|  |  |
| --- | --- |
| **Date and time:** | 15/01/20 16:00 pm to 15/01/20 18:00 pm |
| **Present:** | Richard Warnham, Kim Gunn, Paul Jackson, Tim Williams, Steve Avis, Julia Harris, Peter Martin, Clive Mailing, Maria Beaney, Clare Redmond, Kirstin Baker. |
| **Location:** | Strood Academy |
| **Clerk:** | Sarah Phillipson |

Discussion

1. Apologies

Apologies were given and accepted by Jane Shields, Kim Gunn - leaving at 4.30, Ian Chappell, David Watkins (Martin Daniels to attend in his absence) Karen Bennett and Barbara Fincham.

2. Minutes from the Previous Meeting 6th November 2019

**2-1. Accuracy**

All agreed as accurate with amendments to slight spelling errors agreed.

**2-2. Matters Arising.**

Action – *MB to investigate the option of collating a file-sharing system for members – ongoing until arranged using Google Drive links to share large documents.*

Action - *MB to bring the final funding formula figures to the next School's forum meeting. - Completed*

Action – *MB to review the lump sum arrangements to look at reducing this figure in the long term and allow funding to fall in line with the EFSA forecasted figures. – Completed.*

3. Declarations of Interest.

The following members declared an interest in discussions, these members abstained from any voting which was relevant to their declarations:

Richard Warnham, Paul Jackson, Tim Williams, Steve Avis, Peter Martin, Kirstin Baker.

4. Funding Support Business Cases (6 Cases) – Confidential item.

5. 2019-20 Round 2 Monitoring SB Centrally Retained.

MB gave an update on the Centrally Retained Budgets Monitoring forecast on the school’s budget for 2019/20. She explained that the forecast year-end position for 2019/20, as at 31 October 2019, is an overspend of £6,521,000 on the high needs block.

**T**his is an adverse movement of £2m when compared to the round 1 forecast.

The chair noted that there is a statutory obligation to fund these high needs children.

**Centrally Retained Budgets**

MB explained that the Schools’ Forum approved centrally retained budgets of £1,657,367 from the school's block of the DSG which can be grouped into four categories:

* Growth Funding: £1,046,511
* Copyright Licenses: £248,203
* Contingency – Schools in Financial difficulty: £300,000
* Contingency – Other: £62,653

|  |  |  |  |
| --- | --- | --- | --- |
| There is no change to the planned spending on these schemes overall, with overspends balancing underspends. **Central Services Schools Blocks Forecasts** |  |  |  |
| Service | TotalBudget2019-20£ | 2019-20SB retained Services£ | 2019-20Forecast |
| C&A Directorate Management Team | 488,477 | 59,690 | 59,690 |
| Commissioning Management Team | 172,129 | 137,000 | 137,000 |
| Schools Forum Administration | 5,000 | 5,000 | 5,000 |
| SACRE | 15,094 | 15,094 | 15,094 |
| Achieve Officer | 32,623 | 32,623 | 32,623 |
| Admissions and Medway Test – Excluding Appeals. | 373,603 | 373,603 | 373,603 |
| Planning and Review Team | 167,272 | 100,000 | 100,000 |
| Governor Services | £19,990 | £19,990 | £19,990 |
| **Total** | **£1,274,188** | **£743,000** | **£743,000** |

MB advised that there had been overspends but the LA will fund these.

**Q - Governors services what is this for?** A – Education people who provide our governors support service.

**Decision -** The Schools’ Forum noted, commented on this update and agreed the overspend on the DSG would be carried forward and would have the first call on next years DSG. – All voted and agreed.

6. Update on the Dedicated School grant.

MB presented the members with the 2019 - 2020 DSG Allocations explaining that the table below outlines the changes to Medway’s DSG allocation by the ESFA in November 2019.

* Table 1 outlines the allocations before academy deductions.
* Table 2 outlines the LA’s retained allocation after academy deductions.

