

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

8:00 – 13:30, 1 December 2017

**Mercure Maidstone, Great Danes Hotel, Ashford Road,  
Hollingbourne, Maidstone ME17 1RE**

**Present:** John Dennis (Chairman), Phil Sayer (Vice Chairman), David Stanley, Janice Brooke, David Whitehead, Alison Coppiters, Ben Cooper, Lynda Downs, Carl Roberts, Mark Tomkins, Annabel Lilley, Michael Blanning, Richard Powell, Louise Burgess, Rosemary Joyce, Ceranne Litton, Michael Powis, Neil Willis, Mike Smith, Roger Gough (Member), Patrick Leeson, Matt Dunkley, Ian Hamilton (Clerk), Simon Pleace, Julie Ely (Items 2, 3 and 4), Louise Langley (Items 2,3 and 4), Roberta Kane (Observer), Jo Marchant (Observer), Alison Hook (Observer), Grahame Ward (Observer), Shelley Furlong (Observer)

**Apologies:** Tracey McCartney

1.	<p><b>Minutes and matters arising from the SFF meetings held on the 29 September 2017 and the 10 October 2017</b></p> <p>John Dennis (Chairman) welcomed two new members to the SFF as it was their first meeting. The two new members were the newly appointed Corporate Director for Children, Young People and Education, Matt Dunkley CBE and Carl Roberts (Headteacher of the Malling School) who had recently been elected by LA Maintained Secondary Schools to represent them.</p> <p>The minutes from the SFF meetings held on the 29 September 2017 and 10 October 2017 were ratified as a true and accurate record of the meetings.</p> <p>To access the minutes for these meetings, click on the following links:</p> <ul style="list-style-type: none"><li>- <a href="#">Minutes SFF meeting 29 September 2017</a></li><li>- <a href="#">Minutes SFF meeting 10 October 2017</a></li></ul> <p>The following action point from the minutes of the meeting held on the 10 October was carried forward to the next SFF meeting scheduled for the 27 April 2018.</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. <a href="#">This request will now be considered to see if this information exists.</a></p>	Ian Hamilton
2.	<p><b>An update on the budget forecast for High Needs for 2017-18 and 2018-19</b></p>	

	<p>Simon Pleace (SP) provided this update to SFF members, to access the presentation click on this link <a href="#">Update of our High Needs Budget 2017-18 and 2018-19</a></p> <p>Due to on-going funding pressures within the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) this update has become a regular item at SFF meetings.</p> <p>The following updates have been provided to SFF members during the financial year 2017-18:</p> <ul style="list-style-type: none"> <li>- Meeting on 30 June – The 2017-18 High Needs forecast spend was £6.7m greater than the High Needs spend in 2016-17. Link to item <a href="#">Minutes 30 June 2017</a></li> <li>- Meeting on 10 October – The 2017-18 High Needs forecast spend was £10.3m greater than the spend in 2016-17 Link to item <a href="#">Minutes 10 October 2017</a></li> </ul> <p>The forecast expenditure for 2017-18 is now £11.9m greater than the spend in 2016-17; this is a further increase of £1.6m on the reported position on 10 October.</p> <p>A contingency of approximately £3m was built into the 2017-18 High Needs budget for in-year growth, meaning this now leaves a forecast overspend of £8.9m for 2017-18.</p> <p>There are a number of reasons for presenting this information to the members of the SFF.</p> <ol style="list-style-type: none"> <li>1. To raise the awareness of funding pressures on the HNB.</li> <li>2. If the DSG overspends, the LA needs to agree a recovery plan with SFF.</li> <li>3. In item 5 the LA is proposing to transfer 0.5% of the Schools Block (SB) to the HNB to help meet the High Needs budget pressures. This item provides SFF members with information that will help them make an informed decision on whether the transfer is supported.</li> </ol>	
3.	<p><b>Confirmation of the Mainstream High Needs review arrangements from April 2018</b></p> <p>Simon Pleace (SP) presented this item to SFF members, to access presentation click on this link <a href="#">Item 3 Confirmation of the Mainstream High Needs review arrangements for April 2018</a></p> <p>During the summer the LA carried out a review of High Needs funding arrangements in Mainstream Schools. The primary reason for doing this review was the continued upward trajectory in the number of High Need Pupils (HNP) since April 2016.</p>	

