**DRAFT MINUTES**

**MEETING OF THE SCHOOLS’ FUNDING FORUM (SFF)**

**8:00 – 12:00, 29 November 2019**

**Mercure Maidstone, Great Danes Hotel, Ashford Road,**

**Hollingbourne, Maidstone ME17 1RE**

**Present:** John Dennis (Chairperson), Mark Tomkins (Vice Chairperson), Phil Sayer, David Stanley, Tracy Thomas, Ben Cooper, Annabel Lilley, David Anderson, Mark Seymour, David Whitehead, Jenny Ashley-Jones, Louise Burgess, David Meades, Neil Willis, Mike Smith, Tracey McCartney, Quentin Roper, Simon Cook (representing Post 16), Richard Long (Cabinet Member), Matt Dunkley (Corporate Director) , Keith Abbott (Director), Janice Venn, Simon Pleace, Karen Stone, Robin Goldsmith (Clerk), Ian Allwright, Ian Hamilton.

**Apologies**: Céranne Litton, Lynda Downes, Michael Powis, Sue Beauchamp, Sue Birchall, David Gleed

**Observers**: Shelley Furlong, Hazel Dalton, Jo Marchant

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| 1. | **Welcomes and Introductions**  The Chairperson welcomed Richard Long (KCC Cabinet Member for Education and Skills), Quentin Roper (Diocesan Representative), and Simon Cook (Post 16 representative).  Observers were welcomed to the meeting: Shelley Furlong (Foreland Fields School), Hazel Dalton (KSENT SBM Group), and Jo Marchant (Nexus School) as observers to the meeting. The Schools’ Funding Forum agreed for observers to share views during the meeting.  The Chairman confirmed a verbal update from Ian Allwright, presenting item 3 on proposed changes to the Kent Pay Scheme for 2020 onwards.  The Chairman also thanked Mark Tomkins (Vice Chairman) for Chairing the meeting held on the 20th September. |  |
| 2 | **Minutes and matters arising from the SFF meetings held on the 20th September 2019**  Item 2: Vulnerable Schools  This will be covered in Item 4 on today’s agenda.  Item 2: Update on the Alternative Provision Funding Model  Keith Abbott gave the following update: Schools and Academy Trusts have raised concerns over the new contract. Stuart Collins met with Pupil Referral Unit (PRU) Heads and Chairs on 20th November 2019 and has agreed to provide funding, in line with the new arrangements, until the end of March 2020 without having to sign a contract. The contract is currently being amended in light of concerns raised and will be discussed with management teams in the new year. The new contract is expected to commence from April 2020.  Simon Pleace confirmed, based on current figures, there is no need for any transitional protection at this point in time.  Action: The following actions from the last meeting have not been resolved and will need to be addressed at the next meeting:   * Investigate the financial impact on PRUs of supporting Kent pupils attending out of county schools (awaiting further guidance from ESFA)   Item 3: Proposed changes to Kent Pay Scheme 1st April 2020  This will be covered in Item 3 on today’s agenda.  The Chair also noted a DFE consultation had been undertaken to mandate the Minimum Funding Level factor in the Local Funding Formula. The LA confirmed they had responded to this and the response can be found below | Janice Venn or Karen Stone |
| 3 | **Proposed changes to Kent Pay Scheme 1st April 2020**  Ian Allwright presented a verbal update to the SFF.  Following two meetings with Kent County Council the Trade Unions have submitted their pay claim for 2020-21.  Last year the Kent Scheme pay scales were revised to reflect the Foundation Living Wage and to correspond to the NJC minimum pay point. This year Trade Unions have expressed their wish to achieve a ‘real’ increase in earnings over and above the rate of inflation. They have also said they would continue to seek parity with the bottom pay point of the NJC pay spine. For context this year’s NJC claim is for 10% or £10 per hour (whichever is the greater). There has been no agreement on this yet and, indeed, national pay bargaining has been suspended for the period of the general election.  The basis for this year’s discussion will be based on, but not exclusively restricted to:   * The “successful” TCP rating is aligned to the rate of increase in ‘average earnings. * Maintaining and/or exceeding both the National Living Wage and NJC minimum salary * Implementation of the NJC model for calculating annual leave for staff employed on term time only basis. * A challenge over the loss of differential between jobs that are in our KR2 and KR3 grades, given KCC is amalgamating them from April 2020. * Maintaining £1,200 between tops of adjoining grades   Future key dates are:   * Pay Bargaining Meetings – December 18th 2019 and January 8th 2020 * Personnel Committee to agree proposal – 30 January 2020 (closed meeting) * County Council to ratify decision – 13 February 2020 * Implementation – 1 April 2020   The Forum thanked Ian for the update. Ian confirmed a communication had been sent by email to maintained schools. The SFF requested communications include academy trusts as many academies seek to mirror the Kent Pay Scale.  Action: Ian Allwright to send any communication to Academies as well as LA schools. | Ian Allwright |