**Table 1 - 2019-2020 DSG Allocation before** **academy deductions.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Initial Allocation****£m** | **May****Allocation****£m** | **November****Allocation****£m** | **Adjustment****£m** |
| Schools Block | 179.530 | 179.530 | 179.530 | 0 |
| High Needs Block | 37.992 | 38.220 | 38.220 | 0 |
| Early Years Block | 17.023 | 17.023 | 17.224 | 0 |
| CSSB | 0.743 | 0.743 | 0.743 | 0 |
| **Total** | **235.289** | **235.717** | **235.717** | **0** |

**Table 2 - 2019-2020 LA retained DSG allocations after academy deductions.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Initial Allocation****£m** | **May****Allocation****£m** | **November****Allocation****£m** | **Adjustment****£m** |
| Schools Block | 179.530 | 40.582 | 38.940 | (1.642) |
| High Needs Block | 37.992 | 26.611 | 26.508 | (0.103) |
| Early Years Block | 17.023 | 17.023 | 17.224 | 0.201 |
| CSSB | 0.743 | 0.743 | 0.743 | 0 |
| **Total** | **235.289** | **84.959** | **83.415** | **(1.544)** |

She further explained that the LA’s allocation has moved because:

* The Schools Block has reduced by £1.642m due to 2 schools converting to academy status during the year.
* The high needs block has reduced by £0.103m to reflect the additional 18 SEND places commissioned in academies from September 2019 in November 2018.
* The early year's block has increased by £0.201 to reflect this additional uptake of the early year’s hours.

MB presented the Initial 2020 - 2021 DSG Allocation outlining Medway’s initial DSG allocation by the ESFA in December 2019 for 2020-2021.

MB noted to members that the Schools block fund has had an increase from last year of 6.24 %. Early years block as seen an increase of 1.75% and High needs block an increase of 8.5%.

The Schools’ Forum noted and commented on this update.

7. Funding Formula Consultation Feedback.

MD updated the Schools forum on the process agreed as part of the 2019-20 Funding Formula. The basic principles for future Schools and Academies Funding Formula should wherever possible financially mirror the national funding formula and the following recommendation match this apart for the lump sum. These decisions were provisional and subject to consultation with Medway Schools and Academies. The outcome of this consultation was shared noting the following items:

**Consultation for 2020-21**

* The consultation was open from Monday 4th November 2019 to Sunday 24th November 2019.
* The consultation asked for schools and academies to submit their views on 16 questions. All questions were applicable to maintained schools and all but 3 questions were applicable to academies and free schools.
* 27 responses (28%) were received from the 96 eligible schools, not all responders answered all questions and some academies answered the non-academy questions. This compares to the 32 responses received last year and the 33 responses the year before.
* Of the 27 responses, some schools who are part of an academy Trust responded with 1 response on behalf of the trust, if you take these schools into account the number of responses would have been 41. For this report and the data that follows we have only used the number of actual responses (27) received.

**Q - Some schools took their answers as across their academies, and this is not shown in the tables shown so the tables should be altered to show that.** A – Yes, we can do that.

* There has been a small improvement with the number of academy responses received. 52% of this year’s responses were received from academies compared to 50% received last year.

**Q - Question 16? How do you get these scores?** A - It is weighted.

**Q - Ranking of the questions – 75% responding was primary schools but the top 2 important questions were about secondary school funding?** A - It is weighted but also a mixture of answers.

**Q – Medway allocated funding from Government webpage states that for primary schools it is £4370 and secondary it is £5326 - is this roughly what they will be getting? A** - Roughly on average yes.

8. Financial 2020-21 Centrally retained budgets.

MB explained that the Schools Block Dedicated Schools Grant (DSG) funds the budgets delegated to schools/academies (via the funding formula) along with funding retained by the Local Authority (LA) to support schools. From April 2018, the DSG was split into four blocks of funding one of which is the LA’s central services school block (CSSB) funding which requires ratification and approval by the Schools’ Forum.

LAs can only retain funds for the provision of central education services in circumstances which have been set by the Department for Education (DFE); these are known as **Centrally Retained Budgets**.

MB further explained that each year the Schools’ Forum is required to approve the centrally retained budgets and the CSSB funding.

The new CSSB DSG funding is intended to provide funding for LA’s to continue to operate and run their statutory functions and for 2020-21 the DSG allocation awarded is £768,337 broken down as follows:

£373,603 for Co-ordinated Pupil Admissions processes

£5,000 for Schools Forum administration

£389,734 for general statutory duties relating to both maintained schools and academies as per table 1 below.

