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| **Members:** | Peter Martin - Present | Kirstin Barker - Present |
|  | Richard Warnham - Present | Jane Shields –Apologies given. |
|  | Karen Joy – Apologies sent | Julia Harris – No response to invite – No apologies given. |
|  | Paul Jackson - Present | Tim Williams - Present |
|  | Steve Avis – Apologies sent | Karen Bennett - Present |
|  | Clive Mailing - Present | Barbara Fincham - Present |
|  | Clare Redmond. - No response to invite – No apologies given. | Ian Chappell - Present |
| **In attendance:** | Chris Kiernan - Assistant Director of Education and SEND LA.  Maria Beaney – Finance Business partner, LA. | |
| **Clerk:** | Sarah Phillipson | |

**Discussion**

**1. Apologies.**

Steve Avis – Apologies sent and accepted.

Julia Harris – Email mailbox full – may not have received an invite to a virtual meeting.

Karen Joy – Apologies sent and accepted.

Jane Shields – Apologies sent and accepted.

**2. Nominate Chair and Vice-Chair for the next year.**

**All members are eligible to vote.**

Peter Martin proposed himself, and this was seconded by Barbara Fincham.

Ian Chappell proposed himself, and this was seconded by Clive Mailing.

The nominations were discussed, and a member noted that given the current climate it might be positive to continue with the current chair.

Decision - Members voted agreed that Peter Martin remains as a chair, with Ian Chappell becoming the vice-chair.

**3. Declarations of interest.**

It was noted that Richard Warnham is also a governor at Hempstead infant school so he will not be eligible to join in any discussion or vote on any matters concerning this school.

Clive Mailing also noted that he is a governor at St John Fisher so he will not be eligible to join in any discussion or vote on any matters concerning this school.

No changes from the members.

**4. Minutes from the 11th February 2020**

**4-1. Accuracy - All members are eligible to vote.**

The minutes were agreed as accurate noting the item below and members voted to approve.

Slight amendment to Point 9.2 – 19th May should be changed to 20th May.

**4-2. Matters arising.**

None.

**5. Update from the High Needs Subgroup.**

CR explained to the members that the structural budget 19/20 has £ 9 million overspends, which will continue to rise year by year. This overspend is in the top 1% of High Needs block overspend in the country. An overspend in this block is a similar issue with the majority of LA. However, the sheer scale of the problem with the LA (25% overspend on the total overspend) means this is an important area.

CR further explained that the existing 19-point recovery plan had been submitted and was agreed by the DfE, upon review, it has been discovered that this made a limited saving. This plan has now been amended and is in the process of refinement by 2 groups; an officer group which drives a details agenda and actions, this is then reported to Schools Forum High Needs subgroup for feedback.

CR noted that the LA will need to address the overspend as promptly as possible and it will take 3 to 4 years to bring budgets back into balance. This will be achieved by 8 tasks as noted:

**Task 1:** Graduated response to SEN(D) and ensure proper processes for EHCPs. CR stated that Medway has a 12% larger number nationally of EHCPs while showing poor pupil progress within this group. The aim is to ensure robust quality control in this allocation to come in line with the national average.

**Task 2:** Decommissioning and commissioning of schools and resourced provision.

**Task 3:** Reprofiling the range of need in special schools.

CR explained that there also a goal to increase specialist provision within specialist schools and provision within the mainstream. There is currently a shortage of places in specialist provisions and resource provision. This means that the LA must spend more money on out of area educations and there is no evidence that this is more effective in pupil progress or attainment. The aim to reduce this.

CR is looking for LA capital investment in addition to Cornwallis site. Tasks 1 to 3 will make a major contribution to the budget.

**Task 4:** Replace the banding allocations with a ‘Medway matrix’ based on the code of practice.

**Task 5:** Empty places' not to be funded outside spend to save proposals.

**Task 6**: Review centrally funded outreach services with a consideration of moving to a traded model.

CR explained that the LA will transfer the centrally funded outreach services, to a trading service and risk assess those schools who provide this service to see if they are willing to pay for it.

**Task 7:** Visit all out of area places to check VFM, safety and compliance. CR noted that he will set up consultants to complete an audit of independent placements, to ensure the services offered are good value for money.

**Task 8:** Seek schools forum approval of a 1 per cent disapplication from the ISB for 2021/22. (0.5% is the current figure) This gives a £950,000 saving.

**Q – Will you be refusing those who need an EHCPs?** A - The criteria will be strict, and thresholds adhered to robustly. The EHCPs will still be issued.

The chair noted that Medway also houses London families. CR commented that this is a social issue and the EHCPs are not necessarily higher within this group of people.

**Q - Money spend sending out provision is this around £7m?** A – CR confirmed this was approximate. This could give a possible £3m saving from the out of area expenditure. It was noted that it is very difficult to get children back into local provision once they are out.