	<p>Regular updates since April 2016 have been provided to the SFF to highlight the increase in HNP numbers and one action that came from the regular updates was to facilitate the transfer of £5m from the Schools Block to the HNB in 2017-18 to meet the additional cost in growth of HNPs.</p> <p>After members of the SFF recommended the £5m transfer at the SFF meeting on the 9 December 2016, further unprecedented growth in HNP numbers was reported to the SFF at its meeting on the 30 June 2017. If the trend in HNP numbers continues to increase at the same rate as in 2016-17 the estimated spend for 2017-18 would be around £30m, a budget overspend of £7m.</p> <p>As this was an unsustainable position the LA took two actions, the first was to reduce funding rates for new HNP applications from September 2017 and the second was to start a review of High Needs funding arrangements in Mainstream Schools.</p> <p>The review took place during June and July and the following events have now taken place:</p> <p>A report on the review findings was presented to the SFF at an additionally arranged meeting on the 10 October. To access this report and minutes to the meeting click on these links:</p> <ul style="list-style-type: none"> <li>- <a href="#">High Need funding review Item 3 Paper and Presentation</a></li> <li>- <a href="#">Minutes SFF meeting 10 October 2017</a></li> </ul> <p>Many points were raised by SFF members on the 10 October and the presentation to this item provides responses to these points, to access the presentation, click on the link at the beginning of this item.</p> <p>The findings and recommendations from the review have been communicated to schools in Kent via Headteacher briefings in November and an e-bulletin to schools on the 23 November. To access the contents of the e-bulletin click on this link <a href="#">E-bulletin 23 November</a></p> <p>A major change resulting from the review was to replace the existing process that assigned an individual amount of funding to each HNP with the introduction of Needs Specific Top Up Funding rates.</p> <p><b>Members of the SFF recommended that Needs Specific Top Up Funding rates should be introduced to Kent schools from 1 April 2018.</b></p> <p>To view the agreed Needs Specific Top Up Funding rates from April 2018, click on this link <a href="#">High Needs Mainstream Needs Specific Top Up Funding Rates 1 April 2018.</a></p> <p>An individual communication will be sent out in December to all schools that are in receipt of High Needs Funding, detailing the Needs Specific Top Up rate that the HNP will be entitled to from April 2018, also details of this recommendation will be published in an e-bulletin early in December.</p>	Ian Hamilton
4	<b>Update on the review of High Needs funding in FE Colleges</b>	

	<p>Julie Ely Head of SEN Assessment and Placement presented this item to members of the SFF and a copy of her presentation can be accessed here: <a href="#">Item 4 Update on the review of High Needs Funding in FE Colleges</a>.</p> <p>From August 2013 the responsibility for funding High Needs Students (HNS) was transferred from the Education Funding Agency (EFA), now known as the Education Skills Funding Agency (ESFA), to Local Authorities.</p> <p>As we are now in its fifth year of operation, and a review of High Needs funding in Mainstream schools was taking place, it felt like an appropriate time to also review the use of High Needs funding available to Colleges.</p> <p>The next step is to implement the findings of the review; this will be done by setting up a Further Education Strategy Task and Finish group early in 2018.</p> <p><a href="#">The Forum requested an updated once the Task and Finish group had completed their work.</a></p>	Julie Ely
5	<p><b>School Funding arrangements for 2018-19 and 2019-20</b></p> <p>It was explained that this is an annual item where members of the SFF make recommendations for any changes to Kent's local funding formula for the forthcoming financial year. These recommendations are then considered by the KCC Cabinet Member with responsibility for school funding who has final decision-making power. The factors and rates used in the local funding formula will be for the period April to March for LA Maintained Schools and September to August for Academies and Free Schools.</p> <p>The significance of these recommendations for 2018-19 is more important than it has been for many years due to the long-awaited move towards a National Funding Formula (NFF) for Schools.</p> <p><b>Milestones and background information</b></p> <p>The Government consulted in early 2017 on the introduction of a NFF for schools from 1 April 2018 and had an unprecedented 26,000 responses. The Government's detailed response to their consultation was published in September 2017.</p> <p>At the SFF meeting on the 29 September a paper on the outcome of the consultation was presented. In addition, the Council set out the principles of a forthcoming consultation it planned to hold with Kent schools in November. To access a copy of the relevant documents from the meeting on the 29 September, click on the following links.</p> <p><a href="#">Item 2 NFF Paper</a>  <a href="#">Item 2 NFF Presentation</a>  <a href="#">SFF Minutes 29 September 2017</a></p> <p>The schools' consultation ran for the period 30 October to 26 November. To engage schools in this important consultation the following communications were</p>	

made:

