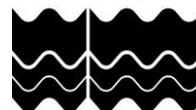


East Sussex County Council Schools Forum

East Sussex  
County Council



Friday 6<sup>th</sup> July 2018

08.30

Wellshurst Golf and Country Club

Agenda

Item	Heading	Paper	Lead	Item for
1.	Welcome and Apologies	N	Chair	Note
2.	Minutes of previous meeting • 10 <sup>th</sup> May 2018	Y	Chair	Approval
3.	Matters Arising and Declaration of Interests	N	Chair	Discussion
4.	High Needs Block	Y	Nathan Caine	Information
5.	EALs and Behavioral Support	N	Beth Armstrong	Information
6.	Apprenticeship Levy Update	N	Martin Kelly	Information
7.	Funding Formula Working Group	Y	Ed Beale	Information
8.	AOB			

**Next Meeting: Friday 28th September 2018, 8.30am, Wellshurst Golf and Country Club**

Draft Items for next meeting

Election of Chair and Vice Chair  
ESCC Funding Formula Proposals for Consultation  
De-delegation Proposals

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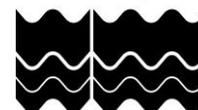
Primary Headteachers	Primary School Governors
Richard Thomas (Pevensey & Westham Primary) <b>Debbie Gilbert (Burwash CE Primary) - APOLOGIES</b> Richard Blakeley (Parkside Primary) Kate Owbridge (Ashdown Primary) <b>DID NOT ATTEND</b> Lizzie Field (Park Mead Primary)	Jane Johnson (Newick CE Primary) Geoffry Lucas (Etchingham CE Primary) Vicky Richards (St Mark's CE Primary)
Secondary Headteachers	Secondary School Governors
Hugh Hennebry (UCTC) - Chair <b>Helen Key (Chailey) - APOLOGIES</b> Emily Beer (Willingdon Community)	Monica Whitehead (Claverham Community College)
Special School Headteacher	Special School Governor
<b>Sophie Gurney (Hazel Court School) - APOLOGIES</b>	Vacancy
Pupil Referral Unit	
Frank Stanford – (Sabden Multi Academy Trust)	
Academy Representatives	Non School Members
<b>John Greenwood (Aurora Academies Trust) - APOLOGIES</b> James Freeston (King Offa Primary Academy) Vacancy Anna Robinson (Beacon Academy) <b>Richard Preece (Saxon Mount and Torfield) - APOLOGIES</b> Phil Matthews (Hailsham Community College) Sarah Pringle (Seahaven Academy)	Lesley Brown (Early Years) <b>DID NOT ATTEND</b> Phil Clarke (Trade Union Representative) Joanna Sanchez (Diocese of Arundel and Brighton) Mandy Watson (Diocese of Chichester) <b>Mike Hopkins (16-19 representative) - APOLOGIES</b>
Officers	Observer
Fiona Wright (Assistant Director Education & ISEND)	Cllr Bob Standley (Lead Member for Education and Inclusion, Special Educational Needs and Disability)
Sarah Rice (Finance Manager – Schools)	<b>Stuart Gallimore (Director Children's Services) - APOLOGIES</b>
Edward Beale (Schools Funding Manager)	
Mark Whiffin (Head of Finance)	
Lucy Morgan-Jones Organisational Development Manager and Head of the Music Service	
Anna Brookes Head of School and Education, Employment and Training Coordinator	
Lesley Leppard (Clerk)	
Amanda Altenhoven (Clerk)	

No.	ITEM	ACTIONS
1.0	<b>WELCOME AND APOLOGIES</b>	
	The Chair asked if anyone was new to the Forum. Lucy Morgan-Jones and Anna Brookes introduced themselves to the Forum.	
1.1	<b>Apologies received from:</b> <ul style="list-style-type: none"> <li>• Debbie Gilbert (Burwash CEP School)</li> <li>• Helen Key (Chailey School)</li> <li>• Sophie Gurney (Hazel Court School)</li> <li>• John Greenwood (Aurora Academy Trust)</li> <li>• Richard Preece (Saxon Mount and Torfield)</li> <li>• Mike Hopkins (16-19 Representative Sussex Downs College)</li> <li>• Stuart Gallimore (Director Children’s Services)</li> </ul>	
2.0	<b>MINUTES OF PREVIOUS MEETINGS – 12 January 2018</b>	
	The Minutes for 12 January were signed off by the Chair as a true record.	
3.0	<b>MATTERS ARISING</b>	
	There were no matters arising and no Declarations of Interests.	
4.0	<b>MUSIC SERVICE UPDATE</b>	
	<p>Lucy presented a Music Service update. A decision has been taken to consult on a proposal to close the peripatetic small group and instrumental teaching service from September 2019. The consultation will be launched in June and will go out to schools and stakeholders as well as the public, with a final decision in September. The current service model is not financially sustainable following a further loss in grant funding. A number of options for the service have been considered. A management and administration restructure will be implemented in September but a proposal to change the terms and conditions of the teaching staff on the upper pay range was disputed by the unions and was withdrawn. This leaves the service with a budget deficit and it is the view of the DCS that it is not possible to prioritise the service over other frontline children’s services.</p> <p>If the instrumental teaching service closed, young people would need to access music lessons through the private market. The Music Service would continue to offer a range of services including whole class instrumental teaching in schools and the opportunity to play in bands and orchestras through the area music centres and summer school courses. However the LA is actively exploring ways to close the budget deficit to avoid closure of the instrumental service. It was suggested that schools could increase their contribution to fee remission for young people from low income families, which would provide a saving for the service. Another option would be for schools to purchase instrumental teaching from the service and then charge parents, rather than the service directly contracting with parents, which would save on administrative costs. Lucy advised that instrumental teachers could continue to help with recruitment for music lessons and agreed to cost the model and provide an estimated hourly rate charge for teaching. Cllr Standley explained that the County Council was under financial pressure and that difficult decisions had to be made. He was keen to receive any ideas coming in that would help the situation. Emily Beer wanted to know why we were not doing more to challenge the Government, Cllr Standley advised that he regularly meets with MPs and Ministers to put our case to them. It was noted a petition had raised over 11,000 votes which</p>	

