

Meeting:	Funding Formula Working Group
Date:	Friday 21 June 2019
Time:	14.00-16.00
Venue:	Wellshurst Golf Club, Horam,
Attendees:	Jane Johnson, Hugh Hennebry, Monica Whitehead, Phil Matthews , Kirsten Coe and Sarah Rice
Apologies:	James Freeston

1.0 Aim of the Funding Formula Working Group (FFWG)

To review the overall impact and affordability of different potential funding models. Given uncertainty around funding levels for 2020/21, the group aimed to determine the principles and priorities in terms of allocation of funding to be applied in different funding level scenarios.

2.0 Process

At the previous meeting the group had discussed a number of scenarios to be produced and reviewed in advance of this meeting based on moving towards the National Funding Formula. In producing the scenarios, it became clear that affordability and uncertainty around the allocation of funding became a key issue for a number of scenarios which limited the usefulness of circulating a large number of detailed scenarios to the group in advance of the meeting. It was therefore decided that the scenarios would be prepared ,the summary of affordability and impact across all schools analysed and presented with a working scenario prepared to enable the group to discuss and see 'live' the impact of adjusting different elements in order that an affordable baseline could be agreed.

Once this scenario was agreed the group then discussed if further funding were available, what priority would be given to addressing certain factors.

3.0 Observations and Proposals

- The group acknowledged that it was important to protect the minimum per pupil rate at the same level as that awarded last year as this was an important baseline to preserve.
- The minimum per pupil rate set included £4 million one off funding that was allocated to schools last year so preserving the minimum per pupil at this level was effectively uplifting it without the one off funding.
- The group discussed and acknowledged the importance of the lump sum for smaller schools however, also acknowledged that preserving the lump sum at a level higher than the NFF level meant funding was diverted from other funding factors to support the higher lump sum. The soft formula allows the local formula to distribute funds in a different way to the NFF however the group's principles over several years has been to transition towards the National Funding Formula as this is how the local authority is funded overall.
- The group recognised the MFG potentially protected all schools not just small schools from potential volatility.
- The group adjusted factors to arrive at an affordable scenario that achieved the following:

- Minimum per pupil rates preserved at the 2019/20 level
 - A reduction in the primary lump sum of £5,000 (i.e. a further step change but keeping the lump sum above the NFF level.)
 - MFG of 98.7% maximum affordable with the other factors set
 - Capping at 1.5%
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- The group requested that this scenario was produced in detail, together with a scenario that showed the rates remaining as at 2019/20 with NFF standard MFG (98.5%) and Capping (1.5%) was produced. In this scenario the minimum per pupil had to be reduced to reflect the reduction of the one off £4 million funding for it to be affordable. These scenarios would be analysed at the next meeting school by school to assess the overall impact.
 - The group decided that once more information was known regarding funding that if additional funds were to be available it would be allocated to factors in the following priority order:
 1. Minimum per pupil to be increased to the National Funding Formula level
 2. Minimum Funding Guarantee to be increased to 100%
 3. Capping to be increased
 4. Primary Lump Sum reduction to be minimised

4.0 Action Summary

- To have follow up meeting on the 28th June to discuss the school by school impact of the agreed scenarios and agree proposals to be taken forward for consultation.