**Table 1 – How is the CSSB funding spent?**

| Service | TotalBudget2020-21£ | 2020-21SB retained Services£ |
| --- | --- | --- |
| C&A Directorate Management Team | 585,477 | 85,027 |
| Commissioning Management Team | 172,129 | 137,000 |
| Schools Forum Administration | 5,000 | 5,000 |
| SACRE | 15,094 | 15,094 |
| Achieve Officer | 32,623 | 32,623 |
| Admissions and Medway Test – Excluding Appeals. | 373,603 | 373,603 |
| Planning and Review Team | 167,272 | 100,000 |
| Governor Services | £19,990 | £19,990 |
| **Total** | **£1,274,188** | **£768,337** |

2020/21 budgets are shown as gross and remain provisional until they are approved by the LA in February.

MB further noted that any underspends at the year-end will be carried forward to fund the statutory functions of the LA in 2021-2022.

**Q - Why has the C&A Directorate Management Team dropped by £500,000?** A – Because this is for the entire management team. The LA is only asking for the school’s forum to pay £85,000 of this.

**Growth Funding and Pupil Number Variations**

MB presented the paper on growth funding and pupil number variations to the members, explaining that estimated pupil numbers have been used to for the new PAN increases these have also been weighted to take account of the different school and academy funding years.

1. 7/12ths have been used for maintained schools - i.e. September 20 – March 21.
2. 12/12ths have been used for academies - i.e. September 20 – August 21.

Table 3 below shows a number of new school’s places required from September 2020 relating to PAN increases agreed at previous Schools’ Forum meetings. The new class growth funding associated with this group of schools is £660,000.

**Table 3 – On-going Identified School PAN Increase**



New classes are shown in red and highlighted total of 355 (pro-rated to reflect the different financial years) and are reflected in the funding formula proposals.

**Q – The total classes shown is 365 and not 355**? A – There is an adjustment as one is a maintained school and is accounted slightly differently.

**Q – These are new classes coming in which are in their 3rd year of previously agreed funding?** A – Yes.

**Decision -** The ongoing PAN commitments as per table 3 above – All voted and agreed.

Table 4 below shows the new school's places required from September 2020 where the PAN changes have been agreed with the place planning team but have not been to the school's forum before. The new class growth funding associated with this group of schools is £90,000. This includes the bulge year for secondary.

**Q - Bulge classes have a 6% cap, this would affect small schools e.g. If you are a cohort of 120 an extra class won’t affect you if you are 30 Pan and then asked to take another 30 and would be affected in their funding?** A – Yes on secondaries, not so much with primaries, it would be adjusted for the additional.

**Table 4 – New School Places from September 2020.**



**Decision -** The new specified school PAN increase as per table 4 above. – All eligible members voted and agreed. (Those with declarations abstained.)

Table 5 below shows the new school's places required from September 2020 but where the place planning team are still negotiating with schools and the cost associated with this group of school or schools is £118,500.

**Table 5 – Newly unspecified school places.**



The 2020-21 growth fund budget has been allocated at £1,363,500 this compares to the £1,062,631 allocated in 2019/20.

**Decision -** The 1 newly unspecified school PAN increase as per table 5 above and to ratify the Growth fund budget of £1,363,500 for 2020-21. - All eligible members voted and agreed. (Those with declarations abstained.)

**De-Delegated Services**

MB noted that there is a shortlist of budgets that are currently held centrally, these must be delegated to schools/academies through the funding formula in 2020-21. However, the LA can ask the Schools Forum’s approval for them to be ‘de-delegated’ in order for these funds to be pooled centrally and managed by the LA. Any underspends at year-end will be carried forward to De-delegations or to the Schools Block of the Dedicated Schools Grant. De-delegation applies only to mainstream maintained schools (so not academies, special schools or PRUs) as only these schools would benefit from the services that are funded centrally. It is, however, possible for academies, special schools and PRUs to buy into these services as part of the LA’s ‘buy-back’ .

**Decision -** Maintained **Secondary** school members voted and agreed.

* + Trade Union support - £1.45 per pupil for both primary and secondary.
	+ Central Services - £66.00 per pupil for both primary and secondary schools.
	+ Free School Meals - £0.60 per pupil for both primary and secondary.