No.	ITEM	ACTIONS
	<p>means this will go to a full council debate.</p> <p>It was suggested that we look to a solution by approaching independent schools and colleges. The Chair asked for a fuller briefing paper to be provided he would send to schools as a matter of urgency. It was stressed that nothing should be done until the end of the consultation period but that any suggested models should be sent back to Lucy. All viable proposals should be shared. Jane Johnson advised that she had thought it was a certainty that the Music Service was closing, the message should be put across that this was not the case. Cllr Standley stressed that any proposals must be medium to long term solutions as a short term fix was not viable. He wanted any solutions to be provided so that when this item came up for debate in CC the full facts were known.</p>	
5.0	<p><b>VIRTUAL SCHOOL UPDATE</b></p>	
	<p>Anna Brookes praised the Music Service and advised that Looked After Children (LAC) greatly benefited from the Service.</p> <p>She went on to give an update on the Virtual School (VS), pupil premium was being used effectively and that all schools engaged with the VS to ensure that LAC are totally included. All children have equal opportunity for extra curricular items. Anna advised the Forum that she would be retiring shortly, Lizzie gave thanks to Anna which was seconded by Hugh who wished Anna the very best.</p>	
6.0	<p><b>DE-DELEGATED CONTINGENCY UPDATE</b></p>	
	<p>Ed Beale introduced the paper and went through the tables. Questions were asked as to when schools requested the funds. EB stated that whilst it was throughout the year, generally there were more schools requesting funds from September onwards which coincided with the start of the academic year. Jane Johnson wanted to know if there were schools who requested funds but did not get any because funds had already been returned earlier in the year. Fiona confirmed that had funds not been returned in September, then some schools would have received funding later in the year. Discussions continued regarding when unallocated funds should be devolved back to schools and it was decided that it should be changed.</p> <p><b>ACTION:</b> Ask for approval from the maintained primary and secondary representatives to continue with the arrangement of devolving 30% of remaining contingency but in December instead of September, and any remaining unspent balance to be devolved in February.</p> <p><b>DECISION:</b> 9 votes in favour, 1 abstention.</p>	
7.0	<p><b>DSG UPDATE</b></p>	
	<p>Ed Beale introduced the item and went through the figures provided. Questions were asked about the money being carried over and Fiona explained that in the case of Safeguarding the money set aside had not yet been spent on the intended purpose due to not being able to recruit staff in time. The funds were carried forward and now that the staff were in place this work could now be carried out. The safeguarding audits carried out in schools found suitable arrangements throughout the county, where before they had been below standard.</p>	
8.0	<p><b>SCHEME FOR FINANCING SCHOOLS</b></p>	
	<p>Sarah Rice gave a brief on the scheme for financing schools where there have been two amendments to the scheme. No approval is required for the amendment stated in paragraph 2</p>	

No.	ITEM	ACTIONS
	<p>as this amendment is a directive from the Secretary of State.            The minor change shown in paragraph 3 does require approval from the maintained primary and secondary school representatives.</p> <p><b>ACTION:</b> Ask approval for the minor change in wording in paragraph 3.  <b>DECISION:</b> 10 votes in favour.</p>	
9.0	<b>FUNDING FORMULA WORKING GROUP</b>	
	<p>Ed Beale gave a verbal update on the FFWG. He advised that dates had been set. Hugh asked the Forum to confirm that they knew who their representative was, this was acknowledged that they did. Ed discussed ways of communicating the information discussed at FFWG and that minutes were to be sent out to all Forum members. Other suggested communications were Breakfast Briefings and Secondary/Primary Head meetings.</p>	
10.0	<b>ANY OTHER BUSINESS</b>	
	<p><b>School Forum Timeline</b> – Ed Beale discussed the timeline and asked forum members if they would find it useful if the timeline was expanded to include other details such as key dates from the DfE etc. This was agreed by forum members and the updated timeline would be sent out prior to the July meeting.</p> <p><b>School Balances in Future Years</b> – Emily was concerned that all heads she had spoken with are finding that yr 3 is not balancing. SR advised that she was working on reviewing the budget plans but this had not been completed yet. It was suggested that more training could be given on budget preparation. SR referred to Headteacher training that had been delivered in the spring term which had been well received by attendees. Feedback is required to set the right format for useful information for Headteachers. It was also suggested that support needed to be found from parents/community and business leaders.</p> <p><b>Schools balances</b> - Hugh Hennebry asked whether the closing balances should also show committed costs for the summer term at 31/3 as otherwise it looked like there was more money available than there actually was. EB will look into the practicalities of whether this information can be presented differently in the future.</p> <p>It was suggested that the lack of money available per child should be more widely advertised. In Brighton each school had a banner outside stating how much per child was allocated and how much was actually needed. This provided the parents with the information they needed so that they could be asked to lobby their MP for more funding.</p> <p><b>Pay Award</b> – Hugh suggested that they should be looking to the next year so a model policy on pay could be agreed.</p> <p>No other business.</p>	
	<p><b>Meeting concluded at 10.20 hours</b>  <b>Next meeting - Friday, 6 July, 2018, at 0830 hours at Wellshurst Golf Club</b></p>	

## Agenda Item 4



Report to: Schools Forum

Date: 6 July 2018

Title of report: Update on High Needs Block Expenditure 2017/18 and projected spend for 2018/19

By: Nathan Caine – Head of ISEND

Purpose of report: To advise Schools Forum of the expenditure on the High Needs Block over the 2017/18 financial year and projections for costs over 2018/19.

