

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

10:00 – 12:30, 28 September 2018

Hilton Hotel, Bearsted Road, Maidstone, Kent ME14 5AA

Present: John Dennis (Chairperson), Phil Sayer (Vice Chairperson), Tracy Thomas, Darren Waters, Ben Cooper, Lynda Downes, Mark Tomkins, Sue Birchall, Sue Beauchamp, Annabel Lilley, Louise Burgess, Mark Seymour, Michael Powis, Richard Powell, David Anderson, Neil Willis, Mike Smith, Tracey McCartney, David Gleed, Roger Gough (Cabinet Member), Matt Dunkley CBE (Corporate Director), Keith Abbott, Simon Pleace, Ian Hamilton (Clerk), Siobhan Cheeseman, Louise Langley

Apologies: David Whitehead, Ceranne Litton, David Stanley

1.	<p>Minutes and matters arising from the SFF meeting held on the 27 April and the 29 June 2018</p> <p>Minutes</p> <p>At the meeting on the 29 June a matter of accuracy was raised in respect of item 3 from the SFF Draft minutes of the 27 April. The rewording of this item was presented to the SFF and the minutes have now been ratified as a true and accurate record of the meeting. To access minutes, click on this link SFF Minutes 27 April 2018</p> <p>Two points were raised in respect of the minutes to the meeting on the 29 June. The first a matter of accuracy which recorded Richard Powell as attending the meeting when actually he had sent his apologies, this has now been reflected correctly in the minutes. The second was the spelling of the surname of a member of the SFF, this has also now been corrected.</p> <p>With the exception of the two points above members of the SFF ratified the minutes of the meeting on the 29 June as a true and accurate record of the meeting, to access minutes click on this link SFF minutes 29 June 2018.</p> <p>Matters Arising</p> <p>Due to the availability of key Officers to attend and present, the timing of the meeting was changed from its normal start time of 8:15 to a later start time of 10:00. Members of the SFF were asked what their thoughts were on the delayed start time and if this was something that should be continued in the future. The response from members of the SFF was that they preferred the later start at 10:00. Consideration will therefore be given to future timings of meetings, this will take into account the length of agenda where the meetings run over the lunch time period.</p> <p>Mike Powis requested details of the membership of the SFF. This information is provided on the SFF site on Kelsi. To access the current SFF membership, click on this link SFF Membership</p>	
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	A vacancy for an Academy representative has been identified. In order to recruit to this position, the selection process will be instigated shortly.																																																	
2.	<p>School Funding Update (incl. arrangements for 2019-20 and consultation)</p> <p>Simon Pleace (SP) presented this item to members of the SFF, to access paper click on this link Item 2 School Funding Update. Members of the SFF noted the report and made a number of comments.</p> <p>Main points raised by SFF members:</p> <ul style="list-style-type: none">- Paragraph 3.3 included national analysis of the newly introduced Minimum Funding Level (MFL) for Schools. Members of the school funding requested an analysis of Kent schools that were in receipt of the MFL.- Paragraph 3.5 from the paper included a table comparing the average School Block (SB) Dedicated Schools Grant (DSG) average amount per pupil, see table below. <table><tr><td></td><td>2017-18 Before NFF</td><td>2019-20 NFF yr 2</td><td>Movement</td></tr><tr><td>East Midlands</td><td>-4.62%</td><td>-3.44%</td><td>1.18%</td></tr><tr><td>East of England</td><td>-4.20%</td><td>-3.99%</td><td>0.21%</td></tr><tr><td>Inner London</td><td>35.17%</td><td>32.15%</td><td>-3.02%</td></tr><tr><td>North East</td><td>-0.34%</td><td>-0.18%</td><td>0.16%</td></tr><tr><td>North West</td><td>0.12%</td><td>0.03%</td><td>-0.09%</td></tr><tr><td>Outer London</td><td>7.39%</td><td>6.03%</td><td>-1.35%</td></tr><tr><td>South East</td><td>-6.68%</td><td>-5.92%</td><td>0.76%</td></tr><tr><td>South West</td><td>-6.47%</td><td>-5.28%</td><td>1.19%</td></tr><tr><td>West Midlands</td><td>0.41%</td><td>0.28%</td><td>-0.13%</td></tr><tr><td>Yorkshire and Humber</td><td>-0.94%</td><td>-1.30%</td><td>-0.36%</td></tr><tr><td><i>Kent</i></td><td><i>-8.01%</i></td><td><i>-6.81%</i></td><td><i>1.19%</i></td></tr></table> <p>The table highlights the disparity between regions, both before the introduction of the National Funding Formula (NFF) and two years after its implementation. A fundamental principle of the NFF was fairness, however the table above demonstrates that this has not been achieved and that stability has trumped the fairness principle.