- Presentations to Business Managers Finance Information Groups on the 16, 18, 19 and 20 October.
- Presentation to the Kent Association of Governors County Assembly 30 October 2017
- Edu Kent Expo presentation 8 November 2017
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- A series of Headteacher Briefings during November
- [E-bulletin 20 September 2017](#)
- [E-bulletin 3 November 2017](#)
- [E-bulletin 7 November 2017](#)

### **SFF Recommendation Process**

Members of the SFF were provided with four documents

- Presentation – to access click on this link [Item 5 Implementing the NFF and School Funding Arrangements](#)
- Consultation responses (all)- to access click on this link [Item 5 Consultation Response Report](#)
- Consultation responses (one per school) - to access click on this link [Item 5 Consultation Response Report](#)
- Schools narrative to consultation response – this is viewed as Confidential and only circulated to SFF members.

Due to the complexity of the subject matter and the variations that could be applied to the distribution of funding, making the right recommendation presented a significant challenge for SFF members. On the one hand the Forum was mindful that it was on a certain trajectory to having no say in how funds were allocated but at the same time it was keen to move in a measured way to protect the things that it felt were most important in the current arrangements.

To clearly piece together all the parts of the jigsaw, SFF members initially went through item by item the information in the presentation. Each item was discussed in depth, but no decisions were taken on first viewing.

It is important to note that there was minimal difference between the consultation response reports (items 2 and 3 above) and the minimal change did not influence materially the consensus of the response to each question.

After considerable discussion, members of the SFF adopted the following positions:

- It supported the transfer of 0.5% of the Schools Block (which equates to £4.41m) into the High Needs Block for 2018-19.

- It supported the transfer of £2m into the Mainstream Growth Budget in 2018-19 to help meet the anticipated additional revenue costs associated with the basic need growth within the county.
- It supported setting the Minimum Funding Guarantee (MFG) at minus 1.5% for 2018-19 and 2019-20.

It supported setting the factors for 2018-19 and 2019-20 at the rates shown in the table below

Factor 1	Rate 2018-19		Rate 2019-20	
	Primary	Secondary	Primary	Secondary
Age Weighted Pupil Unit	£2,747		£2,747	
KS3 Age Weighted Pupil Unit		£3,863		£3,863
KS4 Age Weighted Pupil Unit		£4,386		£4,386
<b>Factor 2</b>				
Free School Meals	£440	£440	£440	£440
Ever Six Free School Meals	£232	£338	£324	£471
Income Deprivation Affecting Children's Index (F)	£200	£290	£200	£290
Income Deprivation Affecting Children's Index (E)	£240	£390	£240	£390
Income Deprivation Affecting Children's Index (D)	£360	£515	£360	£515
Income Deprivation Affecting Children's Index (C)	£390	£560	£390	£560
Income Deprivation Affecting Children's Index (B)	£420	£600	£420	£600
Income Deprivation Affecting Children's Index (A)	£575	£810	£575	£810
<b>Factor 4</b>				
English as an Additional Language	£515	£1,385	£515	£1,385
<b>Factor 6</b>				
Low Prior Attainment	£641	£1,043	£733	£1,193
<b>Factor 7</b>				
Lump Sum	£120,000	£120,000	£120,000	£120,000
Minimum Funding Level	£3,200	£4,500	£3,400	£4,700

- It supported removal of the Looked After Children Factor from Kent's local funding formula from 2018-19 and to retain this amount in a schools MFG baseline for 2018-19.
- It supported the introduction of a Sparsity factor into the Kent's local funding formula from 2018-19. Maximum level of funding, Primary £25,000 and Secondary £65,000. Funding will be tapered depending on class size.
- It supported Area Cost Adjustment being at two rates For those schools that were in the London Fringe Area in 2017-18 the percentage uplift will be 3.709 % and for the remaining schools in Kent it will be set at 0.069 %
- It supported Private Finance Initiative (PFI) rates being uplifted for inflation / shortfall in overall affordability levels.