| 4 | **Outcome of 2019-20 School Fund Arrangements Consultation**  Simon Pleace presented this item to the SFF. The slides provided a background to the need for a consultation, a summary of [responses](https://www.kelsi.org.uk/__data/assets/pdf_file/0014/102704/Item-4d-Consultation-Report-All-Responses.pdf) from schools and the impact of Scenario’s 1 to 3 (as detailed in the [consultation](https://www.kelsi.org.uk/__data/assets/pdf_file/0013/103009/Item-4-School-Consultation-Document.pdf)). A link to the slide can be found [here](https://www.kelsi.org.uk/__data/assets/pdf_file/0013/103252/Item-4-School-Funding-arrangements-2020-21-presentation.pdf).  Background: Kent will receive an additional £52m in 2020-21. There will still be a soft National Funding Formula (NFF) for 2020-21, which means Kent can still operate a Local Funding Formula (LFF). A consultation ran from the 14th October 2019 to the 18th November 2019.  Summary of responses: 169 responses were received in total,150 excluding duplicate responses from schools. However, removing duplicates did not fundamentally change the outcomes. (When removing these duplicates Kent kept the response from the most senior member of staff. )  The SFF discussed each question in detail.  General Principle  It was recognised from the consultation that Kent should take further steps towards fully implementing the NFF and at the same time address local areas of concerns. This view was mirrored from the members in the room.  Local Areas of Concern  4a Falling Rolls  The consultation responses from schools were split on whether Kent should introduce a Falling Rolls Fund. It was recognised at the time of the consultation that the proposed criteria had not been agreed or shared and therefore schools were asked to make a judgement on the principle rather than the detailed proposal.  Karen Stone presented a paper to the SFF which can be found [here](https://www.kelsi.org.uk/__data/assets/word_doc/0019/102970/Item-4a-Falling-roll-Fund-Proposal.docx).  A subgroup of the SFF, made up of volunteers, met three times over the period July to October 2019. The group was tasked with creating a proposed Falling Roll policy for Kent. The group was not responsible for making or recommending an ultimate decision as to whether a Falling Roll Fund should be created. It was agreed this decision would rest with the forum members.  The Secondary policy focused on ensuring the financial stability of the school in the short term. A needs-led model was created to determine the minimum number of pupils required to fund a standard curriculum. The model suggested, a school would struggle to be financially viable when the roll fell below 550.  The Primary policy was more difficult to articulate. However, the group felt schools find it more financially difficult when a school’s in-take year and the total roll drops significantly. The group decided the criterion should be based on supporting a school whose average number of students per class falls below 25 assuming they had previously been running at an optimum of 30 per class.  Karen took the SFF through the criteria for both Primary and Secondary schools and the total fund needed (based on the October 2018 Census) would be approximately £1.5m. The largest payment to a single school would be £0.6m.  A discussion took place with the SFF, and the key points made included:   * Capping of payments: It was felt that if you capped such a fund, this would not help the schools with falling rolls. * The long-term cost of closing schools: Keith Abbott and Louise Burgess mentioned if these schools were to close there would be a cost. We already have experience of closures some costing £4-5m. * In the past a new school was needed and has reopened on the same site as a closed school and these incurred additional costs. * Concerns this fund would not incentivise schools to improve their roll. This fund would not be provided long term and eligibility would be reviewed on an annual basis. * Acknowledged schools who were not good or outstanding could be eligible for the fund in line with recommendations from previous working group. * There were a number of secondary schools that operate below 550 – how do they survive? Acknowledged there were some secondaries that were doing so but many were new/growing schools. The criteria had been worded to exclude schools that normally operate below 550. * Unsure of planning data terminology or size of planning areas and whether the right schools would be captured: agreed to clarify the criteria and ensure both area and school level data would need to be considered. * Confirmed the need for an Area Education Officer to help interpret data.   