

**DRAFT MINUTES
MEETING OF THE SCHOOLS' FUNDING FORUM (SFF)**

8:00 – 12:00, 27 April 2018

John Wigan Room, Oakwood House, Oakwood Park, Maidstone, Kent ME16 8AE

Present: John Dennis (Chairperson), Phil Sayer (Vice Chairperson), David Stanley, Janice Brook, David Whitehead, Alison Coppiters, Ben Cooper, Lynda Downes, Mark Tomkins, Annabel Lilley, Michael Blanning, Richard Powell, Louise Burgess, Alison Hook (Substitute for Rosemary Joyce), Michael Powis, Stephen Avis (Substitute for Neil Willis), Mike Smith, Roger Gough (Cabinet Member), Matt Dunkley, Keith Abbott (Item 2 and 3 only), Simon Pleace, Ian Hamilton (Clerk), Siobhan Cheeseman, Shelley Furlong (Observer).

Apologies: Tracey McCartney, Carl Roberts, Cerranne Litton.

1.	<p>Minutes and matters arising from the SFF meetings held on the 1 December 2017</p> <p>The minutes from the SFF meeting held on the 1 December were ratified as a true and accurate record of the meeting.</p> <p>At the SFF meeting on the 10 October a question summarised below from item 2 was raised</p> <p>Item 2</p> <p>A member of the SFF observed that similar type re-applications for families supported by Preventative Services saw an increase in funding year on year. This could also apply to HN pupils with similar characteristics in the respect that the severity of need will increase over the duration of the period they are in education and therefore costs will increase. It was also asked if there was any comparative data from other local authorities (OLA) on re-applications. This request will now be considered to see if this information exists.</p> <p>Ian Hamilton was tasked with seeing if the information existed. Unfortunately, after pursuing different avenues of investigation no information was found that could be used as comparative data.</p>	
2.	<p>Kent Commissioning Plan</p> <p>Keith Abbott provided members of the SFF with an update on Kent's Commissioning Plan (KCP). To access KCP click on this link – Commissioning Plan for Education Provision in Kent 2018-2022.</p> <p>KCC has delivered the additional new school places needed for September 2017. We have expanded 11 Primary schools, adding 7FE permanent forms of entry and 120</p>	

	<p>temporary Reception places that will not be needed in the long term. 12FE of Secondary provision was commissioned and 70 temporary Year 7 places. This signifies the start of sustained, significant pressures coming through into the Secondary sector.</p> <p>The number of Primary age pupils is expected to continue rising significantly from 123,000 in 2016-17, to nearly 129,000 by 2021-22, which is just under 6,000 extra pupils over the next five years. In the same period, the number of Secondary age pupils (Years 7-11) in Kent schools is expected to rise significantly from 79,000 in 2016-17 to 92,000 by 2021-22, a rise of 12,000 pupils. From 2018-19, if no action is taken, there will be less than 5% surplus Year 7 places across Kent.</p> <p>Our long term strategic forecasts (up until 2031-32) indicate a continuing rise in pupil numbers. However, these long term strategic forecasts are heavily influenced by new housing development.</p> <p>The need for additional school places in the County has been recognised by Government with a further £15.5m basic need allocation for 2019-20. The allocation for 2020-21 will not be known until February 2018 (still not announced as at 27 April 2018). However, price inflation in the construction industry and the sheer number of places, particularly in the Secondary sector, continues to make our capital funding challenging and we are presently estimating a shortfall of £101m in respect of the places required by 2020.</p> <p>Senior Officers from Kent are due to meet with DfE on 1st May to talk about the severity of the situation.</p> <p>The impact of delays to the previous round of free schools is already being felt and the failure to open Wave 12 projects on time will result in an insufficient number of school places in some parts of the County over the next few years.</p> <p>Further to this there is now no indication when the Wave 13 window for free school applications will be opened, placing further pressures on the sufficiency of places and the Capital budget. This wave should have opened in March 2017 with decisions due this autumn. The impact of the delays in the delivery of Wave 11 and 12 by the ESFA as well as the postponement of Wave 13 means that we now face the need to put additional temporary measures in place and run competition processes for some new schools although a lack of suitable sponsor is likely to remain a significant issue.</p> <p>Members of the SFF raised a number of questions and made a number of observations:</p> <ul style="list-style-type: none"> - Observation - Where there is a delay in the capital building programme (wave 12 and 13) this means that alternative arrangements must be made which are likely to come at a significant cost and also may result in the pupil placements in other schools which would mean that new school would not be full. - Question – Are other LAs in a similar position to Kent? Answer – Not yet as due to Kent's unique position in respect of population growth we are a head of the national curve and other LAs will be experiencing the same 	
--	--	--