SFF were advised that all the rates detailed in this item were subject to affordability within Kent's DSG allocation for 2018-19 which will be considered once the DfE have provided the underlying school level data needed to calculate

	school budgets for 2018-19.																													
6	<p><b>Growth Policy 2018-19</b></p> <p>Ian Hamilton presented this item to members of the SFF.</p> <p>Members of the SFF ratified the addition to the Growth policy for start-up funding for new Secondary Schools. This allows funding to be claimed for up to a maximum of £143k.</p> <p>SFF members also acknowledged that further work would be carried out during the summer to review the value and methodology for allocating classroom setup funding.</p> <p>As detailed in item 5 above, SFF members ratified the transfer of £2m into Kent's Growth Fund.</p>																													
7	<p><b>De-delegation 2018-19</b></p> <p>LA Primary and Secondary SFF members agreed to continue to de-delegate for 2018-19 the following budgets at the funding rates specified below</p> <table><tr><td><b>2018-19 De-delegation rates (£p per pupil)</b></td><td><b>Primary</b></td><td><b>Secondary</b></td><td><b>Special</b></td></tr><tr><td>Schools in Financial Difficulty (DFFG)</td><td>£1.06</td><td>£1.06</td><td>£0</td></tr><tr><td>Schools in Financial Difficulty (Targeted Intervention)</td><td>£17.75</td><td>£8.39</td><td>£16.95</td></tr><tr><td>Free School Meal (FSM) eligibility</td><td>£0.57</td><td>£0.57</td><td>£0.57</td></tr><tr><td>County wide SIMS Licence</td><td>£3.63</td><td>£3.63</td><td>£3.63</td></tr><tr><td>Supply Cover - Trade Union Duties</td><td>£1.85</td><td>£1.85</td><td>£1.85</td></tr><tr><td>Supply Cover – SPS</td><td>£0.80</td><td>£0.80</td><td>£0.80</td></tr></table>	<b>2018-19 De-delegation rates (£p per pupil)</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	Schools in Financial Difficulty (DFFG)	£1.06	£1.06	£0	Schools in Financial Difficulty (Targeted Intervention)	£17.75	£8.39	£16.95	Free School Meal (FSM) eligibility	£0.57	£0.57	£0.57	County wide SIMS Licence	£3.63	£3.63	£3.63	Supply Cover - Trade Union Duties	£1.85	£1.85	£1.85	Supply Cover – SPS	£0.80	£0.80	£0.80	
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8	<p><b>Annual housekeeping items to comply with ESFA regulations</b></p> <p><b>High Needs Funding</b></p> <p>The SFF were informed by SP that there had been no changes to the methodology in the operation of High Needs funding in 2018-19 (compared to 2017-18), with the exception the changes made to High Needs Funding in Mainstream Schools detailed in item 3.</p> <p><b>Dis-applications</b></p> <p>The SFF were notified of the dis-application submission to the ESFA for PFI schools where there is potentially a benefit (or cost) of more than 1% to their school budget resulting from interaction of the PFI factor in the school budget calculation. The identification of any school that meets the 1% rule will be known early in January when school budgets are calculated.</p>																													

	<p><b>Historic Commitments and Centrally Retained Budgets</b></p> <p>SP informed SFF members that there were no changes to 2017-18 centrally retained DSG budget and the level of historic commitments.</p> <p>Members of the SFF agreed and ratified all three points above.</p>										
	<p><b>AOB</b></p> <p>This meeting is Patrick Leeson's last SFF meeting. On behalf of schools in Kent the members of the SFF thanked him for his support and input into Kent's SFF. In recognition of his service, Patrick was presented with two gifts, a set of wine glasses and a plaque depicting the increase in schools that achieved a good or outstanding Ofsted judgement during his term of office in Kent as the Corporate Director.</p>										
	<p><b>SFF meetings – Academic Year September 2017 to August 2017</b></p> <table border="1"> <thead> <tr> <th>Date</th><th>Timings</th><th>Venue</th></tr> </thead> <tbody> <tr> <td>27 April 2018</td><td>8:00 to 12:00</td><td>Oakwood House</td></tr> <tr> <td>29 June 2018</td><td>8:00 to 12:00</td><td>Oakwood House</td></tr> </tbody> </table>	Date	Timings	Venue	27 April 2018	8:00 to 12:00	Oakwood House	29 June 2018	8:00 to 12:00	Oakwood House	
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