The SFF agreed in principle to introduce a falling roll fund for one year and to be reviewed on an annual basis thereafter. The final decision on how this could be funded would be taken once all areas of local concerns were reviewed.  4b 1% Transfer to High Needs Block  The consultation responses support a continuation of the 1% transfer for a further year. However, the responses show secondary schools being slightly less supportive of this. This is not a selective vs non-selective issue, as we have had a fairly even response from both groups.  Keith Abbott updated the SFF regarding the proposal on how the 1% transfer, estimated at £9.6m, would be used. This year the plan is not to offset the deficit as had been the case in previous years, but it will be returned to primary and secondary schools to incentivise greater inclusion of children and young people with Education Health and Care Plans in mainstream schools. The details of how this will work will be brought to March’s meeting having been drawn up from work undertaken with ISOS, the final workshop with Heads being held on the 11th December. ISOS has been commissioned to gather views and recommendations on the position of Special Educational Need Services in Kent. Focus was given to page 23 of the consultation document which highlighted Kent as an outlier in regard to the percentage of children and young people with EHCPs attending Mainstream schools and Independent schools when compared nationally (Mainstream: Kent 23% vs National 33%; Independent Kent 7.6% vs National 5%). The funding is intended to help reverse this trend and will be part of our deficit recovery plan. The idea is to align with the national direction and our response to Ofsted’s Special Education Need (SEN) Written Statement of Action.  The SFF discussion included the following comments or questions:   * It was recognised the Forum was discussing some of the most vulnerable children in Kent who needed to be provided with an appropriate level of support. * The Minimum Funding Levels potential create a perverse incentive whereby schools who are on the MFL are unlikely to receive any additional funding through low prior attainment and deprivation factors if they were to accept a child with an EHCP. * By improving inclusivity in mainstream schools this should help to free up capacity in Special Schools. * What benefits there were of holding the money and then targeting to support inclusion rather allocating it out directly to schools through the proxy measures within the National Funding Formula (NFF)?   The SFF supported the request for the 1% transfer of the Schools Block to high needs and for the transfer to be ring-fenced to support inclusion in primary and secondary schools (Subject to Secretary of State approval).  Action: The Forum acknowledged there it was too early to see the detail on how this funding would be allocated to schools and requested further detail should be brought to the next SFF meeting in March.  4c Lump Sum  The consultation responses supported the continuation of the primary lump sum at £120,000, and support for lowering the secondary lump sum to the NFF rate. This view was supported within each phase by respondees.  The SFF mirrored the views of the consultation and agreed £120,000 for Primary schools and £114,400 for Secondary schools.  Mobility  The consultation responses were in favour of a mobility factor. At the time of the consultation there was no additional information on how this would be funded, other than Kent would mirror the methodology as set out by the DFE for the NFF.  The methodology set out by the DFE stipulates that if your school has higher than 6% mobility you will receive funding on every child above 6%. A mobility child is a child that first appears on a school census other than the October census. This child will continue to be considered as a mobility child for up to three years.  