

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

10:00 – 12:30, 30 November 2018

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

Present: John Dennis (Chairperson), Phil Sayer (Vice Chairperson), David Stanley, Tracy Thomas, Darren Waters, Ben Cooper, Lynda Downes, Mark Tomkins, Sue Birchall, Sue Beauchamp, Annabel Lilley, Ceranne Litton, David Whitehead, Louise Burgess, Mark Seymour, Michael Powis, Richard Powell, David Anderson, Neil Willis, Mike Smith, Roger Gough (Cabinet Member), Matt Dunkley CBE (Corporate Director), Simon Pleace, Ian Hamilton (Clerk), Louise Langley (items 1 to 2), Keith Abbott (items 1 to 5), Shelley Furlong(observer), Robin Goldsmith (observer), Alan Brookes (item 2 only), Emily Nunn from the DfE (item 8), Steve Waters (item 8)

Apologies: Tracey McCartney, David Gleed

1.	<p>Minutes and matters arising from the SFF meetings held on the 28 September 2018</p> <p>Matters arising</p> <p>Timings of future SFF meetings</p> <p><i>Item 1 – paragraph from the minutes.</i></p> <p><i>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.</i></p> <p>Further clarification was provided on the timings of future meetings. Future SFF meetings will start at 10:00 when the business of the meeting can be completed by 12:30. If it cannot be completed before 12:30, meetings will start at 8:15.</p> <p>Vacant Academy membership position on the SFF</p> <p><i>Item 1 paragraph from the minutes.</i></p> <p><i>A vacancy for an Academy representative has been identified. In order to recruit to this position, the selection process will be instigated shortly.</i></p> <p>The process to appoint a person to the vacant position will commence early in January 2019.</p> <p>In a related query on SFF representation made by the Chair of Governors from St Botolph's CEP School in respect of primary academy and small academy trust representation on the SFF, it was felt that the current academy representation on</p>	
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	<p>the SFF broadly represented primary academies, secondary academies, small trusts and large trusts. However, the mix of representation was more by chance than structured recruitment. A future review to ensure that the membership of the SFF is representative of different groups of schools will be carried out in due course.</p>	<p>Clerk to SFF</p>
<p>2.</p>	<p>Submission to Schools' Funding Forum from The Kent Association of Headteachers (KAH)</p> <p>Alan Brookes (Chair of Kent Association of Headteachers) presented his paper to the SFF, to access paper click on this link Item 2 Submission to Schools' Funding Forum from The Kent Association of Headteachers.</p> <p>The purpose of the paper was to request that a sum of £280k is allocated to KAH from the Dedicated Schools Grant (DSG) reserve to continue its work into 2019-20 and meet its medium-term objectives on behalf of all schools in Kent.</p> <p>Since 2012 the SFF has allocated funding of around £8m from one-off DSG reserves to KAH for school collaborations. A long term stated aim of KAH was overtime to run a model that did not depend on any funding from the DSG.</p> <p>At the SFF meeting on the 30 June 2017 (to access minutes click on this link item 5), members of the SFF recommended that a final payment of £200k was made for collaboration funding. The extract from the minute read - 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.</p> <p>Members of the SFF had a lengthy discussion around whether there was support for the request from KAH for funding of £280k and good points were made for and against the request. It was noted that any allocation would increase an already large DSG deficit forecast for 2018-19.</p> <p>The recommendation of the SFF was to allocate £100k from the DSG for the period April 2019 to March 2020.</p> <p>The allocation of the funding is dependent on three points being met:</p> <ol style="list-style-type: none"> 1) This would be the absolute final time that KAH made a request to the SFF for collaboration funding. 2) That the KAH would develop a subscription model from schools that would make KAH self-sustaining and details of this model would be presented to the SFF at its meeting on the 3 May 2019 for ratification 3) A detailed breakdown of how the £100k funding would be allocated. 	

