

Report to: Schools Forum

Date: 18 September 2020

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

By: Ed Beale, School Funding Manager

Purpose of Report: To update and make recommendations to Schools Forum on proposals for the East Sussex Schools Funding Formula for 2021/22

Recommendation:

Schools Forum are asked to consider the working group proposals that will be presented for consultation with all schools and academies with regard to the local funding formula for 2021/22.

Working Group Members

School Forum Representatives: James Freeston, Jane Johnson, Hugh Hennebry, Phil Matthews, Monica Whitehead

LA Officers: Sarah Rice, Ed Beale, Kirsten Coe

1 Background

1.1 The government's intention, longer term, is to introduce a "hard" National Funding Formula (NFF), meaning school / academy budgets will be calculated "centrally" using pre-determined funding rates. However, for 2021/22, the Local Authority will continue to calculate the individual school / academy budgets through a "soft" local Funding Formula.

1.2 Therefore, the Funding Formula Working Group (FFWG), comprising of School and Academy representatives (Primary and Secondary Phase) and Local Authority officers, as indicated above, met in July, and more recently September, to review the current ESCC Funding Formula.

1.3 The role of the group is to identify whether any proposals to change the ESCC Funding Formula should be recommended and presented to Schools Forum and subsequently consulted on with all schools and academies.

1.4 The vast majority of funding factors in East Sussex are already at the levels they would be had a National Funding Formula (NFF) been introduced in 2020/21. The exceptions to this are;

- The lump sum (Primary Phase) – The lump sum value is currently at £115,000, which is £600 higher than what it would have been if the NFF had been implemented in 2020/21.
- Mobility factor. Not currently in the ESCC Funding formula, it will be part of the NFF.

2 FFWG Progress

July meeting

2.1 Taking into account the two funding factors not yet at the 2020/21 NFF rates, 4 scenarios were presented at the July meeting:

- 1 No changes to the funding factors
- 2 Reduce the lump sum (Primary Phase) by £600
- 3 Reduce the lump sum (Primary Phase) by £600 and introduce the mobility factor
- 4 Introduce the mobility factor

2.2 The scenarios were reviewed and the group concluded that, because the aim has always been to work towards the NFF, then the mobility factor should be considered. The mobility factor would also give financial support to those who have high mobility numbers.

2.3 Because the group had agreed to meet in September, in case new information was provided by the DfE, it was agreed that more consideration would be given to the potential reduction in the lump sum for the Primary Phase and a final decision made at the September meeting. Appendix A is the minutes of the July meeting.

September meeting

2.4 In July, after the FFWG had met, the DfE provided information for the 2021/22 Funding Formula and so the working group reconvened in September to review previously discussed scenarios which had been updated with the revised DfE unit rates.

2.5 Because the DfE had advised that the lump sum rate, under a NFF, will increase to £117,800 (both phases) in 2021/22, it was agreed that the option of reducing the lump sum in the Primary Phase no longer needed to be considered as the current lump sum value in the ESCC Funding Formula (Primary Phase) is £115,000.

2.6 The outcome of the September meeting was that the option of introducing the mobility factor into the ESCC Funding Formula was still considered appropriate. Appendix B is the minutes of the September meeting.

3 FFWG Proposal for 2021/22

3.1 The FFWG are recommending that the following proposal is put forward for consultation with all schools and academies:

To introduce the mobility factor (both phases) into the ESCC Funding Formula at the NFF rate.

3.2 Please note that all funding factors currently being used in the ESCC Funding Formula that are already at the NFF rates will remain and increased to the uplifted rates. This includes the lump sum in the Primary Phase, which since the uplift in rates is now below the NFF.

3.3 Appendix C shows the **illustrative** budgets for the Primary and Secondary phase using this proposal.

3.4 The consultation will take place over a minimum of two weeks during October and November. The result of the consultation will be brought back to Forum on 20th November, where Forum will make a final recommendation to Lead Member who will need to decide whether to adopt the rates from the FFWG proposal.