

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

**14:00 – 17:00, 04 December 2020**

**Virtual Teams Meeting**

**Present:** John Dennis (Chairperson), Mark Tomkins (Vice Chairperson), David Stanley, Phil Sayer, Ben Cooper, Richard Rule, Annabel Lilley, Sue Beauchamp, David Anderson, Mark Seymour, David Whitehead, Jenny Ashley-Jones, Céranne Litton, David Meades, Michael Powis, Kate Le Page, Neil Willis, Robyn Ford, David Gleed.

Richard Long (Cabinet Member), Matt Dunkley (Corporate Director), David Adams (Interim Director), Karen Stone, Chris Scott, Robin Goldsmith (Clerk), Simon Pleace, Ian Allwright.

**Observers:** Jo Marchant, Hazel Dalton

**Apologies:** Sue Birchall, Louise Burgess, Tracey McCartney.

<b>1.</b>	<b>Welcomes and Introductions</b>	
<b>2.</b>	<b>Election of the Chair and Vice Chair</b>  On the 16 <sup>th</sup> November, an email was sent to members asking to nominate a Chair and Vice Chair. After these nominees were received there was no need to go through a voting process as they were for the same Chair and Vice Chair.  John Dennis will continue as Chair and Mark Tomkins will be continue as Vice Chair.	
<b>3.</b>	<b>Minutes and matters arising from the SFF meeting held on the 17 September:</b>  The minutes were recorded as an accurate record. Actions from previous meeting:  SFF Terms of Reference to be updated in accordance with proposals and further amendments documented in minutes. <a href="#">Presented under Item 12 Schools Funding Forum: Elections, Guidance and Future Meetings on the agenda.</a>  Seek to fill SFF vacancies by the next meeting. <a href="#">Presented under Item 12 Schools Funding Forum: Elections, Guidance and Future Meetings on the agenda.</a>  Investigate the financial impact on PRUs of supporting Kent pupils attending out of county schools. <a href="#">Chris Scott had presented this paper to the SFF which can be found here.</a> This report summarises the impact in different scenarios, of a	

	<p>pupil being excluded from an out of county school, upon Kent schools and AP settings.</p> <p>The issue being if a pupil is excluded from an out of county school who is a Kent resident and who now attends a Kent PRU this is not included in the funding. Chris confirmed that this is the case although the actual changes in the funding for a single pupil would be very minor. Neil Willis raised a point that it is also about the PRU places that are lost due to this. David mentioned that it is a whole Kent issue and not localised to one PRU. Sue Beauchamp is monitoring the data and will continue to monitor the numbers going both ways across the border and will raise this again with her findings.</p> <p>The SFF requested further details of the use of the centrally retained Early Years at a future meeting. Karen Stone was due to give a verbal update however the data from the DFE has not been published for 2021/22 so this item will be presented at the next meeting.</p> <p>Growth Policy for 2020-21, Special Schools in the overall review of classroom set up costs. Presented under Item 10 on the agenda.</p> <p>Detailed proposals for use of 1% transfer to be shared with the Schools Funding Forum in December. Presented under Item 5 on the agenda.</p>	
<p><b>4.</b></p>	<p><b>Term Time – Back Pay: update</b>  Simon Pleace (Finance Strategy Manager) and Ian Allwright (HR Strategy &amp; Commissioning Manager) gave an update on this item and the paper can be found <a href="#">here</a>.</p> <p>This paper provides full details of the background to the issue, along with details of the back-pay offer that has been made by the Council to the unions. This offer has been agreed in principle, but the unions want to understand how the costs associated with this offer will be funded before considering their full agreement.</p> <p>The options that could be considered were:</p> <ol style="list-style-type: none"> <li>1) individual schools fund from their bank accounts, or</li> <li>2) the local authority funds from the DSG reserve, or</li> <li>3) we look to top slice any potential headroom available within future year's schools' block allocations after fully meeting the mandatory requirements of the national funding formula.</li> </ol> <p>The back-pay offer that has been agreed in principle with the unions is as follows:</p> <ul style="list-style-type: none"> <li>• Employees with five years' service or more – 4 years' worth of the difference between the leave calculation implemented on the 1 April 2020 and the calculation in place immediately before</li> <li>• Employees with fewer than five years' but more than two years' service- 2 years' worth of the difference between the leave calculation implemented on the 1 April 2020 and the calculation in place immediately before</li> </ul>	

- Employees with fewer than two years' service – the difference between the leave calculation implemented on the 1 April 2020 and the calculation in place immediately before multiplied by their length of service in the qualifying role

The estimated total cost of this offer is in the region of £12m based on the information the local authority has, which is not a complete dataset.