<p>3.</p>	<p>High Needs Update</p> <p>a) Latest High Needs Forecast for 2018-19</p> <p>Simon Pleace (SP) presented this item to the SFF, to view the slides to this presentation click on this link, Item 3a Latest High Needs Forecast 2018-19. 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 28th September the forecast high needs overspend for 2018-19 was £10.3m. The updated forecast for 2018-19 as at the date of the November SFF is £10.8m a further increase of £0.5m. As recorded in the minutes to the SFF meeting on the 28th September there is still no solution to meeting this overspend which means that DSG High Needs reserve deficit will increase by this amount and is forecast to be around £12m deficit at the end of the year.</p> <p>b) Update on the SEND Action Plan</p> <p>Louise Langley (LL) presented this item to members of the SFF, to view the slides to this presentation click on this link, Item 3b Update on the SEND Action Plan</p> <p>The information in the presentation supported the contents of the consultation with schools, that requested a 1% transfer from the Schools Block (SB) to the High Needs Block (HNB). Members of the SFF could see that action was being taken by the Local Authority (LA) to help address the HNB overspend.</p> <p>It is important to note that it is the view of the LA that that the SEND action plan is one part of an overall strategy to manage high needs expenditure within budget. The following are the three areas that form the overall strategy:</p> <ol style="list-style-type: none"> 1) Improvement in local systems and processes (SEND action plan) 2) Transfer of funding from the SB to HNB 3) Government change to legislation and additional funding for SEN <p>John Dennis (JD) chair of the SFF commented on the positive progress that had been made on the SEND action plan since the last SFF meeting on the 28 September</p>	
<p>4.</p>	<p>Outcome of 2019-20 Schools Funding Arrangements Consultation</p> <p>SP presented this item to members of the SFF, to view paper for this item, click on this link Item 4 Outcome of 2019-20 Schools Funding Arrangements Consultation</p> <p>The paper provided:</p> <ul style="list-style-type: none"> - An overview of school funding arrangements for 2018-19 and 2019-20. - A copy of the school's consultation that ran for the period 15 October to 16 November 2018 	

- An analysis of the consultation responses in respect of the introduction of a Split Site Factor (SSF) into Kent's LFF and the request to transfer 1% of the Dedicated Schools Grant (DSG) from the SB to the HNB

Responses to the Schools Funding Consultation

The tables below are a summary of responses to the consultation

Split Site Factor (SFF)

Do you support the introduction of a split site factor into the Kent Local Funding Formula?

All responses

	Count				%			
	Yes	No	Don't know	Grand Total	Yes	No	Don't know	Grand Total
Primary	21	31	12	64	19%	28%	11%	57%
Secondary - Non-selective	8	16	4	28	7%	14%	4%	25%
Secondary - Selective	8	7	3	18	7%	6%	3%	16%
Special	2			2	2%	0%	0%	2%
Grand Total	39	54	19	112	35%	48%	17%	100%

One response per school

	Count				%			
	Yes	No	Don't know	Grand Total	Yes	No	Don't know	Grand Total
<i>Primary</i>	<i>18</i>	<i>30</i>	<i>10</i>	<i>58</i>	<i>19%</i>	<i>31%</i>	<i>10%</i>	<i>60%</i>
<i>Secondary - Non-selective</i>	<i>6</i>	<i>13</i>	<i>2</i>	<i>21</i>	<i>6%</i>	<i>14%</i>	<i>2%</i>	<i>22%</i>
<i>Secondary - Selective</i>	<i>7</i>	<i>5</i>	<i>3</i>	<i>15</i>	<i>7%</i>	<i>5%</i>	<i>3%</i>	<i>16%</i>
<i>Special</i>	<i>2</i>			<i>2</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>	<i>2%</i>
<i>Grand Total</i>	<i>33</i>	<i>48</i>	<i>15</i>	<i>96</i>	<i>34%</i>	<i>50%</i>	<i>16%</i>	<i>100%</i>

Transfer from Schools Block to High Needs Block

Do you support the proposal to move 1% from the Schools Block to the High Needs Block?