**Decision -** Maintained **Primary** school members voted and agreed.

* Trade Union support - £1.45 per pupil for both primary and secondary.
* Central Services - £66.00 per pupil for both primary and secondary schools.
* Free School Meals - £0.60 per pupil for both primary and secondary.

9. 2020-21 Schools and academy funding formula

MB presented the report and explained the changes from the provisional formula, the main change is the reduction of the lump sum from £90,000 to £76,000.

**Decision** – All members voted and agreed.

• To transfer £953,622 or 0.5% from the schools block to the high needs block.

• To repay the 2018-19 Schools Block overspend of £797,205.

• Medway’s Final Schools and Academies Funding Formula 2020-21 and to recommend this is reported to the Council’s Cabinet on 4 February 2020 for political approval.

10. Forward Plan.

Members noted that new additional meeting date has been arranged for the 11th February at 4 pm to discuss, arrangements for the education of pupils with SEN, and the schools in financial difficulty funding Policy wording review.

The date of the May meeting was confirmed as 13th May and not the stated 15th May 2020.

11. Date and time of next meeting. – 11th February 2020.

12. AOB

MB noted that David Watkins has asked to share that he is happy with the feedback of the SEND LA Inspection and would like to thank all those who supported.

All Schools forums policies will come back for review in May 2020.

I confirm as Chairman of the school's forum that this is a factual representation of the meeting.

Sign………………

Date ………………

Confidential Minutes

 4. Funding Support Business Cases (6 Cases) – Confidential item.

MB outlined the proposed applications for additional funding under The Schools in Financial Difficulty due to Class sizes policy, stating it was introduced to provide stability for those schools whose numbers in key stage 1 are less than 2/3’s full. £55,000 per class.

Upon reviewing the first school’s business case members noted concerns around the wording of the May 2019 Policies. One example, discussed in detail was felt that the interpretation of this wording and example was confusing. This referred in particular to the 2/3rds of PAN or classroom sizes limits.

**Q – The first school states that their Yr. 1 has a class size of 73 but this isn’t 2/3rds of their PAN of 90?** A - I believe it means 2/3rd full of the third class.

The members discussed that being less than 2/3rd full in the third class would allow a large number of schools to be eligible for this funding e.g. any school with 10 places could then apply. It was felt that there was an error in the policy wording around the 2/3rds and one of the examples given. A member noted that if it was 2/3rd of the third class would give a figure (for a school of a 90 PAN) would be 80 and not the example that was given of 75. MB noted that this was to allow access to the funding for those schools with a 90 PAN.

It was noted that the other examples given in the policy support the 2/3rds of the PAN in the policy. The relevant members noted that believed that they agreed for the policy to state 2/3rd of the total PAN and not classroom.

This matter was discussed in great detail, with members considering the impact of this wording and if it was suitably clear. It was agreed that the examples shown were unclear and could be confusing to schools.

It was noted that if funding was improved under this policy then it would be difficult to alter this in following years.

MB clarified the implications around the decisions of the forum and asked if members needed more information from each school to be able to reach this. The members agreed that they were basing their decisions on the 73 pupils on a PAN of 90 and so they felt that no more information was needed. Members discussed the implications of the rejections based on this factor. MB explained that she would request that the funding costs for this sits within the growth fund and if not used would be added into the funding for next year.

It was noted that 2/3 full on PAN or classroom was the baseline for eligibility to apply, and did not necessarily confirm the additional funding as each school’s case was looked at individually for approval. Schools do have the right to appeal to the LA and David Watkins.

**Action -** May 2019 Schools in Financial Difficulty funding policy – the wording of the examples to be reviewed at the next February 2020 meeting to ensure a clear direction. MB to add to the agenda.

The Members deliberated in detail each school's individual cases based on the May 2019 policy and reached the following decisions:

**4-1. Park Wood Schools Federation - Park Wood Infant School.**

Support is requested for a one-year group at a total cost of £55,000. This is support for last years, Year R class which is moving into year 1 from September 2020. Pupil numbers have recovered sufficiently for September 2020.

Yr. R 85, - Yr. 1 73 and 89 - Yr. 2 Total PAN 247.

**Q - The Policy states that each school can apply for this for each year totalling 3 years?** A – Yes, as long as you reach the guidelines within the policy.