The total cost for a typical Primary school will be around £16,000, Secondary school £31,000 and Special school £67,000.

Phil Sayer asked why this offer is being based on actuals and not back dated pay. The reason is that to go back and look at every employee's pay each year would need a big resource so a decision was made that KCC will take a snapshot at a point of time (still to be determined).

David Stanley asked if this is limited to staff in post from 1<sup>st</sup> April 2020, there have been many staff no longer in post. For staff who made a claim and then left, these will be honoured but leavers will not be chased.

David Whitehead raised that there is still a case waiting to be heard at the supreme court and are we acting too soon as this could be thrown out. The Local Authority realise there has been an idiosyncrasy in the calculation for several years and think this is the right thing to do.

John Dennis raised whether we are treating Academies differently to LA schools and is it fair for the DSG to pay for Academies when it is the Academies responsibility. The DSG reserves are for the benefit of all Kent schools.

Karen Stone added that if the decision made by the forum was to use the DSG reserves this will increase the deficit which is predicted to be at £50m by year end. The new deficit figure would be £62m. The forum acknowledged that this would increase the deficit.

The forum agreed for the DSG reserves to be used to fund this and that any schools that have settled already will be reimbursed, capped at the offer.

The Forum agreed that any additional administration costs incurred by the local authority should be covered by the same funding method.

Ian Allwright updated the forum on the latest details on pay bargaining for Kent. Due to the exceptional nature of this year Kent have proposed to have a single flat rate not based on performance. Unions have put in a proposal however and these negotiations are still ongoing. These include matching the foundation living wage or £10.00 an hour whichever is the greater and adding an extra day of leave for those who currently do not receive 30 days leave to equalise leave for everyone.

Action: Either a written update of the decision to be sent to members regarding pay awards or attendance at a future forum meeting to give an update if no formal decision has been made.

**5. Outcome of 2021-22 Schools Funding Arrangements Consultation**

Karen Stone presented this item to the SFF and the papers and presentation can be found [here](#).

The report and appendices provide a summary of the 2020 consultation on the 2021-22 Schools Local Funding Formula. The Schools Funding Forum is asked to provide a set of recommended changes to the Local Funding Formula from 1st April 2021, that are affordable and consider the views of all schools.

The consultation ran between the 2 and 26 November and there were 112 responses.

Karen took the forum through each question asked in the consultation. These were presented in a different order to aid final decision for the budget.

**Question 7: Do you support the continuation of the falling rolls fund?**

Overall responses from schools were 51% in favour of continuing with the falling rolls fund.

A paper was presented by Chris detailing the guidance for a falling rolls fund, the current criteria and the schools that received the funding for this financial year.

Robyn Ford asked if some of the criteria were too rigid and was it effective. There will always be a cut off in the criteria and there will be schools that fall the wrong side of it.

Mark Seymour commented that he knows some of the schools that have received this funding and that their rolls are improving, and he feels that you have to continue with this funding.

Ben Cooper mentioned that this fund is targeting specific schools that need extra support and this is a positive thing.

David Adams felt that there were schools he wished to support however the criteria states it's for Good and Outstanding schools and it's the schools without this that generally need extra support.

Neil Willis commented on the planning data showing where capacity is needed. The planning group that contains High Weald distorts that area. Homewood takes most of its pupils from the Ashford area and is predicted to be over its PAN.

John Dennis mentioned that in 2019 High Weald had 250 pupils and the latest information provided by the headteacher says they are at 400 pupils. John also commented on where they would be without the support.

Mike Powis asked were there any applications refused to the fund. Schools did not have to apply to this fund as it was calculated by the council and schools were then notified.

Forum agreed to continue with the Falling Rolls fund and agreed to the Falling Rolls policy.

### **Question 6: 1% transfer from Schools to High Needs Block?**

Overall responses from schools were 62% in favour of the 1% transfer.