All responses

	Count				%			
	Yes	No	Don't know	Grand Total	Yes	No	Don't know	Grand Total
Primary	51	11	2	64	46%	10%	2%	57%
Secondary - Non-selective	18	10		28	16%	9%	0%	25%
Secondary - Selective	3	14	1	18	3%	13%	1%	16%
Special	2			2	2%	0%	0%	2%
Grand Total	74	35	3	112	66%	31%	3%	100%

One response per school

Count

%

	Yes	No	Don't know	Grand Total	Yes	No	Don't know	Grand Total
Primary	48	8	2	58	50%	8%	2%	60%
Secondary - Non-selective	13	8		21	14%	8%	0%	22%
Secondary - Selective	3	11	1	15	3%	11%	1%	16%
Special	2			2	2%	0%	0%	2%
Grand Total	66	27	3	96	69%	28%	3%	100%

The tables provide a breakdown of the responses to the two areas of the consultation and include two sets of figures for each topic. The data in black is the total number of responses recorded and includes duplicates from some schools, and the data in blue is the total number of responses based on one response per school (duplicates removed).

SSF

In summary 35% (34%) were in favour of introducing a SSF in Kent's Local Funding Formula (LFF) and 48% (50%) were against its introduction. As item 6 of the agenda is a SFF working group recommendation on the introduction of a SSF, members of the SFF agreed to defer their recommendation on the introduction of a SSF until after the SFF has considered this paper.

Transfer from SB to the HNB.

In summary 66% (69%) were in favour of introducing a SSF in Kent's LFF and 31% (28%) were against its introduction. Two thirds of the vote recorded supported the 1% transfer.

Members of the SFF have for some time been aware of the different challenges that are faced by Special Education Needs service and the resulting pressure on the HNB. Senior officers from the LA have regularly updated the SFF on both the financial aspect of this and the underlying different causes for the growth in demand.

Members of the SFF have seen how the SEND action plan is developing into a Change Programme and also acknowledge the challenge faced to contain spend within budget will not just be solved by this action alone.

With the exception of one member of the SFF who's abstained from the vote, every other member voted in favour of 1% transfer from the SB to HNB, the support was based on the following rational:

- 1) Two thirds of the responses from the consultation supported the 1% transfer.
- 2) Members of the SFF supported the development and strengthening of the SEND action plan
- 3) Members of the SFF recognised that to resolve the situation different parties had to contribute and for the short term the SB transfer was a necessary course of action.

	<p>4) That government needed to play their part in this national crisis, members of the SFF were confident that the LA were raising, at a national level, that changes needed to be made to:</p> <ul style="list-style-type: none"> - current SEN legislation to addresses the balance of power between requester and provider - more funding needs to be provided by central government for High Needs 	
<p>5</p>	<p>DfE Consultation on the Implementation on the Arrangements for Reporting Deficits to the DSG</p> <p>SP presented this item to members of the SFF, to view the paper click on this link, Item 5 DfE Consultation on the Implementation of the New Arrangements for Reporting Deficits to the DSG</p> <p>Section 3 of the paper details the LAs frustration in respect of the consultation issued by the Education Skills Funding Agency (ESFA) in not recognising the different underlying reasons that will cause the DSG to go into deficit.</p> <p>The deficit recovery plan requires, at a minimum, for the LA to contain in year expenditure within the high need budget available i.e. not to increase the deficit, and at the best it is looking for the LA to also repay any accumulated deficit.</p> <p>It is acknowledged that the primary cause of a DSG deficit is an overspend against the High Needs block. The general assumption is that two of the contributing factors to this are 1) central government needs to put more funding into high needs and 2) there needs to be a change legislation.</p> <p>To set a deficit recovery plan on the basis that the influencing factors are within the control of the LA would be a reasonable request, however as this is not the case it feels like it is an unrealistic request and that the deficit recovery plan consultation does not recognise the different underlying components of the problem.</p> <p>Members of the SFF unanimously endorsed and support the contents of the report and were happy for the LA to submit a joint consultation response. They requested that the joint response majored on the concerns that imposing tighter restrictions would lead to draconian management action which would in all probability make the deficit even worse over time.</p>	
<p>6.</p>	<p>Split Site Factor</p> <p>Ian Hamilton (IH) presented this item to members of the SFF, to view the paper click on this link Item 6 Split Site Factor</p> <p>Members of the SFF discussed the contents of the paper and its recommendations. As part of the discussion consideration was given to an</p>	

email/letter circulated to SFF members at 8:49 on the 30 November by Debra Liddicoat (Headteacher Chatham and Clarendon Grammar School).