**Q - Did this school get the funding under this policy or the previous ones?** A - It was the previous one 2018.

 **Q – We refused a school recently with 73 under this policy, how can we approve this one?** A – That school had additional funds available.

**Q – Do we consider the reserves?** A – No that is not in our policy to consider, however, the schools can appeal and then that will be investigated.

**Decision -** Members voted and agreed on a No response 8/10 eligible members giving a majority vote of a NO.

**4-2. Oaklands School - Schools in Financial Difficulty case.**

**S**upport is requested for a one-year group at a total cost of £55,000. This is support for last years, year R class which is moving into year 1 from September 2020.

**Decision –** Members voted and agreed to fund YR R class moving into year 1.

**4-3. St Peter's Infant School.**

Support is requested for another Year of support at a total cost of £55,000. This is support for the year R class from September 2020, which only has 19 pupils out of 40. The school is in the process of changing its PAN.

**Decision –** Members voted and agreed for funding for Year R but declined to fund for Year 1.

 **4-4. Luton Infants School.**

Prior year business case, continued support is requested for another year at a total cost of £55,000. This is support for the year R class as it moves into year 1 from September 2020. Year 2 of 3 funding.

**Decision –** Members voted and agreed on a **No** on the funding request.

**Q - Is there a template to fill in for this?** A - There is but it looks like it needs to be updated.

**Action –** MB to update the schools in Financial difficulty funding request form.

**4-5. Hempstead Infants.**

Support is requested for a one-year group at a total cost of £55,000. This is support for last years, Year 1 class which is moving into year 2 from September 2020. Year 3 of 3 year support. Pupil numbers have recovered sufficiently from September 2019. Support was approved in July for the 2018/19 academic year.

**Decision –** Members voted and agreed on a **No** on the funding request.

**4-6. Crest Infant and Nursery School.**

Support is requested for three-year groups at a total cost of £165,000. This is support for last years, Year R class, which is moving into year 1, Year 1 class which is moving into year 2 and the new year R class for September 2020.

Members noted that PAN management by LA had impacted on this process, and they were disappointed that the LA has put this school in this position by refusing to allow the school to alter their PAN numbers.

**Decision –** Members voted and agreed on a **No** on the funding request.

**Action** - MB to write to the school with the reasons for the school forums decisions.

9. 2020-21 Schools and academy funding Formula – Confidential minutes.

### MB reminded members of the previous School Forum meetings and previous papers on this agenda, Members discussed and agreed the following:

* To use a local funding formula which is moving towards the NFF.
* The 9 factors to be included in Medway’s local funding formula.
* To continue to use the Sparsity tapering and lump-sum method.
* Agreed on the pupil number variations - PAN increases.
* Agreed on the Growth Fund payments.
* The Council Statutory Retained Functions.
* The Council pooled school services - De-Delegations.
* To transfer 0.5% of the Schools Block to the High Needs Block.
* To repay the 2018-19 SB overspend from the 2019-20 allocation.
* To use the governments minimum funding guarantees:
	+ A 0.5% year on year baseline per-pupil increase.
	+ Primary Schools will receive £3,750 per pupil and £5,000 for Secondary Schools.
	+ To set an MFG of -1.5% for losing schools.

**Final 2020-21 Schools and Academies Funding Formula**

The confidential break down of each schools funding under this formula was shared (appendix 3) and it was noted that under this formula:

The funding unit costs remain the same as the provisional formulas except for the;

* Lump-Sum which has reduced to £76,050. This is a reduction of £13,950 when compared to the lump sum previously reported to the Schools Forum, but more than last year.
* 74 schools who will gain funding and 22 schools who will lose funding:
* All 22 schools who have lost funding, have seen a reduction in pupil numbers. The budget reductions range from, a reduction of £534 (1 pupil) to £271,620 (83 pupils.)
* 12 schools have gained funding but lost pupils. Each school has seen an increase in the average funding on a per-pupil basis.
* 6 schools have seen increased pupil numbers and funding but will see a reduction in the average funding per pupil. Ranging from £9.09 to 249.20 per pupil.

**2020-21 Schools Block Dedicated Schools Grant (SB DSG)**

MB noted that the Funding Formula is used to distribute the Schools Block element of the DSG to all mainstream schools and academies fairly and transparently.