Karen presented slides on the current DSG Reserve position split between the different blocks and this shows that the deficit in the High Needs block is getting bigger with the in-year position being in 2018-19 £7.5m, 2019-20 £22m and predicted £34.1m in 2020-21.

The slides also showed data regarding the growth of EHCP placements comparing Kent to the whole of England, South East, and our Statistical Neighbours. The table showed that Kent's EHCP placements are increasing at a higher rate.

David Adams presented an item on the High Needs Inclusion Fund and this can be found [here](#).

The paper covered these key areas:

- Key Phases of Implementation
- Framework
- Governance and Quality Assurance
- Overview of Commissioning Priorities
- Developing Sustainability
- Overview of programme spending

David Anderson welcomed the detail of where this funding is being distributed. However, what is missing is the KPI's and a result. It should also be noted that in the consultation this has been labelled as a one-off transfer however this is the third year this has been asked for. This paper gives us the broad structure but there is still some work to do around detail. A positive outcome that has already happened is the Wyvern School has a year R classroom at John Wesley school and children that would normally have gone straight to a special school have the chance to experience a mainstream setting before the difficult decision needs to be made. 50% of these children who would normally have gone to special schools are now staying in mainstream.

John Dennis mentioned he found the success of the Wyvern School very encouraging and if we can solve the problem with £20m and a lot of endeavour it would be a great service to the county and the education of our pupils.

Matt Dunkley mentioned that the 2014 reforms need substantially more funding or the reforms need to be reformed. These reforms have caused around 85% of councils High Needs blocks to be in deficit. Nationally there has been £700m added to the High Needs block, however there was a £2bn problem. There is also a sense that from 2022-23 there will be a Hard National Funding formula and this will be the last chance that any funding can be transferred and the government will need to sort out the High Needs funding issue. We in Kent need to try and sort out our in-year position and invert our pyramid of high needs placements and try to use mainstream placements and be less reliant on special

schools and independents. While we try and build this there will be expenditure at both ends of the spectrum and we will need additional funding.

Jo Marchant mentioned that the Specialist Teaching and Learning Services (STLS) will be critical for delivering some of this service and whether the funding will be put into this as some are running at a deficit at the moment and what is the future of the STLS service. There are discussions currently going on now regarding the service level agreements. We recognise there is a funding pressure, and we would like to see more involvement from the STLS service.

The Forum agreed to the 1% transfer with one member abstaining.

The next step will be to apply to the secretary of state for the 1% transfer however if they disagree, we will need to have a follow up meeting in the new year.

### **Question 8: Higher Primary Lump Sum?**

Overall responses from schools were 37% at £120k, 29% at £123.4k and 31% at £117.8k.

Karen Stone gave a verbal update to the SFF and that this is identified as a local area of concern.

Ben Cooper said there was always a principle that we protect our smallest schools, and we should go for the higher of the three amounts.

Mark Seymour mentioned his concern of increasing this amount due to the impact of a potential cliff edge when these schools face the hard National School Funding formula.

Forum agreed to maintaining the Lumpsum at £120k with the votes being recorded as 15 members voted for £120k, 3 for £123.4k and 1 for £117.8k.

### **Question 9: Formula Factors & Rates**

Karen gave us an update on how Kent chose to deal with the formula last year and where the government has increased rates for 2021-22. Tables were provided to show the different rates for the 3 scenarios published in the consultation and the resulting increases for groups of schools.

Forum agreed to maintain the existing splits on the funding rates.

### **Question 10: 2021-22 MFG Rate?**

Overall responses from schools were 55% at 0.5%, 37% at 2% and 9% something different.

Karen gave us an update and mentioned that there are more schools falling onto the MFG mainly due to the changes in the Teachers Pay and Pension grants rolling into the formula.