In summary the email/letter requested that no distinction should be made between primary phase and secondary phase and that both primary schools and secondary schools incurred unavoidable costs due to being on a split site.

Members of the SFF acknowledged the view that there should be no distinction between primary schools, secondary schools and all through schools, but felt that there was a relationship between the size of the school that provided significant scope within their existing resources to adapt to their local environment and successfully realise economies of scale, irrespective of split site costs. Members of the SFF determined that the eligibility threshold should be set at 750 pupils or less.

Members of the SFF recommended the following split site criteria:

Definition of a Split Site

- 1) Must be a mainstream Primary, Secondary or All through school that has 750 or less pupils on roll as per October census (Age range year R to year 11).
- 2) The two or more sites must belong to a single school that has one DfE number.
- 3) The two or more standalone sites cannot be physically connected nor accessed from another part of the school; they must, however, be separated by a highway and be a minimum of 0.2 miles apart.
- 4) Over 30% of the school's total curriculum must be taught and delivered on each individual site.

Elements of funding that make up the factor

- 1) Reception Staff - £8,000
- 2) Premises Staff - £ 5,000
- 3) Senior leadership costs - £10,000
- 4) Non-salary expenditure - £10,000

Total value of SSF = £33,000

	<p>Methodology – Lump sum</p> <p>The SFF also set a maximum limit for the overall factor of £100,000 for 2019-20. Members of the SFF were concerned that as there was not a definitive list of school that could meet the criteria, by setting a limit of £100,000 it would protect the DSG against unaffordable expenditure that could come to light at a later date.</p> <p>Members of the SFF gave consideration to the responses of the consultation recorded in section 4 of the minutes. Although schools were not in favour of the introduction of a SSF, the view of the SFF was to introduce a SSF due to the recommendation of the SFF working group that based its recommendation on the robust work carried out to the identify unavoidable split site costs.</p>	
<p>7.</p>	<p>Vulnerable Schools</p> <p>Ian Hamilton (IH) presented this item to members of the SFF, to view the paper click on this link Item 7 Vulnerable Schools</p> <p>Member of the SFF discussed the recommendations made by the SFF working group.</p> <p>Allocating additional funding through the Sparsity Factor</p> <p>Members of the SFF ratified the recommendation of the working group not to allocate additional funding through the sparsity factor.</p> <p>The recommendation was based on the overriding principle followed in the schools funding consultation for 2018-19, that where possible, the direction of travel would be to replicate the NFF, whilst taking into consideration local circumstances. By moving to a threshold of £100,000 and introducing very small sparse secondary schools factor, Kent's LFF would be moving away from the NFF.</p> <p>Introduction of a Falling Roll Fund (FRF)</p> <p>The working group recommended not to introduce a FRF, and this was partially based on the complexities of determining an objective criteria.</p> <p>It was agreed, after a lengthy and emotive discussion, that a new working group would be set up with the remit of establishing an objective criteria. The findings of working group would then be presented to the SFF for its consideration.</p> <p>The time table for this piece of work will be over the period March 2019 to June 2019 and the findings will presented at the SFF meeting on the 27 June.</p> <p>An email will be sent out in due course requesting volunteers for the working group</p>	<p>Ian Hamilton</p>

