**DRAFT MINUTES**

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

**9:00 – 11:30, 20 September 2019**

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

**Hollingbourne, Maidstone ME17 1RE**

**Present:** Mark Tomkins (Vice Chairperson), Jenny Ashley-Jones, Sue Beauchamp, Sue Birchall, Céranne Litton, Michael Powis, Tracy Thomas, David Whitehead, Lynda Downes, David Meades, Mark Seymour, Neil Willis, Ben Cooper, Tracey McCartney, David Gleed, David Anderson, Louise Burgess, Matt Dunkley (Corporate Director), Karen Stone (Clerk), Roger Gough (Cabinet Member), Janice Venn, Simon Pleace, Paul Royel, Heather Cook (representing LA Secondary Selective)

**Apologies**: John Dennis (Chairperson), David Stanley, Annabel Lilley, Mike Smith

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| 1. | **Welcomes and Introductions**  The Vice Chairperson welcomed Heather Cook (Maidstone Grammar Schools for Boys) as an observer to the meeting  The Vice Chairman also confirmed a presentation from:   * Paul Royel: presenting item 3 on the Kent Pay Scheme for 2020 onwards |  |
| 2 | **Minutes and matters arising from the SFF meetings held on the 27 June 2019**  Item 2: Vulnerable Schools  Karen Stone confirmed two meetings of the working group had taken place and a draft criteria and funding proposal is being developed. Karen emphasised the purpose of the group was to develop a proposed criteria and not to recommend whether a falling roll fund should be implemented, this decision would rest with the Forum.  Action: to provide a formal proposal to the Schools Forum at the next meeting.  Item 4: Update on the Alternative Provision Funding Model  Simon Pleace confirmed a record of the decision made by the Forum had been published on Kelsi and PRUs will be paid from September under the new funding arrangement. The formation of the legal agreement for secondary schools set to receive devolved AP funding took longer than expected and was due to be sent to schools/trusts shortly. The payment of the devolved amounts to individual schools has been slightly delayed as a result. Payments to schools will only be made once the legal agreement had been signed and returned either by a Maintained School or an Academy Trust. Payments are made on a monthly basis, no school will be penalised for signing the legal agreement late and will still be eligible for full amount.  It was confirmed a County Lead post was being recruited to who will oversee the development of the score card. The progress review has been added to the agenda of the Forum for September 2020.  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) * The size and application of any transition funding (Celia Buxton and Simon Pleace have met with PRUs who have raised concerns over sustainability. A full financial review is being undertaken before any decisions are recommended)   Item 6: SEND Call for Evidence  Simon Pleace confirmed a response on behalf of the Forum had been submitted as requested. Matt Dunkley also pointed the Forum to the recent announcements regarding the wider review of SEND high needs to investigate the impact of the 2014 reforms. This was considered a positive step with a focus on legislation as well as the funding.  Confirmed all other actions were addressed in the agenda. The minutes can be accessed using the following Link [Item 2 – SFF Minutes 27 June 2019](https://www.kelsi.org.uk/__data/assets/word_doc/0011/100712/Item-2-SFF-Minutes-27-June-2019.docx) | Karen Stone  Simon Pleace |
| 3 | **Proposed changes to Kent Pay Scheme 1 April 2020**  Paul Royel presented a verbal update to the Forum on 2 specific items:   * Direction of travel for the Kent pay grade * Possible update to the term time only calculation   The future of the Kent Pay Grade Structure  Changes to the pay scheme over the last few years have been driven by both the national living wage and recommendations by the National Joint Council to redistribute the pay scale with the minimum salary of £9.00 per hour. Kent County Council took the decision to implement the proposals a year earlier than expected and it has been acknowledged there was a lack of communication, particularly with schools, over this decision.  The Forum voiced their frustration as to the lack of adequate consultation over the Council’s recent decisions to change the pay scales, where there was a disproportionate impact on schools. However, the Forum appreciated the early engagement on the 2020 proposals. The Forum agreed the best communication channels for schools was through Kelsi and the e-Bulletin, and Paul agreed to issue an update to all schools shortly.  Paul shared the principles agreed with the Trade Unions last year:   * Need to avoid grade erosion * Possibility of merging KR2 & KR3 although it has been recognised this would pose challenges with job grading * Need to introduce a gap between the grades (0.05%) * There should be at least £1,200 difference between the top and bottom of the grade   It was acknowledged the impact of these proposals would have a more profound effect on schools rather than local authority employees, particularly the grading of teaching assistants.  Simon Pleace also confirmed initial discussions had taken place with Buckinghamshire Council as to the possibility of implementing school specific pay scale. It appears Buckinghamshire were not introducing a new pay scale as originally thought therefore Kent County Council would be a first in the Country to take this route and it was recognised a longer lead in time would be required to investigate and implement.  Action: Paul Royel to return with an update once further proposals for the Kent pay scale had been developed.  Term Time Only Pay  Paul Royel outlined proposals to change the term time only calculation for annual leave entitlement. This is in line with the National Joint Council and some other local authorities.  Initial estimates suggest this could cost up to £3.7m if every school needed to implement the change (worst case scenario) however it is recognised some schools have already changed the methodology therefore the impact is likely to be less than this. | Paul Royel  Paul Royel |
