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

8:00 – 12:00, 22 May 2015

John Wigan Room, Oakwood House, Maidstone ME16 8AE

Present: John Dennis (Chairperson), Phil Sayer (Vice Chairperson), David Stanley, Michael Blanning, Alison Coppitters, Ben Cooper, Julia Campbell, Robert Masters, Roland Gooding, Neil Willis, Richard Powell, Alison Hook (substitute for Rosemary Joyce) Louise Burgess, John Bird, Adrian Cottrell, Rev Simon Foulkes, Mike Smith, Roger Gough (Member), Patrick Leeson, Gillian Cawley, Keith Abbott, Simon Pleace, Ian Hamilton (Clerk), Jo Marchant (observer), Beverley Pennekett (observer),Tony Doran (item 3 only)

Apologies: Malcolm Goddard, Janice Brooke, Jenny King, Lynda Downes, Richard Hitchin and Alan Barham.

1.	**Minutes and matters arising from the SFF meeting 28 November 2014** The minutes from the SFF meeting on the 28 November 2014 were ratified as a true and accurate record of the meeting. **Matters arising** It was Keith Abbott's (KA) last SFF meeting as he is now moving to a different role in the Local Authority (LA). KA has been one of the LA Officers supporting the SFF since its inauguration and prior to this the predecessor funding groups, overall nearly two decades of support. John Dennis (JD) presented KA with a small gift from SFF members in recognition of the tremendous level of support he had provided over the years and wished him success in his new role. The Chairperson welcomed Beverley Pennekett (BP) from the Education Funding Agency (EFA) who was attending the meeting as an observer from the EFA to ensure that the SFF operates efficiently and transparently and that meetings are not dominated by any particular sector. There have been some new appointments to the SFF membership since its last meeting on the 28 November 2014. The following membership groups on the SFF have new members appointed and were all welcomed to the SFF by JD; - Richard Powell (Vice Principal Business and Projects- The Skinners Academy) representing Academies. - David Stanley (Chair of Governors Briary Primary School and Littlebourne CEP School) representing Governors from Primary schools.	

	- Michael Blanning (MB) (Governor North West Kent Alternative Provision) representing PRUs. Another addition to the attendees of future SFF meetings is Gillian Cawley who is the new Director of Education Quality and Standards. JD also welcomed her to the SFF on behalf of its members. Since the last SFF meeting on the 28 November Christine Fordham, representing Private Voluntary Independent (PVI) settings, tendered her resignation. LA officers in the Early Years Unit are now in the process of appointing a new PVI representative.	
2.	**Sub- Group feedback** Schools Capital Group (SCG) – Phil Sayer (PS) provided verbal feedback from the meetings held on the 11 December 2014 and the 19 March 2015. To access the minutes from the two meetings click on this link: minutes SCG. An item for noting is that a review of section 13 of the Finance Scheme, titled Repairs and Maintenance – Landlord and Tenant responsibilities is going to be carried out. In the first instance property colleagues will take this to the SCG who will then in turn make a formal recommendation of any updates of the Finance Scheme to the SFF.	
3.	**Update on VSK Children in Care (CiC) Pupil Premium (PP)** Tony Doran (TD) gave a presentation to members of the SFF. The presentation was warmly welcomed by members of the SFF. To view a copy of these slides, click on this link VSK presentation. Some of the points raised by members of the SFF resulting from the presentation included; - The Virtual School in each LA is only responsible for the funding of CiC PP for its own LA pupils. Where CiC pupils are placed in Kent schools from Other Local Authorities (OLAs), it is the placing LAs responsibility to fund CiC PP. Kent is nationally unique in respect of the number of CiC from OLAs that are placed in Kent schools, this is both in respect of the overall numbers and the number of different LAs that place children in Kent. There are 516 OLA pupils placed in Kent schools, one secondary school has 51 CiC of which 16 are from different OLAs. This poses a significant burden on the school as they have to contact each LA and submit an application for funding under a different criterion for each LA. TD is currently in	

	dialogue with those LAs that place children in Kent schools to see if they will agree to use the same documentation used for submitting applications for Kent pupils. If this is agreed it should reduce the administration burden for schools that have CiC pupils from multiple LAs. - Jo Marchant (JM) who is a Business Manager from a special school informed TD that the process for securing funding from Kent's Virtual schools was far more onerous than other LAs who placed children in her Special school. TD explained that unfortunately the general process for Special Schools was more drawn out than mainstream schools due to the special schools funding methodology which allocates funding based on the need of the pupil. In theory this would suggest that there would be no entitlement to CiC PP as the pupil would already have their needs met fully through the formula. Therefore in order to make sure that there is no double funding the virtual schools team has to scrutinize each application in greater detail. TD summed up by saying that OLAs application process is not as robust as the one employed by Kent virtual school. - TD used an example from The Leigh Academy of good practice. Neill Willis (NW) who is a senior member of staff from the Leigh Academy Trust endorsed the benefit of the use of PP in the academy and added that there were also other tangible benefits in addition to those reported in the paper. - Julia Campbell's (JC) school also had an example of good practice included in TDs presentation to the SFF. JC reiterated the benefits of targeting the CiC PP funding and highlighted the benefits of collaboration working between districts. - Michael Blanning (MB) who recently has had some involvement with CiC made the point that it is not just the amount of funding targeted that defines the services supporting these children, but it is essential that the right quality of staff are employed to make the difference for these vulnerable children. It was his experience to date that he had observed high quality professional staff supporting children in Kent.	
4.	**DSG Unallocated** Simon Pleace (SP) gave a presentation to members of the SFF, to view the slides click on this link DSG Unallocated. The presentation provided an overview to SFF members of how the balance of one-off DSG had been allocated. £8m of the £9.2 unallocated DSG was committed leaving a balance to of £1.2 m to be allocated.	

