**DRAFT MINUTES**

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

**8:00 – 12:00, 27 June 2019**

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

**Hollingbourne, Maidstone ME17 1RE**

**Present:** John Dennis (Chairperson), Phil Sayer (Vice Chairperson), Jenny Ashley-Jones, Sue Beauchamp, Sue Birchall, Céranne Litton, Michael Powis, David Stanley, Tracy Thomas, Mark Tomkins, David Whitehead, Lynda Downes, David Meades, Mark Seymour, Sue Birchall, Neil Willis, Fay Reizopoulou, Michael Blanning, Sue King, Matt Dunkley (Corporate Director), Keith Abbott, Karen Stone (Clerk), Roger Gough (Cabinet Member), Ian Hamilton, Celia Buxton , Simon Pleace

**Apologies**: Ben Cooper, Annabel Lilley, Tracey McCartney, Mike Smith, David Gleed, Louise Burgess

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| 1. | **Welcomes and Introductions**  The Chairman welcomed David Meades as the new representative for Academies and Free Schools, along with congratulating Ben Cooper, Louise Burgess, Ceranne Litton and Michael Powis whose terms had all been extended following the recent elections for Academies and Free Schools representatives.   |  |  | | --- | --- | | **Group representing** | **Name** | | LA - Governor | Phil Sayer | | LA - Primary School | Ben Cooper | | Academy and Free Schools | Louise Burgess | | Academy and Free Schools | Céranne Litton | | Academy and Free Schools | Michael Powis |   The Chairman confirmed Richard Powell and Darren Waters have resigned from the Forum and thanked them for their contribution.  The Chairman welcomed 3 observers to the meeting and the Forum agreed to hear comments from the Observers:   * Sue King: Kent Governors Association (Dover Grammar School) * Fay Reizopoulou Deputy Finance Director (Leigh Academies Trust) * Michael Blanning (North West Kent PRU)   The Chairman also confirmed presentations from:   * Celia Buxton: presenting item 4 on the Alternative Provision Funding Model * Ian Hamilton: presenting item 7 on schools’ deficit analysis 2018-19   Simon Pleace confirmed Janice Venn, the new Finance Business Partner, will start on the 2nd September 2019. |  |
| 2 | **Forum Elections**  Karen Stone confirmed the outcome of the recent election of Chair and Vice Chair to the Forum.  John Dennis was the sole nomination for Chair and accepted the position.  There were 2 nominations for Vice Chair, 1 of which withdrew. Mark Tomkins accepted the position as sole nomination.  John Dennis thanked Phil Sayer for his support to the Forum as Vice Chair for over 13 years. |  |
| 3 | **Minutes and matters arising from the SFF meetings held on the 3 May 2019**  Item 2: Vulnerable Schools  Karen Stone confirmed a request had been made for volunteers and the working group would meet before the Summer Holidays.  Action: to provide an update at the next meeting on 20September.  Item 6: 2019-20 School Budget Update = School specific pay scales  Simon Pleace confirmed he had spoken to HR. There is a conference call planned with Buckinghamshire, which is believed to have recently introduced a schools’ specific pay scale. The Forum acknowledged the ultimate decision to take this forward would not necessarily be taken by this group.  Action: Investigate what is required for a school’s specific pay scale.  Confirmed all other actions were addressed in other items within the agenda. | Karen Stone  Simon Pleace |
| 4 | **Update on the Alternative Provision Funding Model**  Celia Buxton presented this item to the SFF. To access the paper click on this link [Item 4 - Update on the Alternative Provision Funding Model](https://www.kelsi.org.uk/__data/assets/pdf_file/0011/96527/Item-4-Update-on-the-Alternative-Provision-Funding-Model.pdf)  The proposals have been developed and refined through a combination of the consultation with schools, and meetings with both head teachers and managers of the PRUs. The proposals set out:   * minor changes to the formula used to devolve all alternative provision funding to districts. The distribution continues to be based on 4 factors: pupil numbers (50%), deprivation (40%), number of looked after children (5%) and English as an additional language (5%). The number of pupils is based on both the PAN and actual pupil numbers (herein referred to as “blended pupil numbers”) to help protect smaller/falling roll schools. * funding for PRUs will be delegated from each district’s budget share and the remaining funding in each district will be devolved to non-selective secondary schools. * the total number of places commissioned by the Local Authority in formal PRUs across the county will total 0.42% of the 11-16 blended pupil population at a rate of £18,000 per commissioned place. This will be delegated directly to the PRUs. Additional places in the PRU will be commissioned directly by district/individual schools. Contracts between the PRUs are encouraged to be a minimum of 3 years to encourage stability. * The terms of the contract including circumstances where funding for an individual school will be reduced if a pupil is permanently excluded or the school does not follow the agreed process.   