</p> <p>Members of the SFF requested that Roger Gough (RG) (Cabinet Member for Education) raises this point with Kent Members of Parliament so that they are aware of the disparity and see what they can do to lobby the Secretary of State about this unfairness.</p> <ul style="list-style-type: none">- Section 5 of the paper makes SFF members aware of the pending schools funding consultation and in particular the request to transfer 1% (around £9m) from the SB to High Needs Block (HNB). The 1% consists of re-transferring the 0.5% agreed in 2018-19 (as this has been returned to the		2017-18 Before NFF	2019-20 NFF yr 2	Movement	East Midlands	-4.62%	-3.44%	1.18%	East of England	-4.20%	-3.99%	0.21%	Inner London	35.17%	32.15%	-3.02%	North East	-0.34%	-0.18%	0.16%	North West	0.12%	0.03%	-0.09%	Outer London	7.39%	6.03%	-1.35%	South East	-6.68%	-5.92%	0.76%	South West	-6.47%	-5.28%	1.19%	West Midlands	0.41%	0.28%	-0.13%	Yorkshire and Humber	-0.94%	-1.30%	-0.36%	<i>Kent</i>	<i>-8.01%</i>	<i>-6.81%</i>	<i>1.19%</i>	<p>Ian Hamilton</p> <p>Roger Gough</p>
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	<p>Schools Block) and a further 0.5% for 2019-20. This topic will be discussed in more detail in Section 4 of the minutes. At this point of the meeting a member of the SFF raised two questions:</p> <ol style="list-style-type: none"> 1) Are Other Local Authorities (OLAs) in a similar position to Kent in requesting transfers from the SB to the HNB? 2) Do the Department for Education (DfE) / Education Skills Funding Agency (ESFA) recognise that there is a High Needs funding pressure? and if so what are they doing about it? <p>Matt Dunkley (MD) responded to the questions:</p> <ol style="list-style-type: none"> 1) MD meets regularly with other LA Director of Children's Services through the Association of Director of Children Services (ADCS) and also the County Council Network (CCN). The pressure on High Needs funding is right at the top of priorities being discussed and is causing great concern to the majority of LAs if not all. The majority of LAs are in a similar position to Kent and will be looking to transfer funding from the SB to the HNB in 2019-20 alongside continued lobbying and a range of management action. 2) The DfE/ESFA have acknowledged that there is a funding pressure for High Needs and have set up a Parliamentary call for evidence. To view Kent's submission, click on this link Item 5c KCC submission SEND inquiry. However, the feeling is that the DfE/ESFA are not acknowledging the full extent of the problem and are not acting quickly enough to help resolve the situation. The view is that there is some way to go until the DfE/ESFA fully recognise and take appropriate action needed to help resolve the situation. 	
3.	<p>Split Site Funding</p> <p>Ian Hamilton presented this item to members of the SFF, to access paper click on this link Item 3 Split Site Factor (SFF).</p> <p>Members of the SFF approved the forward plan to set up a working group that will meet at the beginning of November. The purpose of the working group is to determine an objective criterion that firstly defines what a split site is and secondly the formula for allocating the funding. The outcome of the working group findings will be presented the SFF as a recommendation for Kent's Local Funding Formula Split Site Factor criteria at its next meeting on the 30 November.</p> <p>It was agreed that constitution of the working group would consist of Delegated Formula Funding Group members and volunteers from the SFF.</p> <p>Members of the SFF and DFFG will be invited to attend the working group</p>	Ian Hamilton