	<p>Ben Cooper mentioned previously we have chosen the smaller percentage to bring schools back into line with the local formula however due to the changes in Pay and Pension grant and the fact that this didn't always cover the costs in the first place should we be going with the larger percentage in order not to penalise these schools.</p> <p>Forum agreed to 0.5% MFG rate</p> <p><b>Question 11: inclusion of the MPPL and MFG factors in the Notional SEN Calculation?</b></p> <p>Overall responses from schools were Yes 70%, No 15% and 14% Do not Know.</p> <p>Karen gave an update of what the Notional Funding is:</p> <ul style="list-style-type: none"> <li>• Government does not prescribe the notional SEN budget</li> <li>• All LAs must have one</li> <li>• In Kent it is used to determine whether additional top up funding should be received towards the first £6,000 of additional costs for high needs pupils</li> <li>• Originally set before the MPPL became mandatory and more significant in the LFF</li> </ul> <p>Forum agreed to include the MPPL and MFG into the Notional SEN budget.</p> <p><b>Treatment of PFI funding in the 2021/22 MFG calculation</b></p> <p>Chris Scott presented this item to the SFF and the papers can be found <a href="#">here</a>.</p> <p>The report seeks agreement from the SFF to pursue a disapplication request regarding the treatment of PFI funding in the MFG calculation used in the 2021/22 local funding formula.</p> <p>The PFI figure should be treated the same as non-domestic rates as what is charged for PFI's is the same as what is funded.</p> <p>The Forum approve the disapplication for the treatment of PFI funding.</p> <p>Action: Future finance consultation should also be sent to finance leads in schools.</p>	
6.	<p><b>High Needs funding increases</b></p> <p>Karen Stone presented this item to the SFF and the paper can be found <a href="#">here</a>.</p> <p>This paper outlines the proposal to uplift the Special Schools formula funding rates by 3% in line with NFF proposals for primary and secondary schools along with changing the underlying formula for pupils with SEMH needs.</p> <p>The Special school's formula was set in 2010 and since has had very few uplifts and alterations.</p>	

	<p>In response to growing concerns over the sustainability of special schools. A review of the Special Schools formula was agreed. This review is still ongoing and will not be complete for the 2021/22 budget. The forum was asked if the following two changes can be made for 2021/22 budget.</p> <ol style="list-style-type: none"> <li>1. Increase all factors within the existing formula by 3% in line with NFF for primary and secondary schools.</li> <li>2. Remove the lower rate for SEMH need type and fund all SEMH need types at the higher SEMH rate.</li> </ol> <p>The cost of the 3% uplift would be estimated at £2.8m and changing the SEMH rate will be approximately £1.4m. By making these changes there is an anticipation that the number of requests for Exceptional Pupil Need (EPN) will reduce as schools will be given a more sustainable base budget.</p> <p>All members of the forum agreed to these proposals.</p>	
<p><b>7.</b></p>	<p><b>Deficit Recovery Plan</b></p> <p>Karen Stone presented this item to the SFF and the presentation can be found <a href="#">here</a>.</p> <p>The DfE has confirmed that councils are no longer able to use general funds to top up the school's budget.</p> <p>Councils must produce a plan that balances in year spend.</p> <p>KCC's approach consists of the following three elements:</p> <ol style="list-style-type: none"> <li>1. Lobbying central government on two matters; increased funding in both the short and medium term, and structural changes to government policy to help reduce demand.</li> <li>2. Transferring funding between blocks within the DSG.</li> <li>3. Review of KCC policies and processes to deliver savings locally.</li> </ol> <p>A summary of the actions being taken are:</p> <ul style="list-style-type: none"> <li>• Inclusion Fund</li> <li>• The council has invested in SEN commissioning arrangements</li> <li>• Completion of a high needs funding review</li> <li>• Invest in additional specialist provision including increasing the number of special school places to reduce the reliance on external placements</li> </ul> <p>Karen shared two funding tables predicting spend, with the first table being if things were to stay as they are now and the second showing the changes which will result in a in-year balanced figure by 2024.</p> <p>This item will need to become a standing item and with more detail being shared with the forum at each meeting.</p>	



