

## MINUTES- MEETING OF THE SCHOOLS' FUNDING FORUM (SFF)

8:00 – 12:00, 30 June 2017

**Oak Room, Oakwood House, Oakwood Park, Maidstone, Kent ME16 8AE**

**Present:** John Dennis (Chairperson), Phil Sayer (Vice Chairperson), Janice Brooke, David Stanley, David Whitehead, Alison Coppiters, Lynda Downes, Robert Masters, Mark Tomkins (Observer), Annabel Lilley, Michael Blanning, Richard Powell, Neil Willis, Mike Smith, Roger Gough (Member), Patrick Leeson, Simon Pleace, Ian Hamilton (Clerk), Jo Marchant, Louise Langley (item 3 only), Julie Ely (item 3 only)

**Apologies:** Alex Tear, Tracey McCartney, Ben Cooper, Rosemary Joyce, Louise Burgess, Ceranne Litton, Michael Powis, Andrew Fowler

1.	<p><b>Minutes and matters arising from the SFF meeting on the 9 December 2016 and the sub group meeting on the 10 February 2017</b></p> <p><b>Minutes of the meeting held on 9 December 2016</b></p> <p>The minutes of the meeting were ratified as a true and accurate record of the meeting.</p> <p><b>Minutes of the meeting held on 10 February 2017</b></p> <p>Two points were raised</p> <ol style="list-style-type: none"><li>1) The chairperson requested for it to be noted in the title of the minutes how the sub- group was formed. The sub-group consisted on the SFF Executive plus any SFF member that wanted to attend.</li><li>2) A matter of accuracy was raised by David Stanley as the minutes had omitted the request from the SFF that regular reports on the progress of the 30 hour free entitlement would be provided to the SFF in the future.</li></ol> <p>Both points were noted and have now been reflected in the minutes.</p> <p><b>Matters arising</b></p> <p><b>Change in membership since the last SFF meeting on the 9 December.</b></p> <p>The following members resigned from the SFF:</p> <ul style="list-style-type: none"><li>- John Bird (Headteacher - St Mary's CEP School) – representing Academies, retired in February 2016</li></ul>	
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	<ul style="list-style-type: none"> <li>- Mikala Jeffrey (Business Manager -The Malling &amp; Holmesdale Federation) – representing Non- Selective Secondary Schools, has moved to a new job with effect from July and is now working in a Primary School and therefore can no longer represent this category.</li> <li>- Robert Masters (Headteacher at The Judd) representing Selective Secondary Schools retires at the end of the summer term.</li> </ul> <p>Also the Kent Association of Special Schools (KASS) has now been replaced by Kent Special Educational Needs Trust (KSENT). In both instances membership included representation from all LA special schools. Annabel Lilley, Headteacher of the Orchards Special School was elected as treasurer for KSENT on the 23 June 2017 and also as the member representing LA Special Schools on the SFF. Annabel has replaced Peggy Murphy, Headteacher of the Five Acre Special School as the new representative for LA Special Schools.</p> <p>On behalf of the SFF and the Local Authority (LA) we would like to thank John, Mikala, Robert and Peggy for their commitment and valuable input to SFF matters during their period of membership. In addition to this the SFF welcomed Annabel to her first meeting.</p>	
<p><b>2.</b></p>	<p><b>Update on Dedicated Schools Grant (DSG) reserve (2016-17 outturn plus know commitments)</b></p> <p>Simon Pleace (SP) presented this item and copies of the slides to the presentation can be accessed here: <a href="#">Item 2 Update on DSG Reserve</a>.</p> <p>In summary the DSG reserve brought forward for 2016-17 was £12.712m. Due to the unprecedented pressure from pupil growth, mainly within High Needs, the DSG reserve ended the year with a deficit of £1.83m.</p> <p>The SFF were provided this update as good practice, but also as the Department for Education rules require the LA to inform the SFF and to jointly agree a recovery plan. This recovery plan will be subject to a later Forum meeting in line with the review of the High Needs budget which the Local Authority is currently undertaking –see below for more information.</p>	
<p><b>3.</b></p>	<p><b>Update on High Needs</b></p> <p><b>a) Overview of Numbers and Cost as at 31 March 2017</b></p> <p>SP presented this item and a copy of the slides to the presentation can be accessed here: <a href="#">Item 3a) Overview of Numbers and Cost</a></p> <p>In summary the slides provide details of the actual High Needs (HN) pupil spend and pupil activity over the period 2013-14 to 2016-17 and a forecast of</p>	

HN spend and pupil activity for the period 2017-18.