5.	**Collaboration Funding Update** Prior to the presentation John Dennis (JD) congratulated Patrick Leeson (PL) on the significant progress that had been made by Primary schools in the county that had seen the % of achieving a good or outstanding Ofsted rating rise to 79.9%. Collaborations and the funding provided by the SFF had been a contributing factor to progress made in achieving this improvement. PL then presented the collaboration paper to the SFF, and requested that the SFF consider allocating £1.2m from its DSG unallocated reserve to continue supporting collaborations for a further year. Beverley Pennekett (BP) the observer from the EFA expressed interest in this request and informed the SFF that this did not appear compliant with school funding regulations and that we may need to submit a disapplication request to the EFA to allow the surplus DSG to be allocated in this way. John Dennis (JD) responded to the statement to say that it was our understanding that the operational guidance was best practice but this was not underpinned by the school funding regulations. He also reminded the Forum that this was not a new commitment but a continuation of a previously agreed commitment (which is permitted within the School Finance Regulations), all be it at a lower amount. Adrian Cottrell (AC) suggested to members of the SFF that a larger sum of DSG should be allocated to collaborations due to the benefits outlined in the report. The general consensus of SFF members was that although this was a welcome suggestion in support of collaborations, the strategy was to pump prime the process to get it up and running and then over time gradually withdraw the funding as working practices became embedded in the different collaborations. The reduction in funding awarded by the SFF was consistent with this strategy. JD requested that where financial information was presented as in Appendix 1, could it in the future be grouped into KAH districts. Members of the SFF unanimously supported the proposal in the paper and agreed to allocate £1.2m from the one–off DSG unallocated budget as detailed earlier in item 4.	G Cawley
6.	**PFI and Academy Conversions.** Keith Abbott (KA) presented the paper to SFF members. During the summer KCC Cabinet will be reviewing its current position not to support PFI conversions as a number of underlying factors have changed since	

	this position was adopted. In light of this the leader of the Council was seeking the views of SFF members for consideration in determining the future policy KCC would adopt. Members of the SFF unanimously supported the stance that the LA would no longer block the conversion of LA schools to an academy due to PFI.	
7.	**Schools Outturn 2014-15** Simon Pleace (SP) presented the paper to the SFF. An observation was made in respect of the increase in 2014-15 to PRU reserves from £1.6m to £2.3m, an increase of 39%. The underlying reason for this increase was due to the poor buildings some PRUs are currently accommodated in, and the need to retain funding for future investment in the PRU estate. Although reserves overall had gone up by over 5% it is important to note that reserves as a % of income had only increased by around 0.5%. Members of the SFF were not overly concerned about the increase, since schools were facing uncertainty around funding of future pressures and that in any case primary and secondary schools were still within the overall BCM threshold of 5% for Secondary and 8% for Primary.	
8.	**Update on Schools in Deficit and Future Outlook** Keith Abbott (KA) presented the paper to the group and as the paper contained sensitive information the members of the SFF were requested to view this item as confidential and dispose of the paper accordingly at the end of the meeting. The summary points were, 18 LA schools brought forward a deficit balance in April 2014. Of the 18 schools in deficit, 11 are now in surplus and 2 converted to academies which are now overseen by the EFA. There were 3 additional schools that will carry forward a deficit balance into April 2015 making a total of 8 LA schools in deficit. John Dennis (JD) asked the EFA observer if the EFA publish similar data on academies. The justification for raising this point was that the SFF which had both members from LA schools and Academies effectively had a responsibility on the effective use of the Kent's Dedicated School Grant (DSG). Therefore in the same way that the LA is held accountable to the SFF for management of school budgets, shouldn't the EFA also be required to do the same for academies in making this information available to SFF members. The answer to the question was that this information is not published for academies by the EFA. Another point raised by KA was, in the medium term, a real concern the LA had around the capacity of the funding formula to support small	

	secondary schools that were becoming financially unviable. The problem is that this is only a temporary situation as in time the increase that we are now seeing in the primary phase pupil numbers will translate into secondary schools. Therefore it would make no sense to close financially unviable secondary schools when it is only a matter of time before their capacity would be needed. As a result of the EFAs restriction of the flexibility we could introduce into the local formula a likely consequence is that we will see more deficits in the future in small secondary schools.	
9.	**Update on the calculation of School Budgets for 2015-16 and National funding letter** Simon Pleace (SP) gave a presentation to members of the SFF, to view the slides click on this Update school budgets. It has come to the attention of the LA that nationally there is a growing concern regarding the continuation of flat cash DSG and the ability for schools to continue to absorb inflationary pressures through efficiency savings without seeing a detrimental impact on standards in schools. It has come to our knowledge that other LAs via a letter from their SFFs had raised their concerns with central government. A provisional letter in this vein was circulated to SFF members to see if they supported the submission of a letter to central government from the Kent SFF. Members of the SFF supported this approach and it was agreed that an updated version of the circulated letter would be submitted to central government. A revised letter will subsequently be collated for approval by the chairperson of the SFF.	Simon Pleace
	AOB Joe Marchant made a request to SFF for a piece of work to be carried out with Special Schools and LA officers to look at improving the mechanisms used to set and monitor Special School budgets. The SFF thought this was a good idea and agreed for this piece of work to done. Date of the next meeting 10 July 2015 Future meeting dates for the academic year September 2015 to March 2016 - 20 November 2015 - 4 March 2016 - 13 May 2016 - 15 July 2016	Ian Hamilton