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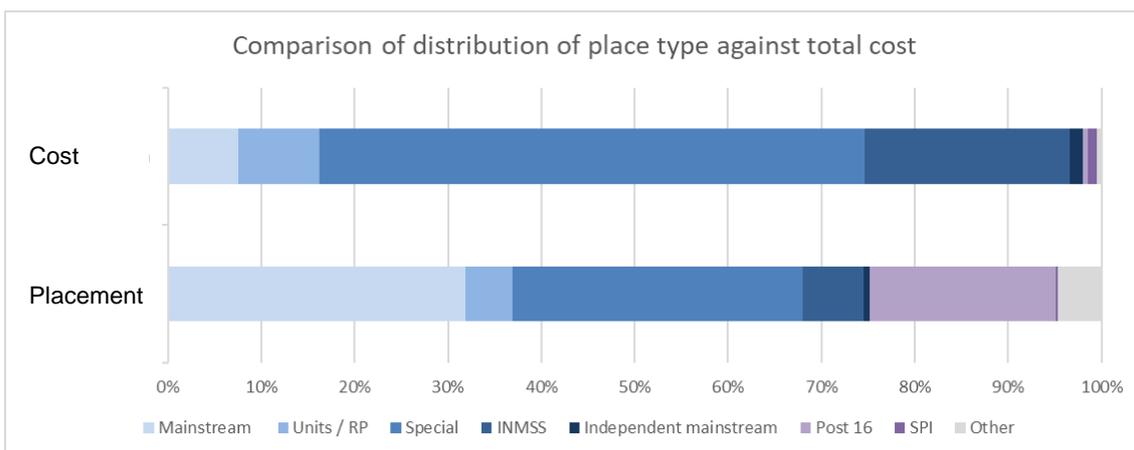
### 1. Background

- 1.1 In April 2017, an interblock transfer of £4.3m was agreed by Schools Forum to address the pressure in the High Needs block to fund SEN placements. These pressures arose from a significant increase in demand for higher cost placements due to:
- A significant increase in requests for statutory assessments from mainstream schools.
  - An increase in requests for statutory assessments from parents of pupils in some mainstream schools not having confidence in mainstream provision. The reasons cited are largely the unpreparedness of schools to make reasonable adjustments and withdrawal of support leading to pupil underperformance
  - A reduction in the proportion of children with an EHCP placed in a mainstream school.
  - No places available in our maintained special schools therefore the demand for a special school can only be met in the independent sector.
  - Demand from mainstream schools for increases in the band funding for children with EHCPs.
  - A significant increase in requests for maintaining EHCP's from mainstream and special schools and FE providers for new and on-going placements with Post 16 providers.
  - An increase in requests from special schools, and parents of children in special schools, for ongoing placements post-19 within high-cost independent schools;
- 1.2 Since April 2017, dedicated work has been undertaken across the board to address the rise in demand in this area. Thanks to an increased focus on an improvement in practice across schools and the Local Authority, East Sussex has seen a 2-year reduction in the number of new EHCPs issued (just one of 5 LAs nationally to achieve this) and an increase in the number of children with SEND supported without an EHCP in mainstream schools. In addition to this, we have managed to achieve:
- A reduction in the costs of placements in most FE providers.
  - An increase in the number of available placements in local Special Schools.
  - An increase in the occupancy in Specialist Facilities in Mainstream Schools.
  - A reduction in the number of placements in Independent and Non Maintained Special (INMS) schools.
- 1.3 As a result of the above, the current projected spend for 2018/19 is within the agreed budget and no additional resource is anticipated at this stage. However, this is predicated on us continuing the trajectory of reducing demand and shifting the balance of placements from higher cost to lower cost, with a greater proportion of children with SEN remaining in mainstream schools. This indicates that the actions undertaken by schools and ISEND to manage demand and cost pressures are having an impact but that we must continue to implement these strategies rigorously while at the same time identifying additional actions that will add momentum to this direction of travel.