	<p>problems over the next couple of years.</p> <ul style="list-style-type: none"> - Question – It is a real concern that there may not be enough school places for some children, on this basis have we looked at alternatives to ensure sufficient places are available. Answer - Alternatives are being looked at, in the main this would mean that aspects of the existing capital plan would need to be adjusted to accommodate the additional places. 	
3.	<p>High Needs Budget 2017-18 and Dedicated Schools Grant (DSG) Reserve</p> <p>This item involved a presentation by Simon Pleace on the High Needs Budget and the DSG reserve and a verbal update by Matt Dunkley on the discussions recently at Head teacher meetings on High Needs Funding.</p> <p>Simon Pleace - High Needs Budget and DSG reserve</p> <p>To access presentation, click on this link Item 3 High Needs Budget 2017-18 and DSG Reserve position.</p> <p>The actual year end outturn for 2017-18 was £161.2m which represents an increase in spend from 2016-17 of £10.3m. This was a £1.6m decrease from the forecast position reported at the meeting on the 1 December 2017.</p> <p>The £1.6m net decrease included a number of significant movements, namely; a £2m increase in Special Schools, a £0.8m increase in SPI and ILP and a decrease in Mainstream High Needs of £5m. The balancing figure of £0.6m was made up of various smaller over and under spends from the other High Needs pupil type budgets.</p> <p>For Mainstream High Needs the £5m decrease in expenditure can be attributed to two events. Firstly, the decision taken by the Forum in June 2017 affecting new applications from September 2017. Funding rates were reduced by 30% and payment commenced from December (payments for September to November were paused). This action generated a saving of around £1m.</p> <p>Secondly, reductions can be attributed to improved gate keeping initiated by the High Needs Funding review. A number of processes were improved due to information gathered from visits to schools and a review of the internal LA system that moderated HN funding applications. Although a new application process for High Needs Funding was implemented on 1 April 2018, many of the lessons learnt in the review were implemented immediately.</p> <p>Another potential reason for the reduction in expenditure, which is not financially quantifiable, is the perception of schools that there was going to be greater rigour in the application process which may have then deterred some schools from submitting applications.</p> <p>In 2017-18 the High Need budgets included in the presentation had an overspend of £5.9m, and this has been transferred to the DSG reserve. Overall the DSG reserve has only moved marginally, and more importantly remains in deficit.</p> <p>For 2018-19 the High Needs Block has increased by £7.3m (£3m increase places</p>	

	<p>and population + £4.4 transfer from schools Block). Our forecast show that this will not be enough to meet the full year effect of current placement levels, let alone further growth.</p> <p>Simon Pleace highlighted to SFF members that the forecasting of High Needs budgets had improved significantly in recent times; however, it is a reactive forecast based on past financial events and not a forward looking pupil number forecast provided by the service.</p> <p>As a result of the limitations of the current system to accurately forecast High Need pupil numbers and no additional budget to meet the increase in any High Needs expenditure, this is an area of significant concern.</p> <p>Matt Dunkley – Feedback from Headteacher meetings.</p> <p>During March a series of Headteacher meetings took place across the county. The main focus of the meeting was to discuss High Needs funding to see what schools thought of the current system and if changes should be made.</p> <p>As a lead into the discussion a presentation was given on the Dedicated Schools Grant High Needs Block. The main purpose of the presentation was to provide a broader understanding of the High Needs Block, which includes, what institutions are funded from the High Needs Block and the funding pressure it faces.</p> <p>Generally, there is a perception that Mainstream High Needs funding is High Needs funding where as High Needs funding also includes, Special Schools, Special Resource Provisions, Independent Schools and FE Colleges.</p> <p>The future outlook for High Needs Block is worrying. Kent is facing increased demand across all types of High Needs provision and at the same time minimal increases to the High Needs Block.</p> <p>The LA has collated feedback from the Headteachers meetings and will be presenting a range of different options for the future at the Summer series of Headteacher meetings. From the recommendations made at these meetings a proposal on funding will be presented to the SFF at its meeting on the 28th September.</p>	
4	<p>Update on 2018-19 School Budgets</p> <p>Simon Pleace presented this item to members of the SFF, to access presentation, click on this link Item Update on 2018-19 School Budgets.</p> <p>In summary the main points of the presentation were</p> <ul style="list-style-type: none"> • Still concerns about disparity (locked-in inequalities) • NFF based on averages not real costs of running a school • £1.3bn increase, but some well-funded LA's benefited from this • Failure of government to recognise interaction of Schools and High Needs block (ring-fencing) • NFF appears to be more about stability than fairness 	