<p><b>8.</b></p>	<p><b>Historic commitments and Centrally Retained funding methodology</b></p> <p>Karen Stone gave a verbal update to the SFF.</p> <p>The central services block has been reduced by a further £1.4m. The proposals on how to make relevant savings will be brought to a future meeting.</p>	
<p><b>9.</b></p>	<p><b>De-delegation for 2021-22</b></p> <p>Chris Scott shared this paper with the Forum which can be found <a href="#">here</a>.</p> <p>To request Forum approval to de-delegate a number of specific budgets for 2021-22 financial year from maintained primary and secondary school budgets. This will enable these services to continue to be provided centrally by the Local Authority for the benefit of all pupils in maintained primary and secondary schools (and those in academies who participate in pooled funding arrangements).</p> <p>The forum approved the de-delegation proposals.</p>	
<p><b>10.</b></p>	<p><b>Growth Policy for 2021-22</b></p> <p>Chris Scott presented this item to the SFF and the paper can be found <a href="#">here</a>.</p> <p>The purpose of this paper is to seek the annual ratification of Kent's Growth Policy by members of the SFF for the period 2021-22 and inform the SFF of the work completed to review the classroom setup cost allocations. In addition, it aims to begin a conversation about how this policy might better meet the growth needs in September 2022 onwards.</p> <p>A template to detail how schools had spent their classroom setup funding was sent to schools who had recently received classroom setup funding. The data showed most schools were on budget except for some special schools.</p> <p>The wording on the Growth policy has not changed and agreements for most schools for the next academic year have been arranged.</p> <p>Kent are experiencing a bulge going through the Secondary phase. Ideas for developing the Growth Funding Policy for future years could be considered by a working group of AEOs and interested members of the schools funding forum.</p> <p>The Forum agreed to increase the classroom setup funding for Special Schools to £8,000.</p> <p>The forum agreed to create a working group to review the growth policy in the future to best tackle this temporary bulge going through the secondary phase.</p> <p>The forum approved the Growth policy for 2021/22.</p>	

	Action: Chris to contact members to volunteer for the working group.	
11.	<p><b>Financial Scheme updates for schools</b></p> <p>Karen Stone presented this item to the SFF and the paper can be found <a href="#">here</a>.</p> <p>The paper is to note the mandatory changes to the Scheme for Financing Schools. Following the consultation with schools, late last year, on the Financial transparency of local authority maintained schools and academy trusts. The Secretary of State has made changes to the Scheme for Financing Schools. These changes have been reviewed in conjunction with the current Kent scheme and changes made where appropriate.</p> <p>The scheme for financing schools is currently being reviewed by Schools' Financial Services (SFS) to ensure it is up to date and reflects current circumstances. Any further potential changes will be shared with the Schools Funding Forum for decision.</p>	
12.	<p><b>Schools Funding Forum: Elections, Guidance and Future Meetings</b></p> <p>Chris Scott presented this item to the SFF and the paper can be found <a href="#">here</a>.</p> <p>This report summarises proposed changes to the Kent School Funding Forum Guidance and updates members on new appointments.</p> <p>The following section has been added to the guidance to enable virtual meetings.</p> <p><i>6.2 During the outbreak of coronavirus (COVID-19) the school funding forum regulations allow meetings to take place virtually, and this forum will meet as such until it considers it appropriate to resume in person meetings or the regulations compel such meetings to resume.</i></p> <p>The following proposed timing of meetings has also been amended to allow for any outstanding budget items to be considered before the budgets are published at the end of February.</p> <p><i>6.1 A full SFF meeting will be held five times a year, the planned meeting dates will be September, December, February, May and July. Future meeting dates for the academic year September to August will be announced at the SFF meeting held in May.</i></p> <p>At the last meeting it was reported that there are two vacancies for members representing maintained primary schools, one vacancy for a member representing academies and free schools and a vacancy for a local authority representative. In addition, a new seat was created to represent academy pupil referral units.</p>	

	<p>A recruitment effort has been undertaken and Kate Le Page of The Wells Free School will represent academies and free schools and Richard Rule of The Bourne Partnership will represent maintained primary schools. This leaves one vacancy for the maintained primary school representatives.</p> <p>The Alternative Learning Trust is the only body eligible for the academy PRU seat, they have been contacted to be asked if they would be interested in taking it up. They are and we are awaiting details of the nominee.</p> <p>The Forum agreed to the changes in the guidance.</p> <p>Action: Recruitment to the remaining vacancies will commence in the new year. Action: send dates for future meetings.</p>	
	<p><b>Next meeting dates</b></p> <ul style="list-style-type: none"> <li>• February and May 2021 meetings to be confirmed</li> <li>• 2 July 2021 - Venue to be confirmed 8am to 12pm</li> <li>• 1 October 2021 - Venue to be confirmed 8am to 12pm</li> <li>• 3 December 2021 - Venue to be confirmed 8am to 12pm</li> </ul>	