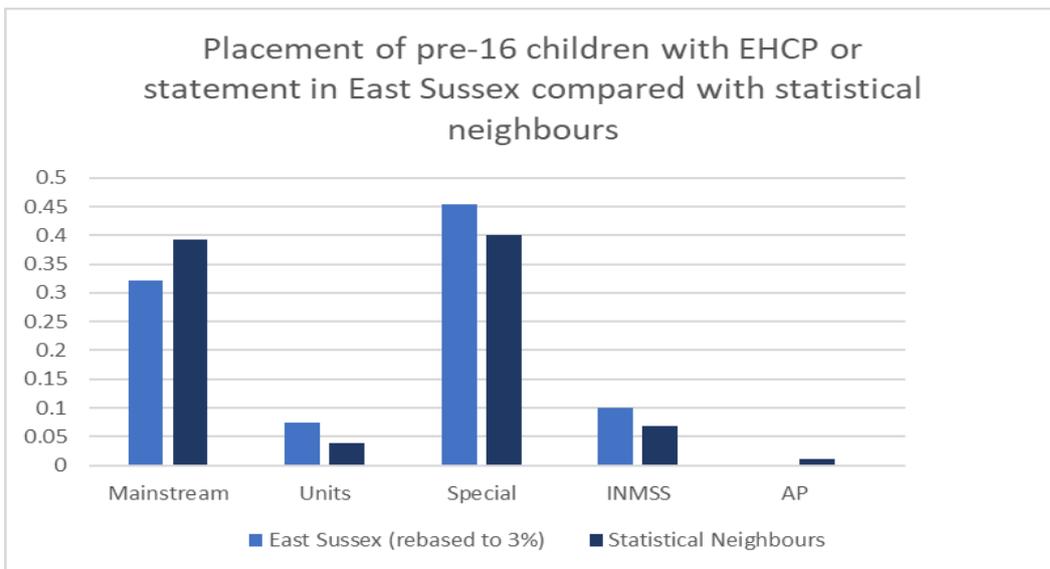
- 1.4 This is set against a rising trend in the total number of EHCPs, due to plans not ceasing when children move to post-16. This means additional actions must be undertaken by schools, colleges and ISEND over the next academic year to address rising costs for this group of young people.

## 2 High Needs Expenditure 2017/18

- 2.1 The total expenditure across the main headings in the HNB is outlined in Appendix 1. The biggest single-spend areas continued to be in high needs top-up in mainstream schools, place funding and top-up in special schools and placements in the INMS sector.
- 2.2 A report undertaken by ISOS Partnership for the Local Authority has identified that the spend on children with SEND in East Sussex was higher in 2017/18 per head of population than our statistical neighbours (£318 compared with £302). This combined with the fact that the number of children with EHCPs in East Sussex remains higher than national and statistical neighbour averages means that the starting point for HNB expenditure is inflated.
- 2.3 The report also highlighted that there is a significant disparity in the share of costs across different types of provision. Whereas proportionately fewer children are placed in special and INMS schools than in mainstream, the costs of this type of provision is significantly higher than that in mainstream schools. The spread of costs and % of children in each type of placement is shown in the chart below.



- 2.4 In terms of the distribution of placements for children with EHCPs, the chart below shows that East Sussex has less children in mainstream than our statistical neighbours and more in facilities, special and INMS. This skewing of placements towards the specialist sector has a direct impact on the overall expenditure due to the average costs of these placements being higher.



- 2.5 As identified at Schools' Forums and headteacher and SENCo meetings, a significant draw on our HNB resources comes from the independent and non-maintained sector. Despite expectations to the contrary, the INMS sector do not cater for just those children with the highest needs; indeed, a number of placements are for children who have thrived previously in local mainstream schools. This means that the cost differential for this sector is very large.
- 2.6 In 2016/17 there were 274 East Sussex children attending INMS for the full year; in 2017/18, we had reduced this to 259. Despite our successes in keeping more children in high-quality, local provision, the average cost of an INMS placement rose, last year, to £32k.
- 2.7 At year end the expenditure on the HNB was within budget.

### 3 High Needs Projections for 2018/19

- 3.1 The revised funding formula for the High Needs Block has recognised that SEN funding in East Sussex was historically underfunded and identified a notional 3% uplift in the total allocation. However, due to the protection of the HNBs across all Local Authorities, the rise in East Sussex was capped at 0.5% in 2018/19. This small uplift, in conjunction the ongoing work to reduce demand, means that, at this point in the year, we are projecting spend to come within budget for this financial year. This is, of course, predicated on an assumption that we will continue to reduce the number of new EHCPs, the number of new INMS placements, reduce upward demand on specialist placements from mainstream schools and move more young people at the point of transition down the continuum of provision.
- 3.2 By means of comparison, we are aware that neighbouring local authorities are experiencing considerable pressure on their HNB this year and are projecting overspends for 2018/19. The level of these overspends range from £0.2m to £30m (the top end being almost 25% of the LA's High Needs budget). For some LAs this overspend is on top of transferring funds for 2018/19 from Schools to HNB.
- 3.3 To enhance the offer of SEN provision across the county, we will be opening three new specialist facilities over terms 1 to 4 next academic year. These will have an annual cost of £500k (when at full capacity), but will help to keep more children in local provision and reduce placements in special and INMS schools. We have identified sufficient funds within the HNB to support these but it is important that we continue to manage down higher cost

provision so that we can fund these and the new Free School places within budget from 2019 onwards.

## 4 Conclusion

- 4.1 The pressures on the High Needs Block budget continue to be significant and the challenges seen in East Sussex have been replicated nationally<sup>1</sup>. We have recently expressed our concerns around the lack of adequate funding for SEN placements at a national level through the recent call for evidence to the Education Select Committee which will be looking at SEND as part of its next round of meetings.
- 4.2 Although the picture for 18/19 appears, at this stage, to be relatively secure in East Sussex, this will rely on a continued effort of all stakeholders to continue to address the rising tide in demand. Whereas most schools have worked hard with the Local Authority to support the policy of keeping children in local schools wherever possible, there are examples where our collective efforts to do this have been undermined by, for example, mainstream schools being unwilling to support the LA at tribunals and, therefore, forcing the LA to concede and place children in INMS. Where this happens at secondary transfer, this will cost the HNB a minimum of £200k over the school career of that child and ties up funding that could be used to support local schools for five to eight years. A relatively small number of such cases will quickly undermine the relative stability of our budget position. To continue to manage pressures this year and ensure that we move in to 19/20 with some certainty around meeting demand within the HNB funding element, there are some fundamental priorities that we will need to continue to focus on. Primarily these are:
- a) Continue to reduce the number of new EHCPs by broadening the mainstream offer and ensuring that parents have confidence in what can be provided in local schools.
  - b) Further increase the number of children identified early as having SEND and ensure that they have a good Additional Needs Plan in Place to enable them to make progress in the mainstream system.
  - c) Increase the number of children with EHCPs placed in mainstream schools.
  - d) Continue to robustly defend mainstream and local special placements at tribunal, with representation from the LA and local schools.
  - e) Look for opportunities to cease more EHCPs where barriers to education have been overcome, and particularly where children are moving into FE.