The Forum worked through the paper, page by page. The Chairman requested members and observers to raise questions or views to each paragraph and appendices of the paper, as appropriate.  Celia Buxton confirmed headteachers had recommended to increase the reduction in funding for permanent exclusions from £18,000 to £21,000 in the first year. Other charges focus on not complying with the agreed process rather than judging whether the exclusion was appropriate or not as it was recognised this would be a subjective judgement and difficult to determine.  There were concerns the proposals could destabilise the PRUs, where the delegated budget has reduced, however it was confirmed schools will have the option to return devolved funding to the PRU through a local arrangement. The proposals were an attempt to create consistency across the county. It was also confirmed the total number of commissioned places for PRUs at the start of the year would be based on 0.42% of the blended number of 11-16 pupils therefore the total number will change each year in line with population growth/reduction across the county and along with the share of places in each district  It was noted the PRUs provide various outreach and short-term placements not just full-time equivalent placements. This is particularly relevant for primary aged pupils who are not included within the distribution of funding. Concerns were also raised regarding out of county placements in PRUs, particularly for those pupils who are resident in Kent but attend another local authority school. It was confirmed all pupils attending PRUs within Kent but resident outside of Kent should be funded by the home authority.  Any funding reductions would be administered in the year of the exclusion and would be limited to the value of the funding devolved therefore selective schools and primaries would not be subject to funding reductions as they do not receive alternative provision funding. The funding reductions were seen as a deterrent. Concerns were raised the funding reductions could limit a school’s ability to fund inclusive practices. Simon Pleace confirmed only 3 schools were due to receive less than £30,000 per year, most allocations were between £150,000-£200,000 with the largest allocation of over £470,000. If a school was left with no funding, it was expected to act collaboratively with others.  Celia confirmed Fair Access would be responsible for gatekeeping the data that would be used to action a funding reduction. It was also acknowledged the process was dependent on the Fair Access having sufficient capacity to attend meetings.  The principle of the model is based on all head teachers acting collaboratively and passing control and funding to schools to make decisions.  The Forum identified an error in Appendix 1 “a reduction of £18,000 at £1,500 per month ~~year~~ thereafter for any pupil who is placed in the PRU.”  The cost of proposals has been capped to the existing budget of £11.5m for alternative provision funded from the high needs block. The local authority has recognised transitional support may be required for PRUs and this would be addressed separately.    The Forum voted and agreed to the proposals on the understanding the following actions would be completed:  Action: Investigate the financial impact on PRUs of supporting Kent pupils attending out of county schools.  Action: A scorecard would be developed and an update on the new arrangements would be presented to the School Forum in September 2020.  Action: The size and application of any transition funding would be confirmed to the Forum as soon as it has been estimated. | Simon Pleace  Stuart Collins  Simon Pleace |
| 5 | **High Needs Update**  Simon Pleace presented this item to the SFF. The slides provided an update to the information provided at the meeting on 3 May 2019 and focused on the initial forecast for 2019-20. To access the presentation, click on this link .  The forecast for 2019-20 was based on actual numbers supported in the first 2 months of the financial year along with an estimated number for future months based on recent trends. The recent unprecedented demand makes any forecast difficult to predict. High Needs pupil numbers are estimated to increase from 9,648 to 10,487 which is a 10.7% (1,019) increase over the coming year. Actual cost of these children is expected to increase from £167.5m to £185.3m, an increase of over 10.7% (£17.8m) from 2018-19 to 2019-20. The average cost of placements also seems to be rising in independent and non-maintained provision although it is unclear whether this is due to market factors, or the complexity of needs being addressed.  