

Dear Colleagues,

It was important for us, the members of the Funding Formula Working Group (FFWG), to outline the principles and objectives that we followed in the process of reviewing the existing and proposed factors and rates of the East Sussex local funding formula as well as summarising some important information that we hope will inform your response to the consultation.

Why are we consulting again?

The DfE issued their National Funding Formula (NFF) tables on 14th September which provided important information on the funding factors, their values and the Lump Sum figure that would be used in the NFF with effect from 2020/21.

There was further confirmation that the East Sussex 2018/19 Schools Block would have an estimated 2.5% increase on the 2017/18 baseline figure and that there was increased flexibility for local authorities to protect schools via the Minimum Funding Guarantee and to increase the Capping percentage to allow as much money as possible to be passed out to schools.

The confirmation of additional funding for East Sussex schools and also of the rates that will be applied to the various funding factors in the NFF provided new context for the FFWG to consider how best to support schools in the expected 2 year transition period. This information was not available when the earlier proposals were issued for consultation but the LA and Schools Forum felt it was appropriate to reconsider the East Sussex local funding formula for 2018/19 to ensure that all opportunities were explored and none were missed as we transition to the NFF.

Therefore, at the Schools Forum meeting on 29th September, the Funding Formula Working Group (FFWG) was reconvened and we have met several times to discuss and review the potential implications of this new information.

What are the principles and objectives of the FFWG?

- a) The FFWG felt that it was logical to use this opportunity, whilst the additional funding was there to support, to move as far as possible towards the inevitable NFF rates in order to help smooth the transition.
- b) To distribute the additional funding in line with the principles of the NFF. For example, the principle of 'pushing' as much funding out to schools as quickly as possible was the driver for reviewing the Minimum Funding Guarantee (MFG) and Capping rates in the new consultation proposal.
- c) The rationale behind making significant reductions in the lump sum figures for both Primary and Secondary was the ability to push funding out through the pupil-led factors supported by the added protection of 0% MFG which has minimised the impact, particularly on smaller schools, of this significant move towards the NFF lump sum of £110,000. We hope that taking this step now will have the added benefit of mitigating the impact of the changes that are still to come over the next two years.

Why is this proposal important to our schools?

Many of you will have seen the DfE exemplifications issued on COLLECT that give illustrative budget shares for individual schools for 2018/19 and indicative % increases that look very encouraging. In comparison to these figures, the forecasts in the new proposals for the local formula may appear to be marginally less attractive in some cases; however there are additional factors that need to be considered when assessing the merits of the proposal for 2018/19. These are outlined in the Schools Forum paper dated 31 October 2017.

It is important to view the FFWG proposal in the context of the principles and objectives that we are hoping to support and with an understanding of how this proposal differs from that issued by the DfE. We accept that schools – including those represented by the FFWG members – may not always see figures in line with those in the DfE published figures. The differences between the LA exemplifications and those on COLLECT are explained in the Schools Forum paper.

We hope that you take this opportunity to comment upon the proposals for the way that schools are funded in East Sussex next year via the consultation (6th-17th November).