Nathan Caine  
Head of ISEND

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<sup>1</sup> Reflected in NAHT Analysis of High Needs Funding 2018

## Appendix 1

<b>HIGH NEEDS BLOCK 2018/2019</b>	£	£
Block total	50,571,100	
<b>Adjusted High Needs Block Total</b>	<b>50,571,100</b>	
<b>Place funding</b>		
Special Academy place funding - Pre 16	7,240,000	
Academy Special Facilities place funding - Pre 16	679,800	
Special Schools / Facilities	1,950,800	
Post 16 place funding	860,000	
Post 16 FE Places	984,000	
Alternative Provision	1,400,000	13,114,600
<b>Other High Needs Budgets</b>		
Service Level Agreements	1,243,500	
Top up funding Pre 16	14,772,500	
Top up funding Post 16	1,789,700	
Fees for pupils at independent schools	12,419,700	
Education out of School	1,403,600	
SEN support	5,304,500	
Support for inclusion	416,800	
Servicing Schools Forum	22,200	37,372,500
<b>Spending for Special Schools/Academies</b>		
Ethnic minority and bi-lingual	8,500	
Special Schools contingency	33,600	
Insurance	31,100	
Free School Meals Eligibility	10,800	84,000
<b>Total</b>		<b>50,571,100</b>

<b>HIGH NEEDS BLOCK 2017/2018</b>	£	£
Block total	46,208,000	
Inter Block Transfer	4,300,000	
<b>Adjusted High Needs Block Total</b>		<b>50,508,000</b>
<b>Place funding</b>		
Special Academy place funding - Pre 16	7,215,000	
Academy Special Facilities place funding - Pre 16	981,700	
Special Schools / Facilities	1,900,000	
Post 16 place funding	900,000	
Post 16 FE Places	984,000	
Alternative Provision	1,400,000	13,380,700
<b>Other High Needs Budgets</b>		
Service Level Agreements	1,506,400	
Top up funding Pre 16	14,610,700	
Top up funding Post 16	3,191,400	
Fees for pupils at independent schools	11,018,000	
Education out of School	1,270,900	
SEN support	4,743,200	
Support for inclusion	680,500	
Servicing Schools Forum	22,200	37,043,300
<b>Sending for Special Schools/Academies</b>		
Ethnic minority and bi-lingual	8,500	
Special Schools contingency	33,600	
Insurance	31,100	
Free School Meals Eligibility	10,800	84,000
<b>Total</b>		<b>50,508,000</b>

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## Agenda Item 7

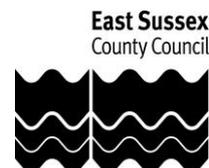
Report to: Schools Forum

Date: 6th July 2018

Title of Report: Funding Formula Working Group (FFWG) Update

By: Ed Beale, School Funding Manager

Purpose of Report: To provide an update on the progress to date of the Funding Formula Working Group



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**Recommendation:** Schools Forum are asked to note the progress made to date of the FFWG in relation to the 2019/20 ESCC Funding Formula.

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### Working Group Members

School Forum Representatives: John Greenwood, Jane Johnson, Hugh Hennebry, Phil Matthews, Monica Whitehead

LA Officers: Sarah Rice, Ed Beale, Kirsten Coe

## 1 Background

- 1.1 Apart from the 2017/18 formula, which was unchanged due to the National Funding Formula (NFF) consultation process, East Sussex has worked each year with schools and Schools Forum to agree a local formula that has apportioned the funding as appropriately and effectively as possible for the schools and academies in East Sussex.
- 1.2 In July 2017, the DfE confirmed that Local Authorities will determine the final funding allocations for schools / academies for 2018/19 and 2019/20. In order to review the funding factors for 2019/20, the Funding Formula Working Group (FFWG) has reconvened to review accordingly.
- 1.3 The FFWG is comprised of School representatives (Primary and Secondary Phase) and Local Authority officers, as indicated above.

## 2 Progress to Date

- 2.1 The first meeting took place on 18<sup>th</sup> May at which the aims and objectives of the group were confirmed and the principles that were being worked to clarified. The principles are that there is continuation of working towards the National Funding Formula (NFF) rates in all of the funding factors. This is to be done in a way that avoids any undue turbulence to schools and academies. To aid this, a summary of the current funding rates and the proposed rates under the NFF were looked at. (Appendix A)
- 2.2 In previous years, Local Authorities have received analysis of the funding rates that other LA's have implemented. However, for 2018/19 this information is still to be received. Whilst this information is useful for comparison and provides context, it has not affected the decision of continuing to work towards the NFF rates.