| 4 | **2020-21 School Funding Update**  Simon Pleace presented this item to the SFF. The slides provide a summary of Kent’s interpretation of the recent announcements by the Government and recently published ESFA guidance. Confirmation of these assumptions is not expected until mid-October which leaves limited time to consult with schools over any recommended changes to the formula. To access the presentation click on this link [Item 4 – 2020-21 School Funding Update](https://www.kelsi.org.uk/__data/assets/pdf_file/0002/101000/Item-4-School-Funding-2020-21.pdf)    Over the last 2 years Kent has received an additional £50 million towards their school budgets, as the Government makes strives towards their pledge to introduce a National Funding Formula for all schools. During this time Kent has chosen to honour the National Funding rates but still recognise local circumstances where appropriate. This is reflected in the following funding rates differing from the NFF:   * Factor 2 Ever 6 Free School Meals * Factor 6 Low Prior Attainment * Minimum Funding Level * Lump sum   Recent Government announcements have confirmed the national schools’ budget is due to increase from £44.4 billion in 2019-20 to £52.2 billion by 2022-23, this includes the commitment to fully fund the pension increase of £1.5 billion, and further increase of £7.1m (15.9%). There is no clear detail of the future cost pressures this increase is expected to fund apart from an initial commitment of £0.7 billion for High Needs. It has been estimated £3 billion of this increase reverses the 13-year funding freeze for schools and £4.1 billion is a real terms increases (excluding inflation). It is also recognised that this unlocks a challenge of implementing the Hard National Funding Formula.  Interpretation of the guidance suggests the calculation of local authority school budgets will be based on fully implementing the National Funding Formula, with no caps in gains (as in previous years). The soft national funding formula will remain but with some “hardening features”. The DfE have launched a consultation on the introduction of a mandatory minimum funding levels. Local Authorities will be able to disapply but will need to have a clear rationale. It is recognised selective schools and large primaries with low AEN factors will gain from the MFL proposals.  In addition, announcement confirm all core National Funding values will increase by 4% (apart from FSM) and the Minimum Funding Guarantee will increase by at least 0.5%. All schools in Kent were anticipated to benefit from the recent funding announcements, a total increase of approximately £50 million in 2020-21.  The increase in High Needs Funding is welcome but is still insufficient to resolve the shortfall both within Kent and nationally. Kent is still expecting the deficit for 2019-20 to exceed 1% and so will be required to complete a deficit recovery plan.  Simon confirmed the Council would meet in the coming days to confirm its position on the recent Government proposals and the content of any consultation for proposed changes to the 2020-21 school budgets, but it was recognised there are a number of considerations outlined in the presentation. The ESFA have confirmed a consultation will need to take place recognising the timescale for has been shortened due to the late announcements.  The Forum welcomed the update and initial considerations included:   * Positive to see a significant increase in funding across all Kent schools although this was partly due to years of under funding compared to other local authorities. * Good to see a 3-year funding commitment although the lack of future detail was frustrating. * There was a recognition of the importance of the higher lump sum particularly to small primary schools. * The Forum were sympathetic to the continuing problem with High Needs but would need to see further details to fully consider any proposals to recommend a further transfer to the High Needs block in 2020-21. * The Forum reiterated their support on providing a realistic deficit recovery plan which could mean the plan does not result in a balanced budget. Simon confirmed the ESFA have stated any deficits on the DSG reserve are not the County Council’s responsibility therefore if the schools were required to pay back it back this would have drastic results. * Concerns were raised as to the financial impact of other local authorities continuing to place looked after children in Kent to avoid the additional costs of supporting high needs. * Simon confirmed the introduction of the Falling Roll Fund would be a Forum decision. Forum members suggests KCC may want to consider including in a consultation. |  |
