

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

14:00 – 15:30, 15 January 2019

**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, Sue Birchall, Ceranne Litton, David Whitehead, Louise Burgess, Mark Seymour, Michael Powis, Richard Powell, David Anderson, Roger Gough (Cabinet Member), Matt Dunkley CBE (Corporate Director), Simon Pleace, Ian Hamilton (Clerk), Robin Goldsmith, Louise Langley

Apologies: Tracey McCartney, David Gleed, Neil Willis, Mike Smith, Mark Tomkins, Annabel Lilley, Sue Beauchamp,

1.	<p>This meeting was in addition to the timetabled SFF meetings scheduled for the academic year September 2018 to August 2019 and was set up at short notice following the government's announcement on the 17th December 2018 that an additional £250m had been allocated nationally to the Dedicated School Grant (DSG) High Needs Block (HNB). The additional funding will be allocated at £125m per annum over the period 2018-19 to 2019-20 and Kent's share of the national pot is just over £3.5m per annum.</p> <p>At the SFF meeting on the 30 November 2018 the SFF had supported the LAs request to transfer 1% (0.5% 2018-19, 0.5% 2019-20) from the DSG Schools Block to the HNB, however this recommendation was made prior to the announcement on the 17 December 2018 that provided additional funding for the HNB.</p> <p>Due to the additional funding the Education Skills Funding Agency (ESFA) requested LAs to reconsider any applications they made to the Secretary of State (SoS) to transfer funding between blocks. Part of the process required in reconsidering the transfer was to consult with members of the SFF. The ESFA set the deadline of the 15th January for LAs to confirm whether they were going to continue as per the original request or make any changes. The purpose of this meeting was to consult with members of the SFF to seek their views on the level of transfer between blocks for 2019-20.</p> <p>Simon Pleace (SP) presented the paper to members of the SFF, to access this paper, click on this link Update on School Funding arrangements for 2019-20</p> <p>After SP presented the paper to the SFF a comprehensive discussion then took place on whether the strategy should be to reduce the deficit or further movement towards the National Funding Formula.</p> <p>The following points were made during the discussion:</p> <ul style="list-style-type: none">- Although the financial aspect is really important, we should never lose sight that this is about some of the most vulnerable children in society who need to be provided with the appropriate level of support.	
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- Over time the SFF has used the analogy of a three-legged stool (for description see paragraph 5.2a from paper) to describe how to resolve the crisis in High Needs funding. Additional funding from government is a key component in managing the funding pressure on High Needs. As the accumulated deficit forecasts including annual government contribution of £3.5m per annum are £8m in 2018-19 and £21m in 2019-20 it was felt that this should be viewed as central government's contribution to resolving the crisis and therefore did not change how much schools should be contributing.
- Schools in general were finding it difficult to balance budgets due to the sustained period of austerity and therefore due to the additional funding allocated by the government for High Needs the contribution from the SB to HB should be reduced to reflect this, so that schools could receive more funding through the formula.
- The governments original consultation on the National Funding Formula that took place in January 2017 specified that schools would be moving to a Hard National Funding Formula (HNFF) in 2019-20. When funding guidance for 2018-19 was issued by the ESFA the inference taken was that the HNFF would be introduced in 2020-21. When funding guidance for 2019-20 was issued it was announced that the HNFF would not be introduced in 2020-21. It is still the government's aim to introduce a HNFF? LAs and Schools are none the wiser when or if this is going to happen and when the final element of funding will be received. The problem with uncertainty on the introduction of a HNFF is that this then impacts on consideration of the right course of action to take in managing the high needs deficit. Currently the ESFA have not provided any guidance on SB funding beyond 2019-20.
- Local government budgets have contracted in recent years by over 50% due to the government austerity programme. This means that Kent is not able to contribute towards the DSG HN overspend from its local government funding. In order to comply with the ESFAs deficit plan (to be introduced in 2019-20) consideration may have to be given to reducing school funding rates, so that a greater contribution is made from the SB to HB. To reduce the 1% transfer now, would cause more pain for schools in the future, even though it is difficult to know what the right course of action is due to future uncertainty of ESFA policy.
- It is becoming clearer and more acknowledged by central government that education policy has been the driving factor behind the growth in High Needs demand. Two aspects of this are, poor inclusion in some schools caused by a fragmented system and changes to the SEN code of practice that have fuelled the demand from parents which has led to some of the increase in SEN costs. The LA do not control all of the levers behind the growth in SEN expenditure and therefore significant changes to existing policies need to be made.

As discussion progressed it became clear that a majority of the SFF accepted the logic and so members took a vote on whether the SFF supported the LA's position to continue with its request to the SoS to transfer 1% from the SB to HB.

Of the 15 members in attendance, 14 members voted in favour of the transfer and 1 member abstained from the vote. Based on the outcome of the vote, Kent's SFF continue to strongly support the 1% transfer of funding from the SB to HNB in 2019-20.

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