities received that approval prior to 2017/18 (which is the case for Walsall) the local authority now needs to submit a new disapplication request for consideration by the Secretary of State for continued use.
- 3.6 The deadline date for local authorities to submit any application for a 'Exceptional Circumstances' disapplication for the 2023/24 year is 20 November 2022. This is for the department to ensure decisions can be communicated back to local authorities prior to the APT submission deadline.
- 3.7 The disapplication process set out by the DfE requires the Local Authority to formally consult with Schools Forum and ask for their support on all disapplication requests submitted to the Secretary of State. As such this report aims to ensure Schools Forum are aware of this issue and seek their support for that disapplication request.
- 3.8 Formal guidance from the DfE allows, with consultation and support from Schools Forum, for this request to cover a period of up to 6 years (with no need for further approval within that period unless there is a material change in circumstances - which would then require further consultation and a new disapplication request). As such it is proposed the disapplication request is for a period of 6 years to seek to minimise uncertainty to the school concerned.

4. Financial Implications

- 4.1 Given that premises rental funding for the school concerned is received in addition to the main Schools Block funding, there are no financial implications for other schools from supporting this request.
- 4.2 If this request is not supported and made (and approved) then there would be a detrimental financial impact on the one school concerned, with premises rental costs having to be met from within their budget share without specific additional funding provided in relation to that.

5. Legal Implications

- 5.1 The Department for Education has prescribed the way in which schools should be financed for the 2023/24 financial year. These guidelines are set out in the Schools Revenue Funding 2023 to 2024 operational guide, and can be found at the following link:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/schools-operational-guide-2023-to-2024>

- 5.2 The purpose of these arrangements is to help secure greater consistency in the way in which funding is distributed to schools. The Council is bound to adhere to the rules issued by Department for Education, and the proposed Walsall Funding Formula sets out how funding will be allocated to schools in Walsall within the prescribed arrangements.

6. School Improvement

- 6.1 No issues directly arising from this report.

7. Members Eligible to Vote

- 7.1 All members with voting rights are eligible to vote on this matter.