| 5 | **Financial transparency of local authority maintained schools and academy trusts Consultation**  Simon Pleace shared a draft of Kent County Council’s response to the Government’s consultation. To access the paper click on this link [Item 5 – Financial Transparency](https://www.kelsi.org.uk/__data/assets/word_doc/0012/100713/Item-5-Financial-Transparency.docx)  The draft response was formed from Finance views. Simon took the Forum through each question and The Forum agreed for the Schools’ Funding Forum submission to mirror the Council’s response apart from the following amendments:   * Question 1 – request to further emphasis DfE need to adhere to also meet their own deadlines * Question 5 – Academy forum representatives acknowledged the additional costs required to complete external and internal audits and who would be expected to pay for this. * Question 7 – The Forum were unconvinced on the merit of this and observed that this information was published at Trust level rather than individual school level which was being recommended here. * Question 8 – The Forum has a similar view to question 7. Academy accounts were difficult to understand and far less transparent than the CFR returns therefore there were genuine concerns this would result in more questions. The financial returns may be misinterpreted if the context and background was not fully understood. Details of the financial position of the school is already recorded through the minutes of the Governing body and benchmarking sites.   ACTION: Janice Venn to amend the response and to submit on behalf of the Schools’ Funding Forum by 30 September 2019.  The final submission can be accessed here | Janice Venn |
| 6 | **Schools’ Funding Forum Self-Assessment Tool**  Karen Stone presented this item to the SFF. To access the paper click on this link [[Item](https://www.kelsi.org.uk/__data/assets/pdf_file/0004/96529/Item-6-SEND-Call-for-Evidence.pdf) 6 – Schools’ Funding Forum Self-Assessment Tool](https://www.kelsi.org.uk/__data/assets/pdf_file/0013/100714/Item-6-SFF-Self-Assessment.pdf)  The Forum were asked their views on the running of the School Forum on the following points:   * Question 6: the Forum are happy with the current arrangement where papers individually within one email along with items being placed on Kelsi. There was no appetite to create a single document for all papers. * Question 8: The Forum agreed draft minutes of the meeting would be circulated 10 working days after the meeting if agreed by the Chair. These would be published on Kelsi along with emailed to all members. * Question 11: Recent new members agreed the meeting with the Schools Finance Manager was helpful but was not consistently applied. Agreed for this to continue along with assignment of an existing School Forums’ member as a mentor. A glossary of useful terms would also be added to the key documents. * Question 14: Name plates would become standard items at the meetings and the initial introductions at the start of the meeting would continue. * Question 20: Agreed the Chair would have to the final casting vote but the Chair must make the decision on behalf of all children in Kent not the schools or group the Chair is representing. * Question 17: The Forum members confirmed they use various school groups/forums, newsletters and Kelsi as a way to feedback to all schools they represent.   Action: Name plates to include name and representing body.  Action: Minutes to be published in draft on Kelsi and circulated to all members once agreed by the Chair.  Action: a glossary of useful terms to be added to the key documents site on Kelsi  Action: reinstate introductory meetings with the school Finance manager and new members. Request a mentor for new members. | Karen Stone |
| 7 | **Any Other Business**  Schools SIMs Contract  Janice Venn updated the Forum on the Schools SIMs contract. The contract has been extended for a further 2 years to allow time for a full review and retender process. A survey will be circulated shortly on users experience of the system and support which you are encouraged to complete, and a working group will be set up.    All options are being considered including whether SIMs continue to be the preferred option.  Elections  Karen Stone confirmed that following the resignation of the Local Authority Primary School representative an election will be held shortly. The balance of membership between the different types & phase of schools has been reassessed and has resulted in this vacancy converting to an Academy & Free Schools representative. Elections will take place during October & November to ensure the new member is in place before the next meeting.  The new membership of the Forum will be:   |  |  |  |  | | --- | --- | --- | --- | | Forum Representative | No | Forum Representative | No | | Local Authority Governor | 2 | Local Authority Special | 1 | | Local Authority Primary | 3 | Local Authority Nursery | 1 | | Local Authority Secondary Selective | 1 | Pupil Referral Unit | 1 | | Local Authority Secondary Non-Selective | 1 | Academy & Free Schools | 10 | | Academy Special | 1 | Non-school members | 4 |   Action: Election process to commence at the beginning of October.  Holding Company for The Education People  Matt Dunkley was asked about the current position of The Education People. It was confirmed Kent had not finalised this but there is a proposal to bring The Education People in line with other Kent-owed companies under a single holding company. Kent Association of Headteachers (KAH) is being kept up to date. There was a request to ensure Kent Governor Association (KGA) is also kept informed of the progress. | Karen Stone |
|  | **SFF meetings - Period Oct 2019 to August 2020**   |  |  |  | | --- | --- | --- | | Date | Timings | Venue | | 29 November 2019 | 8:00 to 12:00 | MMGDH – ME17 1RE | | 27 March 2020 | 8:00 to 12:00 | MMGDH – ME17 1RE | | 10 July 2020 | 8:00 to 12:00 | MMGDH – ME17 1RE | |  |