

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

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 22nd 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 6th 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 22nd 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 6th July.