In 2016-17 there was an increase in spend on HN pupils of £16.6m which represents a 12.4% increase on the preceding year. The considerable increase in spend was the major contributing factor to the depletion of the DSG reserve, highlighted in item 2.

The 2017-18 forecast, includes an estimated spend for high needs mainstream of £26m based on an average of around 2,500 applications over the year. At this early point in the financial year it's not possible to accurately forecast the outturn expenditure for 2017-18, and therefore the £26m has been used purely as an illustration. Item 3b goes into greater detail regarding the concerns the LA has around this element of the high needs budget.

### **b) Detailed update on Mainstream High Needs**

This item was a joint presentation by Louise Langley who provided an update from the service perspective and Ian Hamilton who provided a financial update. To view the slides to the presentation click on this link: [Item 3b\) Detailed update on Mainstream High Needs – Service and Financial.](#)

#### **Service Update**

The presentation included the answers to two questions from the SFF meeting on 9 December 2016 on pupil progress and parent satisfaction. To access questions, click on this link [Minutes 9 December 2016, Section 2](#) and to access answers click on this link [Item 3b\) Detailed update on Mainstream High Needs – Service and Financial- slide titled Measuring the Impact](#)

Members of the SFF requested that a financial analysis is provided on High Need funding reapplications comparing original cost against new application.

#### **Financial Update**

At the SFF meeting on the 9 December 2016 an update was provided to members on the position of the High Needs Mainstream budget. The information presented was based on 1,916 funded high need pupils (HNPs), as at the end of October 2016. The picture presented showed a significant increase in HNP numbers for the period April 2016 to October 2016 based on the forecast provided to the SFF at its meeting on the 8 July. To access projection of pupils numbers from the two meetings, click on this link [SFF meeting 9 December item 2b appendix 1](#)

Due to the concern caused by the significant increase in HNP numbers the SFF recommended that £5m be moved from the schools block (specifically the factor for primary schools Low Prior Attainment funding) to the High Needs block in 2017-18 to meet the anticipated pressure. At this point the forecast for 2016-17 was £20.877m against a budget of £18m, an overspend

Ian  
Hamilton

of £2.8 m. The £5m transfer would increase this budget to £23m for 2017-18.

The information presented at this meeting to the SFF is based on HNP funding applications agreed as at the end of May 2017. Something that is important to note is that it takes a number of months beyond the actual date of reporting to determine the eventual number of agreed HNPs for that month. This is due to the robust process put in place to moderate both new applications and reapplications. For a point of clarity it takes some months.

The final spend for 2016-17 was £23.7m (against the forecast spend of £20.877 as at the SFF meeting on the 9 Dec) and the number of agreed funded HNPs for March, as at the end of May, was 2,503. Between the reported number as at the end of October 2016 (1,916) and the reported number as at the end of March 2017 (2,503) there was an increase of 587 funded HNPs. The number of HNPs recorded at the end of March 2017 (recorded in March) was 2,264. The number of additional claims processed by the end of May relating to March was 239 applications.

As at the end of May 2017 there are 2,314 agreed funded HNPs. There are 256 HNPs that were stopped from the 1<sup>st</sup> April but could still be processed as reapplications and there may still be a number of new applications relating to May still to be processed. Our best estimate of the number of HNPs in May at this point in time is 2,570.

Based on the current projected numbers for May and the replication of the increased trend in numbers of 32% for 2016-17, it is estimated that the overall cost for 2017-18 could be around £30m, which is an overspend of £7m against the budget of £23m.

Due to the considerable concern now facing the LA resulting from a potential overspend of this magnitude it is now being brought to the attention of the SFF at the earliest opportunity to seek a recommendation on how best to contain this overspend.

### **c) Review of Mainstream High Needs**

Patrick Leeson (PL) presented this item. To view the slides to the presentation click on this link [Item 3c\) Review of High Needs](#)

The presentation provided the following detail:

- Rational for review
- The overarching aims of the review
- Scope of the review
- Review process
- Proposed changes from September 2017

**After a lengthy discussion members of the SFF made the following recommendations;**

- Funding rates for existing HNPs should be maintained at the current rate and should not be decreased.
- Funding rates for reapplications for HNPs should be maintained at the full rate agreed in the application and no % reduction should be applied.
- new applications to be reduced by an amount - the % would be between 30% to 50% and would be finalised post meeting.
- new applications would not be paid from the date of application but paused for at least a couple of months - probably until December.

Final decision on the appropriate/proportionate action to be taken will be taken by the Council.