The provisional data supplied by the DFE suggests the schools that should benefit from this factor are those near military regiment bases, traveller sites and schools that have high deprivation, however there is also a surprising fourth category: new and growing schools. With this fourth category there is a possibility of double funding these schools through the growth funding.  The size of the pot is currently estimated at £1.6m.  The Forum was in general agreement with this factor but recommended its introduction was delayed for one-year. Further data was required to ensure this factor targeted the right schools and this funding could then be used to support Kent’s Local areas of concerns.  MFG  In the consultation schools favoured a rate of 0.5%. The SFF discussed and agreed that the MFG rate should be set 0.5% for 2020-21.  4d Local Funding Formula  Within the consultation schools were presented with the following three scenarios:   * Fully implement the NFF * Recognise some areas of local concern and fully implement the Minimum Funding Levels, with cost of areas of local concern met from reduced AEN factors * Spread the cost of some areas of local concern across all schools   In scenarios 2 and 3 the £120,000 Primary lump sum and 1% transfer to high needs were accounted however the introduction of a falling roll fund was excluded. Also the scenarios assumed the costs associated with the introduction of the Mobility factor were cost neutral.  The table below was presented which details how the rates could be adjusted to fund the three scenarios.   |  |  |  |  | | --- | --- | --- | --- | |  | **Scenario 1** | **Scenario 2** | **Scenario 3** | | Age Weighted Pupil Unit, Deprivation (IDACI & FSM), English Additional Language | 100% | 100% | 100% | | Low Prior Attainment – Primary | 100% | 87.3% | 100% | | Low Prior Attainment – Secondary | 100% | 93.3% | 100% | | Ever6 Free School Meals – Primary | 100% | 70% | 59% | | Ever6 Free School Meals – Secondary | 100% | 70% | 74% | | Minimum Funding Levels - Primary | 100% | 100% | 98.7% | | Minimum Funding Levels - Secondary | 100% | 100% | 99% |   The overall responses from the consultation supported Scenario 2, however primary schools more equally favoured both scenario 2 and 3.  Based on the discussion so far the areas of Local Concern to fund are:  £9.6m High Needs Transfer  £2.5m Primary Lump Sum  £1.5m Falling Rolls    A discussion took place and the following points were raised:   * The relative importance of Low Prior Attainment, Ever 6 and MFL’s. * MFL’s are minimum levels and should not be adjusted. This opinion was not shared by the whole group and the basis of the MFL calculation was challenged. It was seen as a last-minute policy decision rather than a needs-based calculation. * Members in the room wished to fund local areas of concern and to spread these costs evenly across all schools, including those who benefit from significant increases from the increases to the MFL’s. * SFF members offered other ways to fund local areas of concerns for example by removing MFL’s completely or align the AWPU rates with NFF and adjust all other factors to be the same percentage away from the NFF.   After reviewing the outcome of these across groups of schools the SFF recommended the following proposal:  Use Scenario 3 as set out in the table above and not to include Mobility factor. The Forum accepted that this would be require a disapplication to not fully implement the MFL’s (subject to the outcome of the DfE consultation). | Keith Abbott |
| 5 | **High Needs 2020-21**  Janice Venn presented this item to the SFF and the paper can be found [here](https://www.kelsi.org.uk/__data/assets/pdf_file/0020/102971/Item-5-High-Needs-2020-21.pdf). The Forum were drawn to sections 1.4 and 2.1 of the report.  The SFF appreciated the impact of the rate freeze for high needs provisions in recent years and the ever-increasing pressures schools have had to fund within existing resources.  Special school representatives shared the increasing challenges faced including:   * Rates have not been fundamentally changed since 2010. * The high proportion of teaching assistants and the relatively greater impact of changes the Kent Pay Scheme (changes to KR1, 2 & 3). * Unfunded costs of teacher pay increases. * The difficulties in competing with Independent schools. * Lack of funding not allowing schools to cater for more complex children including therapy services.   The Forum recommended the rate for high needs provisions listed in table 2 of the report should be increased by a minimum of 2%. The Forum were supportive of a higher rate but acknowledged this needed to be balanced with affordability. |  |