<p>8.</p>	<p>Schools Resource Management Self-Assessment Tool</p> <p>Emily Nunn (DfE Policy Advisor, School Resource Management) presented this item to the SFF, to view the slides to this presentation click on this link, Item 8 - Presentation Schools Resource Management Self-Assessment Tool</p> <p>Members of the SFF found that the presentation provided lots of useful information and were grateful to Emily for traveling to Kent to attend the meeting.</p>	
<p>9.</p>	<p>Alternative Provision Consultation</p> <p>Matt Dunkley (MD) presented this item to members of the SFF, to view the paper click on this link Item 9 Alternative Provision Consultation</p> <p>On a point of clarification, the consultation document will be circulated to all schools in the LA, this includes all mainstream schools, Special Schools and Pupil Referral Units (PRUs) and not just PRUs as recorded in the paper to this item.</p> <p>Sue Beauchamp (SB) raised the point that should a county wide impact assessment be included as part of the consultation. MD and the SFF agreed that a document of this type should be included. As the consultation was due to be launched on the 30 November it was felt that it should not be delayed and that the impact assessment should follow shortly. Please note that the impact assessment is separate from the equalities impact assessment which is already available. A communication to this effect will be included in the e-bulletin to schools on the 30 November.</p> <p>SB and Stuart Collins (Director of Integrated Children's Services) will work together to produce a document for circulation as part of the consultation.</p> <p>As ESFA SFF regulations require that any changes to the High Needs funding distribution must be consulted on with the SFF, it was agreed that the SFF would delegate its powers to the SFF Executive and a meeting would be arranged post consultation closing date on the 25 January, so that the SFF could view the outcome of the consultation and make a recommendation.</p> <p>A meeting for the SFF Executive plus any other member of the SFF that would like to attend will be arranged for the 11 March 2019.</p>	<p>Sue Beauchamp and Stuart Collins</p> <p>Ian Hamilton</p>
<p>10.</p>	<p>Growth Policy for 2019-20</p> <p>Ian Hamilton (IH) presented this item to members of the SFF, to view the paper click on this link Item 10 Growth Policy for 2019-20</p> <p>Members of the SFF ratified the following:</p>	

	<p>1) That they agreed with the contents of the Growth Policy for 2019-20 detailed in appendices 1 & 2</p> <p>2) That they agreed with the value of the Growth Fund made up of £2m from PUFs and SUFs plus the NFF growth allocation to be confirmed later in December</p>																													
<p>11.</p>	<p>Funding for Schools Admission Appeals</p> <p>Simon Pleace (SP) presented this item to members of the SFF, to view ESFA letter click on this link Item 11 Funding for Schools Admission Appeals</p> <p>The letter issued by the ESFA informed academies and free schools that if LAs provided funding for a free admissions appeals service for community and voluntary controlled schools, they must also provide this service free to academies, voluntary aided schools and foundation schools, although these schools may choose not to use it.</p> <p>SP confirmed that the LA does not hold a budget for reimbursing the costs of admission appeals, however it has come to light that some LA admission appeal services have inadvertently been provided to community and voluntary controlled schools free of charge. This is not allowed under the rules and SP informed the Forum that such services would become chargeable from 1 April 2019.</p> <p>The Forum noted this.</p>																													
<p>12.</p>	<p>De-delegation for 2019-20</p> <p>LA Primary and Secondary SFF members agreed to continue to de-delegate for 2019-20 the following budgets at the funding rates specified below</p> <table border="1" data-bbox="181 1435 1241 1809"> <thead> <tr> <th>2018-19 De-delegation rates (£p per pupil)</th> <th>Primary</th> <th>Secondary</th> <th>Special</th> </tr> </thead> <tbody> <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> </tbody> </table>	2018-19 De-delegation rates (£p per pupil)	Primary	Secondary	Special	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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<p>13.</p>	<p>Annual “housekeeping” items to comply with ESFA regulations- Dis-applications, High Needs, Historic commitments and Centrally Retained funding methodology</p>																													

High Needs Funding

There are no new changes to High Needs funding, however it is worth reminding SFF that there has been one change to High Needs funding and a proposed change. The change is the introduction of a block grant for FE Colleges for the academic years 2018-19 and 2019-20. Members of the SFF were notified of this change at the SFF meeting held on the 28 September 2018, to access minutes to the meeting click on this link [SFF minutes 28 September 2018](#) . The proposed change is to AP funding and will be determined by the outcome of the AP consultation (See item 9 for details. Other than these two points there has been no changes to the methodology in the operation of High Needs funding in 2019-20 compared to 2018-19

Dis-applications

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.

Historic Commitments and Centrally Retained Budgets

SP informed SFF members that there were no changes to 2018-19 centrally retained DSG budget and the level of historic commitments.

Members of the SFF agreed and ratified all three points above.

SFF meetings - Academic Year September 2018 to August 2019

Date	Timings	Venue
3 May 2019	8:00 to 12:00	MMGDH – ME17 1RE
27 June 2019	8:00 to 12:00	MMGDH – ME17 1RE