Projected 2019-20 in year overspend is approximately £14m and this figure is **after** the 1% transfer from School’s Block to the High Need’s Block and the £3.5m additional funding from the DfE. These overspends are mirrored across the country. There are other local authorities with higher deficits.  This forecast has increased further than reported in the previous meeting. The main reason for the movement is due to the number of pupils being supported in Mainstream increasing at a higher rate than expected, however this is still under budget. There continues to be a rise in both special schools and independent & non-maintained settings. Areas of concerns for Kent are the increases in children going to Independent Schools and Colleges, the costs of these placements and the reduction in children going to Mainstream Schools.  The Forum acknowledged changes in the funding model would be largely dictated by Government policy and any changes will have limited impact in the short term as funding is tied up with many existing children in higher cost independent settings. The impact of the SEN action plan is still working through. |  |
| 6 | **SEND Call for Evidence**  Simon Pleace shared a draft of Kent County Council’s response to the Government’s call for evidence. To access the paper click on this link [Item 6 – SEND Call for evidence](https://www.kelsi.org.uk/__data/assets/pdf_file/0004/96529/Item-6-SEND-Call-for-Evidence.pdf)  The draft response is a combination of both SEN and Finance views. The questions focused on the distribution of funding rather than the total amount of money available to support high needs. Simon Pleace 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 – Mobility should not be ranked 7, to be changed to 6. * Question 7 - there should be no change to the £6,000 threshold * All references to changes to the £6,000 threshold should be removed * A general request to ensure the response kept reiterating the need for more money in the system alongside the acknowledge that the financial burden has arisen from the changes to the code of practice in 2014 and the impact of rising the age from 5-18 to 0-25   ACTION: Simon Pleace to amend the response and to submit on behalf of the Schools’ Funding Forum by 31 July 2019.  The final submission can be accessed here | Simon Pleace |
| 7 | **Analysis of deficits in schools for 2018-19**  Ian Hamilton presented this item to the SFF. The contents of the paper were confidential and was not circulated to members of the SFF by email or published on the SFF site on KELSI. Instead papers were circulated at the meeting and then handed back into the clerk at the end of the item.  Members of SFF were requested to note the contents of the confidential report which they all accordingly complied with.  There were no further actions required resulting from the discussion of the content in the report.  A summary of the overall position in Kent can be accessed here |  |
| 8 | **Self-Assessment**  The Forum agreed to defer this item to the September meeting.  ACTION: To be added to the agenda for the 20 September meeting. | Karen Stone |
| 9 | **DFE Update**  Simon Pleace presented this item to the SFF. In June there was a regional meeting of local authority finance representatives and ESFA representatives. The 2020-21 budget was discussed however the ESFA unable to give any certainty to the arrangements but did suggest the following:   * It is unlikely a multi-year budget would be issued * It is possible the 2020-21 budget will be a “roll-over year” due to the Brexit and leadership changes * A high-level communication is expected before the summer holidays with further detail in late autumn * It is expected the soft national funding formula will continue, along with continuation of the £125m and transfers between school and high needs block.   The ESFA also provided further clarity on the purpose of the DSG recovery plan, as discussed at the previous School’s Forum Meeting in June 2019. The ESFA confirmed they were using the deficit recovery plans as a way of gathering further information on the high needs pressure being experienced by Local Authorities.  The role of the School Resource Management Advisor was also discussed. Ian Hamilton confirmed Kent had been approached by the ESFA and agreed for a SMRA to visit Kent in September 2019. |  |
|  | **SFF meetings - Period June 2018 to August 2020**   |  |  |  | | --- | --- | --- | | Date | Timings | Venue | | 20 September 2019 | 8:00 to 12:00 | MMGDH – ME17 1RE | | 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 | |  |