- 2.3 The areas that are being reviewed include the lump sum, the Sparsity factor and the deprivation factor. The rationale for looking at the Sparsity factor is to identify if it enables greater financial support to some of the smaller schools in locations where sparsity is a factor.
- 2.4 As agreed at last year's FFWG, the deprivation factor is being looked at with a view to introducing all three deprivation factors (FSM, FSMEver 6 and IDACI) for 2019/20. Currently, the ESCC funding formula uses the FSM eligibility factor only. However, under the NFF, all three deprivation factors will be used.
- 2.5 Assumptions made at the initial meeting were that further funding would be provided by the DfE in 2019/20 and the Minimum Funding Guarantee (MFG) and Capping rules that the DfE set in 2018/19 will continue into 2019/20 - i.e. maximum protection against per pupil funding loss and have flexibility around the % gains in per pupil funding.
- 2.6 Minutes of the first meeting are shown in Appendix B within which include a list of the 16 scenarios that were requested for modelling by the working group.
- 2.7 The second FFWG meeting took place on 8<sup>th</sup> June. All of the proposals were looked at in turn and the impact that they would have on the schools / academies considered. It was agreed that, assuming there is no change to the MFG regulations, the aim will be to continue with the 100% MFG which will ensure undue turbulence is minimised.
- 2.8 Minutes of the second meeting of the FFWG can be found in Appendix C.

### **3 Moving Forward**

- 3.1 Initial proposals are looking at having a further stepped change reduction in the lump sum for the Primary Phase of £6,000 which would mean the value would be £116,000. Whilst for the Secondary phase, the proposal is to see the lump sum reduce to the NFF rate of £110,000 from the existing £117,000. Alongside this, as mentioned above, the Sparsity value is also being looked at with a view to potentially moving directly to the NFF rate.
- 3.2 With regards to the deprivation factors, the intention is to ensure that the FSM Ever6 and the IDACI rates are at least 50% of what they will be under the NFF. Affordability will determine as to whether the rates can be closer realigned to the NFF.
- 3.3 Prior to the second meeting on 8<sup>th</sup> June, the DfE arranged a meeting that took place on 22<sup>nd</sup> June with Finance Officers from Local Authorities in order to provide an update on their 2019/20 funding arrangements.
- 3.4 At the meeting, it was indicated that information will be issued by the DfE to Local Authorities by the end of July in relation to the 2019/20 Funding Formula arrangements and funding. The DfE also indicated that the MFG and Capping arrangements that were in place for 2018/19 will continue for 2019/20, which means that MFG could remain at 100% for 2019/20.
- 3.5 Indications from the meeting were also that the DfE intend to provide Local Authorities with their 2019/20 units of funding values for primary and secondary pupils in July. This should therefore provide a clearer indication of the amount of funds that the Local Authority will have available for distribution which, in turn, will help with the decision making of proposals by the FFWG.

- 3.6 Consequently, the FFWG will be having a meeting on 6<sup>th</sup> July to discuss the outcomes of the LA meeting with the DfE, and this will provide the opportunity to review or amend existing proposed scenarios within the context of information gained from the meeting. For example, if the increased funding that has been previously indicated for 2019/20 is confirmed as the best basis for modelling, the potential to increase funding rates closer to the NFF rates will become more feasible (notably the deprivation rates).
- 3.7 Therefore, with the above in mind, the FFWG will reconvene in September 2018 to review any new exemplifications and finalise proposals for 2019/20.
- 3.8 Final proposals will then be presented at the September Schools Forum for discussion prior to going to consultation with schools and academies.
- 3.9 The results of the consultation will then be brought to the November Schools forum meeting.

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## Funding Rates: Summary 2018/19

## Appendix A

Funding Factors used by ESCC	Primary (£)	Secondary (£)
	(Rates for 2018/19)	
Lump Sum	£122,000	£117,000
*Primary Pupil	£2,747.40	£0.00
*Secondary - KS3	£0.00	£3,862.49
*Secondary - KS4	£0.00	£4,387.79
Deprivation - FSM	£1,513.49	£2,748.02
EAL	£514.98	£1,385.00
Prior attainment	£1,044.64	£1,542.22
Sparsity	£5,000	£5,000

Primary (£)	Secondary (£)
(Proposed NFF)	
£110,000	£110,000
£2,746.99	£0.00
£0.00	£3,862.65
£0.00	£4,385.81
£440.00	£440.00
£515.00	£1,385.00
£1,050.00	£1,550.00
£0 - £25,000	£0 - £65,000

\*Excludes the one off funding received in 2018/19 of £27.93 per pupil.

Factors not currently used by ESCC but would form part of NFF and could be used in 2019/20	Primary (£)	Secondary (£)
Deprivation - FSM Ever 6	540.00	785.00
IDACI - Band A	575.00	810.00
IDACI - Band B	420.00	600.00
IDACI - Band C	390.00	560.00
IDACI - Band D	360.00	515.00
IDACI - Band E	240.00	390.00
IDACI - Band F	200.00	290.00
IDACI - Band G	-	-
Mobility - DfE are currently still reviewing this factor	-	-

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<b>Meeting:</b>	<b>Funding Formula Working Group</b>
<b>Date:</b>	<b>Friday 18<sup>th</sup> May 2018</b>
<b>Time:</b>	<b>8.30-10.30</b>
<b>Venue:</b>	<b>Wellshurst Golf Club, Horam,</b>
<b>Attendees:</b>	<b>Jane Johnson, Hugh Hennebry, Monica Whitehead , John Greenwood, Phil Matthews ,Ed Beale, Kirsten Coe and Sarah Rice</b>
<b>Apologies:</b>	<b>None</b>

### **1.0 Aim of the Funding Formula Working Group (FFWG)**

To review the current funding factors and unit rates used by ESCC for 2018/19 and consider whether it is appropriate to retain these factors at their current level for 2019/20.