The total SB allocation available for distribution after allowable deductions is £187,438,191 (£177,569,736 in 2019/20 or an increase of 6.2%) calculated as follows;

Initial Allocation Schools Block £190,724,418

Less: 2020-21 Growth Fund £- 1,535,400

Less: School block 2018-19 repayment £ -797,205 – (overspend of rate bills.)

Less: School block to HN Block Transfer- 0.5% £- 953,622

Total for Allocation in Funding Formula **£187,438,191**

The 2018-19 schools block DSG overspent by £797,205 mainly due to the additional in year NNDR rate adjustments (5 schools totalling £706,000) and other building funding factors (£87,000) funding which had to be paid to schools during the year.

**Q – Did we deduct anything from this year’s schools block to pay for the £797,205?** A – No, this is was a one-off.

**Q Why are we transferring money to the HN Block when we have reported a deficit budget, it feels like we are hiding the full extent of the underfunding?** A – The DfE is not putting pressure on the LA’s to do this, but most are asking their Schools Forums to do this. LA is trying to support the SEND in a small way, even if it is accepted that this is a “drop in the ocean”.

**Decision –** All members voted and agreed to repay the 2018-19 DSG SB overspend of £797,205.

**Decision –** All members voted and agreed to transfer £953,622 or 0.5% from the school’s block to the high needs block.

MB explained that the table below highlights the difference between the DSG School Block allocation provided and how the formula allocates the funding. MB drew members attention to the Growth Fund £1,520,000 and allocated out £2,472,000 and the same for the premises and mobility factors, this is why the pupil funding is not at 100% from the SB DSG allocation.

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| --- | --- | --- | --- |
| Funding Factor |  |  |  |
| **SB DSG Allocation** | **Formula Allocation** | **Variance** |
| **£m** | **£m** | **£m** |
| Pupil Funding | 187.278 | 184.123 | (3.155) |
| Premises and Mobility Factors | 1.917 | 2.383 | 0.466 |
| Growth Fund | 1.529 | 2.472 | 0.943 |
| Block Transfers and other movements | 0 | 1.746 | 1.743 |
| **Total Funding** | **190.724** | **190.724** | **0** |

Additional Information:

* Primary pupil numbers (excluding nursery pupils and PAN variations) have increased from 24,482 in 2019-20 to 24,658 in 2020-21; an increase of 176 pupils.
* Secondary pupil numbers (pre-16) have increased from 16,080 in 2019-20 to 16,473.5 in 2020-21; an increase of 393.5 pupils. The 0.5 represents at least one duel registered pupil.
* In 2020-21 75.84% of funding is distributed through the basic entitlement factor compared to 77.9% in 2019-20.
* In 2020-21 92.89% of funding is distributed through pupil lead factors compared to 93.5% in 2019-20.
* Primary schools will receive at least £3,750 per pupil and £5,000 for secondary schools.

**Q – Total of the pupil funding noted on the table above id £187,278,000 on the school break downs, it has a total of £ 185,597,678 why the difference?** A – This is the growth fund.

**Q – We have worked a lot to get a fair system however, we still have schools that have significant drops in their funding, have you had any conversations with them**? A- The formulas have still got to be approved so we can’t discuss this with them yet, but will advise when we are able to.

**Decision –** Members voted and agreed Medway’s Final Schools and Academies Funding Formula 2020-21, which will then be reported to the Council’s Cabinet on 4 February 2020 for ‘political approval’ as per ESFA instructions.

The next step is for the Funding formula allocations for 2020-21 (i.e. the Schools Block allocation) This will be notified to schools and academies as follows;

28 February 2020: Medway to confirm allocations to schools.

31 March 2020: ESFA to confirm allocations to academies.

 **Confidential Actions Arising**

|  |  |
| --- | --- |
| Action | Complete by |
| **Action -** May 2019 Schools in Financial Difficulty funding policy – the wording of the examples to be reviewed at the next February 2020 meeting to ensure a clear direction. MB to add to the agenda, all members to review in advance and prepare suggested wording.  | MBALL |
| Action – MB to update the schools in Financial difficulty funding request form.  | MB |
| Action - MB to write to the school with the reasons for the school forums decisions. | MB |