In addition to the recommendations above it should be noted the general view of SFF members was that the transfer of future funding from the schools notional SEN budgets should be resisted and the aim should be to contain the High Needs spend within the existing £23m budget.

The timeline in the presentation records that a report containing proposals for changing the process will be presented to the SFF in November. One of the main themes that came out of the discussion with SFF members was the need to give schools sufficient notice to plan if funding is reduced. In acknowledgement of this message a meeting will now be arranged with the SFF on the 10 October to review the findings of the High Needs review and then any recommendations that will impact of High Needs funding rates from April 2018 can be communicated to schools at the earliest possible opportunity.

**4 Update on Basic Need / Capital Funding.**

(PL) presented this item. To view the slides to the presentation click on this link [Item 4 – Update on Kent Commissioning Plan following Wave 12 Free School announcement](#)

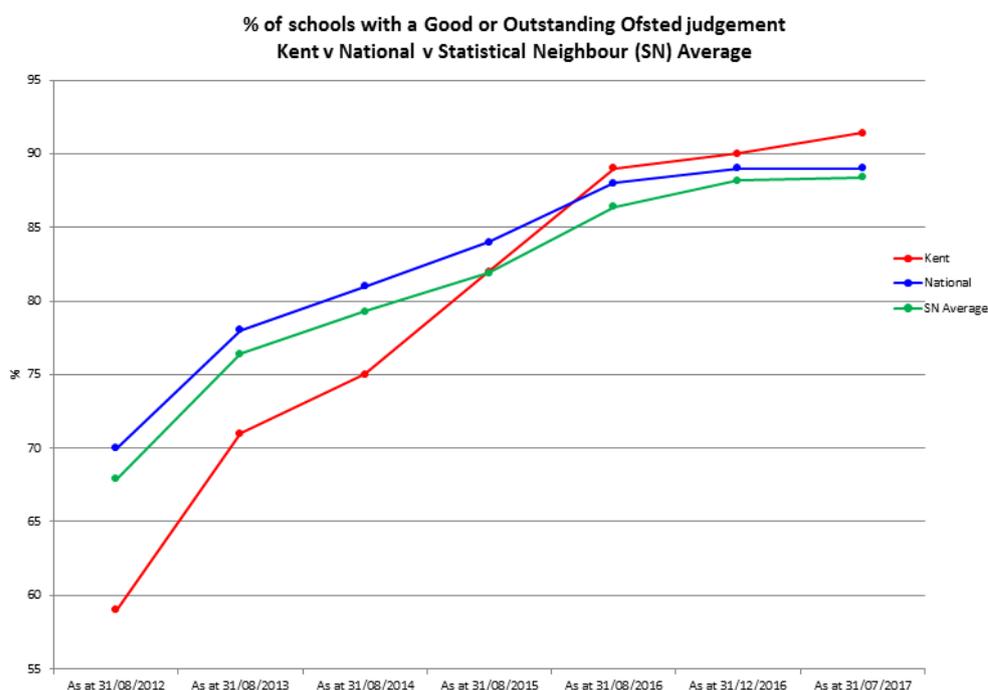
This is an area of considerable concern for the LA. Due to a combination of different factors the LA estimates that it is facing a shortfall of around £130m. There does not seem to be an obvious solution to this problem and the LA are looking at different options in trying to close the funding gap.

The SFF members requested that it be noted that they support the LA in its pursuit to closing the funding gap and were surprised that this situation had transpired, particularly in reference to estimated cost of £37m in relation to temporary arrangements due to deadlines that have not been met by the ESFA.

## 5 Collaboration funding 2017-18

PL presented this item to the SFF. The purpose of this item was to request one off funding of £200k from the Dedicated Schools Grant (DSG) for Collaborations. For further background reading on Collaborations click on these links paper [SFF meeting 22 April 2016 -Item 8](#) and [Minutes SFF 22 April – Item 8](#)

The graph below shows the rise in the % (91.4%) of Good or Outstanding judgements in Kent between the 31 August 2012 and 31 July 2017. Kent Collaborations is a significant contributing factor towards this rise.



The SFF has over a number of years supported collaborations with funding from the DSG, the purpose of the funding was to pump prime the collaboration and then overtime they would become sustainable from participating schools pooling resources.

In the context of the current deficit DSG reserve, PL gave considerable thought before making the request to the SFF. On the basis that 2017-18 is the final year and there will be no further request for funding from the DSG and also that the cash invested is far outweighed by the outcomes generated, **the SFF agreed to a one off payment from the DSG of £200k for the purpose of supporting collaborations.**

Overtime a particular thing that has always gratified the chairperson of SFF as being part of the Kent family of schools is to see the extraordinary progress illustrated in the graph above, where Kent now has over 91% of their schools classified as Good or Outstanding.

