

Meeting:	Funding Formula Working group
Date:	Friday 20th October 2017
Time:	14:00-16.00
Venue:	Wellshurst Golf Club, Horam,
Attendees:	Jane Johnson, Hugh Hennebry, Keith Pailthorpe, Monica Whitehead , John Greenwood, Ed Beale and Jill Fisher
Apologies:	Kirsten Coe

1.0 Aim of the Funding Formula working Group

To review the previously agreed 2018/19 funding factors, due to the newly released Schools Block information and guidance, whilst following the previous aims / principles of the group, as below.

- Investigate making amendments to the funding factors and rates to become more aligned to the potential NFF factors and rates.
- Consider how the available funding factors can be used to offer maximum support and benefit to the children in East Sussex schools.

In light of the additional 2.5% that ESCC expect to receive in the Schools Block, it was felt that it was important to try and 'push' as much funding as possible to schools in the factors, and minimise losses to achieve maximum protection for East Sussex schools as the NFF approaches. It was accepted that even a stand still budget was effectively a cut in real terms as schools continue to struggle with rising costs.

2.0 Follow up of Actions from previous meeting:

- The Primary scenarios 4 and 5 and Secondary scenarios 8 and 9 were modelled in the various joint combinations and brought to the meeting to review any potential impact to schools and academies.
- The possibility of moving half of the value of the current FSM (Deprivation) 'pot' into a FSM Ever 6 pot was modelled and brought to the meeting for discussion and review.
- The calculation method of MFG was explained to the group and members were reassured that the exemplifications would not present a distorted representation of the scenarios.
- The potential impact on (particularly smaller) Secondary schools of the proposed changes to KS3 and KS4 rates, combined with predicted pupil numbers in each phase, was modelled and demonstrated as having no material impact. **NOTE: This is not including reductions or increases in funding associated with total numbers on roll.**

3.0 Observations and Discussions

- The Group reviewed the data to explore the possibility of moving some of the FSM 'pot' into a FSM Ever 6 'pot'. East Sussex currently allocates Deprivation funding wholly through the FSM factor but the NFF proposal uses FSM, Ever 6 and IDACI to allocate Deprivation funding. Whilst the principle of introducing the Ever 6 element would move East Sussex closer to the NFF elements, it was felt that introducing Ever 6 without the IDACI element would potentially cause turbulence between 2018/19 and future years. In light of the other rate changes included in this Group's proposal it was felt that addressing the Deprivation factor would be unnecessarily disruptive at this time. Therefore the group proposed that the

Deprivation rates would be subject to review in the 2019/20 Working Group and FSM would be the only Deprivation factor for the 2018/19 proposal.

- After reviewing the scenarios it was felt that if it was possible to move the values of the rates to those proposed in the NFF in 2018/19 then this would reduce the impact in 2019/20 and 2021/22. (when MFG and capping is reduced)
- It was acknowledged that the proposed changes to MFG and Capping would not be sustainable for the future, but whilst we have an opportunity to protect schools, it was felt important to capitalise on them for 2018/19.
- It was noted that it was not the Group's intention that schools gain funding in 2018/19 and then lose funding the following year, as this would have an impact on staff / resource planning.
- It was felt necessary to remind Schools and Forum that the model is calculated using current 2017/18 budget share pupil numbers / units, and that schools expecting a large increase or decrease across the years, the changes will have a greater effect than the data is currently showing.

4.0 Summary of Proposals

- The Group looked at the two remaining scenario options for each phase and it was agreed that option 5 for Primary and option 9 for Secondary best met the aims of the group.
- The Group agreed that increase of the MFG rate to 100% was important to protect schools from losing funding. The current rate is 98.5%. (98.5% MFG equates to -1.5% drop in per pupil funding)
- The group agreed that increasing the capping rate to a minimum of 3%, ideally around 4% to allow schools to maximise the benefit of the additional DSG funding available in 2018/19. The current rate is 1.5%
- The Group deferred reviewing the Deprivation factor to the next FFWG (2019/20 formula).

5.0 Details of Joint Scenarios

- All scenarios based on previously agreed original consultation rates (Jul-Sep17), with the exception of lump sums.
- Primary, reduced FSM by £100,000, increase prior attainment by £100,000, increase per pupil pot by £508,000
- Secondary, increase prior attainment by £101,500 and increase per pupil pot by £101,500
- MFG at 100% and Capping at 3% minimum, 4% if possible.

Primary Scenario 5 and Secondary Scenario 9

Primary - Decrease lump sum by £20,000 rather than £4,000 and increase EAL pot by £200,000, increase Prior Attainment pot by £500,000 and increase the per pupil pot by £1,732,000.

Secondary - Decrease lump sum by £28,000 rather than £7,000 and increase EAL pot by £169,000, increase Prior Attainment pot by £891,000, decrease the per pupil pot by £451,000 (net effect reduction of £349,500) and reduce KS4 per pupil rate increase KS3 per pupil rate to match NFF KS3 and KS4 rates.

6.0 Action Summary

- The minutes of the final meeting to be circulated to the FFWG for approval.
- LA officers to draft exemplifications to allow comparisons between the current formula, the proposed 2018/19 formula rates and the exemplifications issued by the DfE in relation to the NFF rates.
- The Group to attach a covering letter to the Forum Paper and Consultation document that outlines the rationale and principles for the proposals.
- To present the proposal to Schools Forum at the extraordinary meeting on the 31st October to discuss scenarios.