The principles of the FFWG were discussed with the intention being that like 2018/19, the principles are to continue to work towards the NFF rates and to continue with causing the minimum amount of turbulence for schools / academies.

Consideration was given as to how the available funding factors can be used to offer maximum support and benefit to the children in East Sussex Schools / Academies and propose a formula that is fair to as many schools as possible. In addition to this, alternative proposals raised by the group included:

- Investigate making amendments to the deprivation funding factors and rates to become more aligned to the potential NFF factors and rates.
- To look at reducing the Lump sum.
- To review the Sparsity factor with the potential introduction of a tapering approach.
- To align all other funding rates (Per Pupil, EAL and Prior Attainment) to the exact NFF rates.

### **2.0 Review information that had been provided**

This included a timeline which set out the timescales from this initial meeting to submitting the funding formula to the DfE, a summary of lump sum comparisons and current 2018/19 funding rates.

### **3.0 Observations and Proposals**

- Last year we had to consult twice due to the DfE providing additional information after the launch of the first consultation, we do not want to be in that position this year.
- Based on the DfE's exemplifications, the expectation is that further funding will be provided for 19/20.
- Whilst we do not yet know the MFG and capping rules for 19/20, the expectation is that the guidance for 19/20 will remain as for 2018/19 and be able to have maximum MFG of 0%.
- We are still waiting, from the DfE, the Local Authority analysis to see how ESCC compares to other LAs. As soon as this data is available it will be sent out to the group for information.

- The group would be interested in looking at the new sparsity sliding scale for the 12 primary and 1 secondary school to see if it means we can offer them more support.
- The Group acknowledged that the lump sum is an important factor and more significant to smaller schools. It was felt that Secondary schools could manage the jump to the NFF rate, but a step change may be more appropriate for primary schools.
- Questions were asked around whether ESCC reviews the financial viability of smaller schools. For example, have county looked at the effect of pupils from the smallest schools moving to their next nearest school and how that improves the financial viability of the schools they move to. It was noted that this was not an implication that small schools should not be available. With the birth rate reducing in the county, schools are going to see reductions in NOR. It was discussed that federating schools does keep smaller schools financially viable.
- It was acknowledged that if the NFF rates do not increase then effectively the NFF is flat cash with no increase for cost of living.

#### 4.0 Action Summary

- To follow up and update on process and reviews of viability of smaller schools.
- Investigate the sparsity factor showing the tapered scale and NFF scale.
- To investigate what % of the deprivation pot goes to each of the 3 deprivation factors in the NFF nationally and what do the proportions look like for ESCC if fully implemented.
- To issue local authority analysis once received from the DFE.
- To model the scenarios below and to review any potential impact to schools and academies.
- To have follow up meeting on the 8<sup>th</sup> June to discuss scenario's.

#### 5.0 Actions Primary

For all scenarios – the Prior attainment, EALs and per pupil rates will be the same as the NFF.

##### **For scenario's 1 - 4 MFG will be at 98.5% and capping at 1.5%**

Scenario 1 – Decrease lump sum by £6,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

Scenario 2 – Decrease lump sum by £12,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

Scenario 3 – Decrease lump sum by £6,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

Scenario 4 - Decrease lump sum by £12,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

**For scenario's 5 - 8 MFG will be at 100% and capping at 1.5%**

Scenario 5 – Decrease lump sum by £6,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

Scenario 6 – Decrease lump sum by £12,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

Scenario 7 – Decrease lump sum by £6,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

Scenario 8 - Decrease lump sum by £12,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

**6.0 Actions Secondary**

For all scenarios – the Prior attainment, EALs and per pupil rates will be the same as the NFF.

**For scenario's 1 - 4 MFG will be at 98.5% and capping at 1.5%**

Scenario 1 – Decrease lump sum by £7,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

Scenario 2 – Decrease lump sum by £7,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

Scenario 3 – Decrease lump sum by £7,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

Scenario 4 – Decrease lump sum by £7,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

**For scenario's 5 - 8 MFG will be at 100% and capping at 1.5%**

Scenario 5 – Decrease lump sum by £7,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

Scenario 6 – Decrease lump sum by £7,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

Scenario 7 – Decrease lump sum by £7,000 and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

Scenario 8 – Decrease lump sum by £7,000 and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

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<b>Meeting:</b>	<b>Funding Formula Working Group</b>
<b>Date:</b>	<b>Friday 8<sup>th</sup> June 2018</b>
<b>Time:</b>	<b>8.30-10.30</b>
<b>Venue:</b>	<b>Wellshurst Golf Club, Horam,</b>
<b>Attendees:</b>	<b>Jane Johnson, Hugh Hennebry, Monica Whitehead, John Greenwood, Phil Matthews , Ed Beale and Sarah Rice</b>
<b>Apologies:</b>	<b>None</b>

### 1.0 Formula Scenarios

In advance of the meeting exemplifications of the impact of several scenario formula changes were circulated for review, as requested at the last meeting. These exemplifications demonstrated the impact on the budget allocation of each scenario on every school and academy in East Sussex.