	<p>As PL will in the near future be standing down as Corporate Director Children, Young People and Education, JD thanked PL for his contribution to education in Kent, noting the unprecedented challenge in recent years and that the graph demonstrates PL's legacy to the children of Kent.</p>	
6	<p><b>Update on Education Services Company &amp; KCC Structure</b></p> <p>PL presented this item, to access slides click on this <a href="#">link Item 6 Update on Education Services Company and the new Council structure.</a></p> <p>In summary a lot has been done towards the setting up of the new education services company and the plan is to complete the remaining steps so that the company can be launched in early 2018.</p>	
7	<p><b>Schools' Outturn analysis for 2016-17</b></p> <p>IH presented this paper to the group, to access the paper click on this link <a href="#">Item 7 – Schools' Outturn analysis for 2016-17</a></p> <p>It was noted that as a matter of accuracy that paragraph 2.7 stated that PRU reserves per pupil had decreased, in fact that they had actually increased slightly.</p> <p>In summary the headline showed that school reserves excluding Northfleet Nursery and PRUs had decreased by around £9.5m from £37m in 2015-16 to £27.5m in 2016-17. The decrease in reserves included 24 LA schools converting to academies.</p> <p>The underlying message for the £9.5m (22%) decrease in reserves was that DSG flat cash (no increase for inflationary pressures) per pupil since 2011-12 was now really starting to impact on school budgets.</p>	
8	<p><b>Update on schools deficit</b></p> <p>SP presented this paper to the group, as this was a confidential paper it was only circulated to members of the SFF and therefore not available for circulation to non-SFF members.</p> <p>The paper presented to the SFF is in a consistent annual format. It was requested that the table in 3.3 which provided an analysis of 3 year budgets where schools had submitted a deficit forecast for 2017-18 should include some additional information for context. The additional information was the size of their revenue budget and deficit as a % of the revenue budget. <a href="#">This was acknowledged and this change will be included in future reports to the SFF</a></p>	Simon Pleace

	Members of the SFF noted the contents of the report and disposed of their confidential copies.													
9	<p><b>Report on Trade Union de-delegated budget</b></p> <p>SP presented this item. Members of the SFF noted the contents of the report.</p> <p>A member of the SFF sought clarification that schools/academies were not being reimbursed where union representatives representing their members were supporting schools that had not contributed to the scheme.</p> <p>SP confirmed that all union representatives receive details of the schools and academies that pay into the scheme and this list is used to determined what costs can be reimbursed from this budget.</p>													
10	<p><b>SFF Elections</b></p> <p>Members of the SFF voted and agreed that option 2 should be implemented that extends existing membership and holds elections post SFF meeting on the 27 April 2018.</p> <p>Option 2 in detail:</p> <ul style="list-style-type: none"> <li>- Janice Brooke, Ben Cooper, Lynda Downs, David Whitehead, John Dennis and Rosemary Joyce would continue their terms of office until the 27 April 2018 and then elections for these positions would be held.</li> <li>- In addition to this Selective Secondary Schools had elected Mark Tomkins (Headteacher Maidstone Grammar School) to fill the vacancy left by Robert Masters.</li> <li>- This would leave the SFF with 2 vacancies (1 academy and 1 LA Non-selective).</li> </ul>													
11	<p><b>AOB</b></p> <p>There was no AOB</p>													
	<p><b>SFF meetings – Academic Year September 2017 to August 2018</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Timings</th> <th>Venue</th> </tr> </thead> <tbody> <tr> <td>29 September 2017</td> <td>8:00 to 12:00</td> <td>Hilton, Maidstone</td> </tr> <tr> <td>10 October 2017</td> <td>8:00 to 12:00</td> <td>Venue to be agreed</td> </tr> <tr> <td>1 December 2017</td> <td>8:00 to 12:00</td> <td>Mercure, Maidstone Great Danes Hotel</td> </tr> </tbody> </table>	Date	Timings	Venue	29 September 2017	8:00 to 12:00	Hilton, Maidstone	10 October 2017	8:00 to 12:00	Venue to be agreed	1 December 2017	8:00 to 12:00	Mercure, Maidstone Great Danes Hotel	
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	27 April 2018	8:00 to 12:00	Oakwood House, Maidstone	
	29 June 2018	8:00 to 12:00	Oakwood House, Maidstone	