5	<p>Review Balance Control Mechanism (BCM).</p> <p>This item was jointly presented by Simon Pleace and Siobhan Cheeseman. To access presentation, click on this link Item Review of Balance Control Mechanism.</p> <p>In general, there was continued support for the principles underpinning the BCM, however there was an appetite from members of the SFF to review how the BCM criteria was applied.</p> <p>It was agreed that a small working group would be set up to review the BCM process and feedback its recommendations at the next SFF meeting on the 29 June.</p> <p>An email is to be circulated to SFF members shortly after this meeting requesting volunteers for the working group.</p>	Ian Hamilton
6	<p>Review of the Finance Scheme</p> <p>Siobhan Cheeseman presented this item to the Members of the SFF.</p> <p>The DfE have directed LAs to no longer provide loans to schools in financial difficulties. This change to regulations now needs to be reflected in the LAs Scheme for Financing Schools.</p> <p>SFF Approval</p> <p>Maintained School and PRU members of the SFF approved the updated version of the Scheme for Financing Schools. The approved version will be loaded onto KELSI.</p> <p>To access Scheme for Financing Schools, click on this link Item 6 Appendix 1, Updated Finance Scheme April 2019</p>	Siobhan Cheeseman
7	<p>Schools Outturn analysis for 2017-18</p> <p>Siobhan Cheeseman presented this item to the Members of the SFF.</p> <p>Members of the SFF noted the contents of the report, to access paper click on this link Item 7 2017-18 Schools Outturn for Local Authority Schools.</p>	
8	<p>Update on Schools' Funding Forum Elections.</p> <p>Ian Hamilton presented this item to the group. In the Spring of 2017 the</p>	

	<p>Department for Education (DfE) ran a consultation on the introduction of a Hard National Funding Formula (NFF) for schools from April 2019. The consultation did not clarify the future role of the SFF and as a Hard NFF would mean that the schools funding formula would be set centrally and the role of SFF was at the best uncertain and at the worst would not exist.</p> <p>Due to the delayed response to consultation by the DfE, members of the SFF at its meeting on the 30 June 2017 agreed to delay any future elections until the summer of 2018 when hopefully there would be more known about the future role of the SFF.</p> <p>The detailed response to the consultation was published in September 2017 and although the intention long term is still to move to a Hard NFF, the DfE have not set a date for implementation. Further guidance will be announced after the next Government Spending Review in 2020 on when a Hard NFF will be introduced.</p> <p>Members of the SFF understood the reason why so many (twelve) elections were due to take place, however they were concerned that there could potentially be a high number of changes to the membership of the SFF which may have a negative impact on the operation of the SFF.</p> <p>In order to mitigate against the potential high turnover of SFF members, it was agreed unanimously that four members of the SFF would have their term of office extended.</p> <p>Detailed below are the agreed member elections and those members where their period of office has been extended.</p> <p>Elections</p> <ul style="list-style-type: none"> - Local Authority (LA) Primary Schools – 2 positions up for election - LA Governor – 1 position up for election - Academy and Free Schools – 3 positions up for election - Provider 16-19 education – 1 position up for election - Pupil Referral Unit – 1 position up for election <p>Extended Period of Office</p> <ul style="list-style-type: none"> - Richard Powell (representing Academies) period extended to June 2020 - John Dennis (representing Academies) period extended to June 2020 - Lynda Downs (representing LA Primary Schools) period extended to June 2020 - Ben Cooper (representing LA Primary Schools) period extended to June 2019 	
	<p>AOB</p> <p>There was no other business.</p>	

	SFF meetings – Academic Year September 2017 to August 2017			
	Date	Timings	Venue	
	29 June 2018	8:00 to 12:00	Oakwood House	