#### **For scenario's 1 - 4 MFG will be at 98.5% and capping at 1.5%**

**Scenario 1** – Decrease lump sum by £6,000 (Primary) £7,000 (secondary) and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

**Scenario 2** – Decrease lump sum by £12,000 (Primary) £7,000 (secondary) and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

**Scenario 3** – Decrease lump sum by £6,000 (Primary) £7,000 (secondary) and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

**Scenario 4** – Decrease lump sum by £12,000 (Primary) £7,000 (secondary) and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

#### **For scenario's 5 - 8 MFG will be at 100% and capping at 1.5%**

**Scenario 5** – Decrease lump sum by £6,000 (Primary) £7,000 (secondary) and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly.

**Scenario 6** – Decrease lump sum by £12,000 (Primary) £7,000 (secondary) and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible.

**Scenario 7** – Decrease lump sum by £6,000 (Primary) £7,000 (secondary) and move to deprivation pot. FSM Ever 6 rate 50% of NFF, IDACI rate 50% of NFF, FSM rate adjusted accordingly. Change Sparsity to the tapered calculation.

**Scenario 8** – Decrease lump sum by £12,000 (Primary) £7,000 (secondary) and move to deprivation pot. All three deprivation rates as near to the NFF rates as possible. Change Sparsity to the NFF calculation.

## **2.0 Review of Scenarios**

The group discussed the principles and results shown and agreed on the following areas.

2.1 Minimum Funding Guarantee – The initial discussion of the group centred on the Minimum Funding Guarantee. It was unanimously agreed that as the aim of the group was to minimise turbulence and therefore reduction in funding for any school was not felt appropriate. Therefore the group agreed to disregard any scenario which did not include 100% Minimum Funding Guarantee for both primary and secondary. In line with this, scenarios 1 to 4 were not considered further.

2.2 Reduction in Lump Sum – The group discussed the impact of reducing the lump sum on both primary and secondary phases. Reviewing the scenarios, it was agreed that a move towards the National Funding Formula lump sum rate of £110,000 had less of an impact for secondary schools and there was support for moving directly to £110,000 for secondary schools for the 19/20 formula. It was recognised that the reduction for primaries would have a more significant impact although there would be protection built in, a further step change approach was favoured. However, the group requested some further modelling for primaries as detailed in the actions below to explore this further.

2.3 Sparsity– Linked to the reduction of lump sum the group reviewed the impact of changing the sparsity calculation from the flat rate amount in the current ESCC formula. Firstly this was compared to a tapered relief calculation and secondly to the full National Funding Formula sparsity calculation. After reviewing the impact, the group agreed that moving towards the NFF sparsity arrangements was the most equitable way for secondary schools, for primaries further modelling was required including sparsity to fully determine the approach. It is to be noted that the same decision must be made for both phases.

2.4 Deprivation Factors – The group discussed the movement towards allocation based on NFF deprivation factors (IDACI, FSM, FSM Ever 6) and based on the scenarios presented the aim will be to move to at least 50% of the rates indicated in the National Funding Formula. The group discussed the principle of correlation between deprivation funding and results and whether moving funding towards deprivation was the aim of the group. The group decided that the principle of the group was to move towards the National Funding Formula and therefore it was appropriate to move towards these factors. As more information is available regarding overall funding level (see 3.0 below) the intention would be to consider moving closer to the National Funding Rates if funding were available to mitigate any impact in other areas.

2.5 Request for Further Scenarios – As a result of the discussions the group requested that additional scenarios are modelled as follows:

Scenario 9: As Scenario 8 above but with lump sum reducing by £6,000 not £12,000 (Primary only)

Scenario 10: As Scenario 8 above with no lump sum reduction (Primary only)

Scenario 11: As Scenario 7 above with National Funding Formula sparsity calculation (Secondary only)

### **Post meeting additional requests**

Scenario 12: Decrease lump sum by £2,000 (Primary). All other rates at the NFF level including sparsity. Secondary all at NFF.

Scenario 13: All at NFF primary and secondary.

2.6 Specific School Queries -There were some comments on particular schools appearing to be disproportionately affected in some scenarios for reasons that were not obvious. ESCC officers agreed to look into the detail to explain the impact in the various scenarios to give clarity of the impact.

### **3.0 Overall Funding Level**

Based on exemplifications issued by the Dfe in 2017 indicating funding levels for both 2018/19 and 2019/20. East Sussex might expect an increase in overall funding levels for 2019/20. Until final confirmation is received however it is unclear at exactly what level this will be. The group discussed the overall funding level expected for 2019/20 and how this would impact on the scenarios presented. At present the scenarios have been presented indicating how much additional funding would be required to deliver the scenario calculated. Initial estimates indicate that all scenarios will be affordable and there would possibly be further monies to move deprivation rates further towards the National Funding formula, however it is recognised by the group that until funding levels are known with more certainty the scenario review is useful to discuss the overall principles and further more indicative figures will be reviewed when there is a clearer indication regarding funding levels.

### **2.0 Revision of Timelines for Funding Formula Working Group for 2018/19**

Since the last meeting, the Dfe had announced a meeting that coincided with the next scheduled meeting of the Funding Formula Working Group on 22<sup>nd</sup> June 2018. It was agreed that the Working Group would be postponed as the meeting with the DfE would provide some useful information to inform future discussions. The group agreed to schedule a meeting on the 6<sup>th</sup> July following the main Schools Forum meeting to feedback what had been discussed at the DfE meeting and agree on the next steps and a proposed timeline for formula proposals, consultation and final approval.

### **4.0 Action Summary**

- Feedback required from the DfE meeting on 22<sup>nd</sup> June.
- Produce additional scenarios as detailed in section 2.5 above.
- Investigate impact on some specific schools to give a full explanation on why they have been impacted in particular ways.
- Reschedule the next meeting for 6<sup>th</sup> July.

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