

**Report to:** Lead Member for Education and Inclusion, Special Educational Needs and Disability.

**Date of meeting:** 17 December 2020

**By:** Director of Children's Services

**Title:** Update on the East Sussex School Funding Formula for 2021/22

**Purpose:** To provide an update on the East Sussex School Funding Formula consultation with schools and academies and the recommendation to Lead Member to approve the proposals for 2021/22.

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## **RECOMMENDATION:**

The Lead Member is recommended to approve the proposal in relation to the East Sussex School Funding Formula for 2021/22

### **Primary and Secondary Phase Proposal:**

**Introduce the Mobility factor into the East Sussex Funding Formula and other rates already used in the formula to be uplifted to the revised National Funding Formula rates.**

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## **1. Background**

1.1 Between May 2020 and Sept 2020, the Funding Formula Working Group reviewed the East Sussex Funding Formula for 2021/22. Following the principles that had been set out of working towards the full National Funding Formula\* implementation, proposals were reviewed to continue to:

- offer maximum support and benefit to the pupils in East Sussex Schools / Academies; and
- avoid any undue turbulence to schools and academies

***\*The National Funding Formula (NFF) is the calculation that will be used to determine the funding that will be allocated to mainstream schools and academies. This will be determined directly by government using predetermined funding factors and rates.***

1.2 During this time, the Department for Education (DfE) announced the funding arrangements for 2021/22 and confirmed the following:

- Increasing the Minimum Per Pupil rates to £4,180 and £5,415 in the Primary and Secondary phase respectively.
- Increasing the lump sum to £117,800 (Both phases) and Sparsity values to maximum values of £45,000 (Primary Phase) and £70,000 (Secondary Phase).
- Uplifting National Funding Formula (NFF) rates by 3%.
- The inclusion of the Teachers Pay and Teachers Pension Employer Contribution Grant into the school's budget.

1.3 The proposal, which included the recent DfE's guidance, was taken to the September 2020 Schools Forum for consideration and then issued for consultation with schools and academies.

1.4 A summary of this proposal is shown below:

#### **Primary and Secondary Phase:**

##### **Option 1:**

Factors used in the East Sussex Funding Formula remain unchanged for 2021/22 (Rates used in the East Sussex Formula will be uplifted to the revised NFF rates).

##### **Option 2:**

Introduce the Mobility factor\* into the East Sussex Funding Formula and other rates used in the Formula to be uplifted to the revised NFF rates.

***\*The Mobility factor allocates funds to schools who have a high proportion of pupils whose entry date into a school is not the "typical" date. For more detail on the mobility factor, please see page 17 of the Schools revenue funding 2020-21 Operational Guide (Available online here: [DfE external document template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk))***

1.5 The consultation documents were sent to all schools and academies (174), with the consultation beginning on 19<sup>th</sup> October 2020 and running until 6<sup>th</sup> November 2020.

1.6 Out of the 174 schools and academies that were sent the consultation documents, 45 (26%) replied. This compared to a 39% response rate for last year's consultation.

1.7 A summary of the results received is shown below (by phase) and shows an overall consensus across both phases for Option 2.

#### Primary Phase:

|   |    |
|---|----|
| Number of establishments that said 'Option 1' | 6  |
| Number of establishments that said 'Option 2' | 31 |

#### Secondary Phase:

|   |   |
|---|---|
| Number of establishments that said 'Option 1' | 0 |
| Number of establishments that said 'Option 2' | 8 |

1.8 The outcome of the consultation was considered by the Schools Forum in November 2020.

## **2 Other Considerations**

2.1 **Implementing option 1** would mean that the East Sussex Funding Formula would use the same factors as this year and go against the long-term principles of the Funding Formula Working Group (FFWG) and Local Authority of continuing to work towards the NFF.

2.2 Schools / academies would all still receive an increase in their budget from 2020/21 (when compared on a like for like basis).

2.3 **Implementing option 2** would mean that the Funding Factors used by ESCC would align to the NFF and follow the FFWG and Local Authority principles.

2.4 This would identify some funding to establishments that have a high proportion of pupils who have an entry date outside the “normal” census time, for pupils who may need additional support.

2.5 Whilst both options ensure all schools / academies receive an increase in their budget (assuming no change to pupil numbers), option 2 would see 67% of schools / academies receiving an increase in their budget of at least 2% from their 2020/21 baseline budget, compared to 64% of schools in option 1.

2.6 The table below is a summary showing the difference in the number of schools / academies receiving the different % increases for each option.

| % Change from 2020/21 baseline | Number of schools / academies gaining |            |
|--------------------------------|---------------------------------------|------------|
|                                | Option 1                              | Option 2   |
| 1.0% to 2.0% increase          | 62                                    | 58         |
| 2.1% to 3.0% increase          | 53                                    | 65         |
| 3.1% to 4.0% increase          | 18                                    | 14         |
| 4.1% to 5.0% increase          | 8                                     | 5          |
| 5.1% to 6.0% increase          | 10                                    | 9          |
| 6.1% to 7.0% increase          | 23                                    | 23         |
| <b>Total</b>                   | <b>174</b>                            | <b>174</b> |

### 3. Conclusion and reasons for recommendations

3.1 Given the outcomes of the consultation, the Lead Member is recommended to approve the proposal in relation to the East Sussex schools funding formula for 2021/22: Option 2 for both Primary and Secondary phases.

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