4. **High Needs Funding**

a) Latest Position High Needs Funding

SP presented this item to the SFF, to view the slides to this presentation click on this link, [Item4a Latest Position High Needs Funding](#). The High Needs funding update is now a standard item on the SFF agenda due to the severity of the situation. At the SFF meeting on the 29th June the forecast high needs overspend for 2018-19 was £8.9m. The updated forecast for 2018-19 as at the date of the September SFF is £9.6m a further increase of £0.7m. As recorded in the minutes to the SFF meeting on the 29th June there is still no solution to meeting this overspend which means that DSG reserve deficit will increase by this amount.

The High Needs funding update includes future years forecasts. We can be reasonably confident in forecasting the income side, but predicting future costs accurately is incredibly challenging. The table below is a summary of four different scenarios.

Growth with no transfers	Growth with transfers	No growth with no transfer	No growth with transfers
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Balance b/fwd at 31/Mar/2018	£2m	£2m	£2m	£2m
31/03/2019	£12m	£12m	£12m	£12m
31/03/2020	£37m	£28m	£22m	£14m
31/03/2021	£74m	£52m	£29m	£8m

N.B. All amounts in the table are negative

b) High Needs Action Plan

Louise Langley and Keith Abbott (KA) presented this item to members of the SFF, to view slides to this presentation click on this link [Item 4b\) High Needs Action Plan](#).

Members of the SFF had a healthy discussion in respect of the contents of the Action Plan. From the discussion that took place it was clear that the current situation where SEND demand exceeds available funding resources was due to a number of complex variables and so to remedy this, a joined up multifaceted plan, over the short, medium and long term would be needed.

In summary the solution to resolve the position will come from three sources:

- 1) A transfer from the SB to HNB
- 2) Improvement in local systems and processes.
- 3) Government change to legislation and additional funding

Members again raised the point in section 2,"has the DfE/ESFA acknowledged the severity of the situation and what action are they taking to help remedy the

	<p>position". As all that had been done to date was to instigate a parliamentary request for evidence, members of the SFF felt that the DfE/ESFA should be prompted to take more urgent decisive action and requested RG raise this point in his letter to Kent MPs.</p> <p>For the purpose of clarity, the LA did not seek the views of SFF members in respect of whether they support the 1% transfer of funding from the SB to the HNB. The SFF will be asked for their view at the next meeting on 30 November, once we have consolidated the views of schools through the consultation (which closes on 16 November) and provided an update on any developments within the SEN action plan.</p> <p><i>c) FE College Funding Block Arrangement</i></p> <p>SP provided a verbal update on latest developments for High Needs funding for FE Colleges.</p> <ul style="list-style-type: none"> a) Firstly, a block payment arrangement has been agreed for 2018-19 and 2019-20 academic years, which effectively provides the same cash to each college for these two years as was provided in 2017-18. This agreement has been developed in partnership with the FE College Principals and provides stability and predictability in funding for both sides. b) ACL consulting have now provided a report which sets out in some detail a proposed new way of working from August 2020. This report has been shared and there is agreement in principle that it is the right direction to move in. KCC and representatives from East Kent College will shortly be working together to develop an implementation plan and to resolve some of the contentious issues within it. 	<p>Roger Gough</p>
<p>5</p>	<p>Vulnerable Schools - Falling Rolls Funding and Sparsity Funding</p> <p>Keith Abbott presented this item to members of the SFF, to access paper click on this link Item 5 Vulnerable Schools</p> <p>Members of the SFF had a healthy discussion on the merits of introducing a Falling Roll Fund and reviewing Kent's Sparsity Factor to support Vulnerable Schools in Kent.</p> <p>The outcome of the discussion was to hold a vote, as members were not unanimously for or against the changes to support vulnerable schools.</p> <p>Members of the SFF voted in favour to carry out further work on whether Kent should introduce funding arrangements to support vulnerable schools. This piece of work should also include primary as well as secondary schools.</p> <p>The approach adopted to look into this further, is to set up a Vulnerable Schools working group that would meet at the beginning of November and from its finding's present recommendations to the SFF at its meeting on the 30 November.</p>	

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	<p>AOB</p> <p>Sue Birchall raised a point regarding the recently announced Teachers Pay Grant and how it adversely impacted on SRP's attached to mainstream schools. As the grant rates and methodology are set by the DfE there appears little that KCC can do locally to recognise this issue.</p> <p>The potential impact of increased employers pension contributions for teaching staff was also raised. Current information suggests this will increase by 7% which will add a significant budget pressure to school budgets unless it is funded.</p>													
	<p>SFF meetings - Academic Year September 2018 to August 2019</p> <table border="1"> <thead> <tr> <th>Date</th><th>Timings</th><th>Venue</th></tr> </thead> <tbody> <tr> <td>30 November 2018</td><td>8:00 to 12:00</td><td>Mercure Maidstone Great Danes Hotel (MMGDH) ME17 1RE</td></tr> <tr> <td>3 May 2019</td><td>8:00 to 12:00</td><td>MMGDH – ME17 1RE</td></tr> <tr> <td>28 June 2019</td><td>8:00 to 12:00</td><td>MMGDH – ME17 1RE</td></tr> </tbody> </table>	Date	Timings	Venue	30 November 2018	8:00 to 12:00	Mercure Maidstone Great Danes Hotel (MMGDH) ME17 1RE	3 May 2019	8:00 to 12:00	MMGDH – ME17 1RE	28 June 2019	8:00 to 12:00	MMGDH – ME17 1RE	
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