| 6 | **Early Years 2020-21**  Janice Venn presented this item for SFF and the paper can be found [here](https://www.kelsi.org.uk/__data/assets/pdf_file/0003/102972/Item-6-Early-Years-Funding-Proposal-2020-21.pdf).  The ESFA announced on the 31st October that the local authority funding rates for Early Years Provision for Two and Three- & Four- year olds will be increased from 2019-20 by 8 pence per hour.  Kent would like to increase the base rate by 8p for both Two and Three- & Four- year olds provision.  The SFF agreed to the proposal.  Action: The SFF requested further details of the use of the centrally retained Early Years at a future meeting. | Karen Stone |
| 7 | **Growth Policy for 2020-21**  Karen Stone presented this item for SFF and the paper can be found [here](https://www.kelsi.org.uk/__data/assets/pdf_file/0004/102973/Item-7-Growth-Policy-2020-21.pdf).  Annually the SFF must agree both the Growth Policy and the size of fund which is estimated at £7.3m for 2020-21 based on ESFA guidance.  There are no proposed changes to the policy for 2020-21 however the SFF are asked to agree a possible word change to ensure a school is not double funded if the Mobility factor is added as an additional factor to the LFF. As the inclusion of a mobility factor in the LFF had not been agreed for 2020-21 this recommendation was no longer relevant.  The SFF was also asked if the review of the classroom set up costs be deferred. This was agreed.  It was raised that the cost of setting up a special school classroom is a lot higher than a standard classroom.  The SFF agreed the Growth Policy for 2020-21 and the estimated size of the fund for 2020-21 based on ESFA growth formula.  Action: Karen Stone to include Special Schools in the overall review of classroom set up costs. | Karen Stone |
| 8 | **De-delegation for 2020-21**  Karen Stone presented this item for SFF and the paper can be found [here](https://www.kelsi.org.uk/__data/assets/word_doc/0012/103008/Item-8-De-delegation.docx).  The maintained Primary and Secondary representatives of the SFF were asked to approve the de-delegation in 2020-21 at the rates set out for the following budgets, which are unchanged from 2019-20:   |  |  |  |  | | --- | --- | --- | --- | | **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 |   LA Primary and Secondary SFF members agreed to continue to de-delegate for 2020-21. |  |
| 9 | **Annual “housekeeping” items to comply with ESFA regulations – Dis-applications, Historic commitments and Centrally Retained funding methodology**  Janice Venn gave a verbal update to the SFF on this item.  **Dis-applications**  The SFF were notified of the provisional dis-applications submitted to the ESFA for transferring 1% of Schools Block DSG funding to the High Needs Block and for not honouring the full Primary and Secondary Minimum Funding Levels for the reason set out in section 4 in today’s meeting.  The SFF agreed both dis-applications.  **Historic Commitments and Centrally Retained Budgets**  Janice Venn informed SFF members that there has been a £1.4m budget deduction (equivalent to 20% reduction) from the ESFA for the centrally retained DSG budget and the level of historic commitments. The impact of this was currently being assessed.  This was noted by members of the SFF. |  |
| 10 | **Membership Update**  Karen Stone gave a verbal update to the SFF on this item.  At the September SFF it was communicated that there was a vacancy on the SFF for an Academy and Free school representative as a result of a member stepping down. The process was commenced and there was only one nominee, however this person was from a Trust which is already has a member of staff on the SFF.  The question was raised as to whether this was allowed and/or appropriate. The ESFA were contacted and there is no rule saying you cannot have more than one representative from a Trust or School.  The SFF was asked for their views on this matter.  The views were strong from members that there should not be more than one representative from a trust or school.  The SFF agreed to suspend any election and asked for the Terms of Reference to be reviewed in the light of changes to school organisation.  Action: Karen Stone to produce a paper on membership and recommended amendments to the SFF Terms of Reference. | Karen Stone |
|  | **SFF meetings - Period Oct 2019 to August 2020**   |  |  |  | | --- | --- | --- | | Date | Timings | Venue | | 27 March 2020 | 8:00 to 12:00 | MMGDH – ME17 1RE | | 10 July 2020 | 8:00 to 12:00 | MMGDH – ME17 1RE | |  |