**Q - Who will fund out these consultants?** A – CR explained that this will come out of the LA budget. It was confirmed that the consultants must save more money than they cost.

The members noted that these tasks will mean that schools will be expected to have more children with SEND complex needs, while also reducing the funding (0.5% reduction from 20/21 budget). CR responded by stating that it is not a question of refusing EHCPs, as they will continue, simply not at the current level. The schools should be inclusive of any extra SEND needs and will be supported. The aim is for this to come into place 21/22 school year.

**Action -** CR noted as this was a concern for the Schools Forum and agreed to review the movement in and out of Medway of SEND children and bring back his findings to the next meeting.

MB noted that 20/21 budget has been repaying a previous overspend of schools’ block of £800,000. This will not be in the 21/22 budget so there is already a saving there. As part of the growth funding, there was a protection for the schools for 3 years, the Schools in Financial difficulty due to over class size Fund, this will also come to an end.

**Q – Bearing in mind the current issues with Covid 19 and possible extra spending can this be deferred to the following years 22/23?** A – The funding issues are so significate. There will be a DfE contribution to fund extra expenditure for schools. This will be taken into consideration.

**Q – Talked about other aspects of bringing our children back into schools. Will the LA invest in the capital budgets of specialist needs buildings?** A – The LA will be reviewing its proposal for capital spends.

A member noted that it is key to look at specialist resources in Medway, specialist schools, resources provision in schools and new places in specialist schools. The children with complex care and education needs will be hit the hardest.

**6.School Forum Governance Review.**

MB updated the governors on the School Forum governance review document. MB explained that item 3.9 of the document states that a member ceases to be a member when their term of office (3 years) comes to an end if they resign, or no longer occupy the office they became eligible for election. For example;

• a secondary schools member must stand down if their school converts to an academy.

• a schools member representing community primary school governors who are no longer a governor of a community primary school.

Members agreed that none had to resign, however, Kim Gunn had left the academy Leigh trust as Headteacher representative from the secondary academy. This position will now go out to tender to representatives of the Medway Secondary heads group (MSHA) and this will Include the grammar school streams.

A member noted that the election could be shared via Tina Lovey who is the chair of MSHA.

A member offered Rivermead Inclusive trust conference area if a venue is needed free of charge.

All members agreed that they did not need to resign.

**Action –** MB to request Tina Lovey chair of MSHA share the nomination and election of the secondary academy head presentative role on the Schools Forum.

MB went on to note to the members the following points from the documents.

**Procedures.**

* Quorum: a meeting is only quorate if 40% (7 for Medway) of the current membership excluding vacancies and observers is present. If a meeting is inquorate it can proceed but it cannot legally make decisions but can give views to the local authority.
* Election of a chair: if the position of chair falls vacant the Schools Forum must decide how long the term of office of the next chair will be. This can be for any period, but the Schools Forum should consider carefully whether a period exceeding two years is sensible. The Schools Forum must elect a chair from amongst its own members, but it cannot be an elected member or officer of the local authority.
* It is not legal for the chair to take a decision on behalf of the Schools Forum, no matter how urgent. However, a Schools Forum may wish to put in place a procedure for the chair to give the local authority a view on an urgent issue.
* Schools Forums can also appoint to a position of vice-chair to provide cover if the chair is absent or the post vacant and again appoint a term of office.
* Voting procedures: A Schools Forum may determine its voting procedures save that voting on:
  + The funding formula is limited to schools’ members, academies members and PVI representatives.
  + De-delegation is limited to the specific primary and secondary phase of maintained schools’ members.
  + Retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, secondary, special and PRU members.
  + Decisions are made on a simple majority of the threshold to be set if higher.
* Substitutes: The local authority may decide to enable substitutes to attend and vote (where appropriate) at Schools Forum meetings. This applies to schools’ members, academies members and non-schools’ members as well if agreed in advance.

MB noted that she has updated the school's forum website and noted that as the meetings are currently virtual any member of the public can attend but will have to email the LA and request a link to the meeting. This person will not be able to join any discussions.

Appendix 1 was explained to be a review of the schools’ forum. Highlighted was the issue around sending the paperwork out a week in advance to all members.

**Q - Concerning urgent decisions, can these be done via email/conference call?** A - MB agreed this could happen and it would be recorded in the minutes that this would be sent out via email/conference calls.

**7. Verbal Report – Outturn position pending final report in June 2020.**

MB explained to the members the DEG outturn report cannot be produced until the main report has gone to the Cabinet and council. Instead, MB gave a verbal update noting the following points:

* Overspend on funding which sits on the high needs block of the DSG is £9.184 million.
* Overspend on the schools’ block which relates to 18/19 and this sum has already been paid off in 20/21 -however, it still is shown in the report.
* Slight overspend on the early years block by £300,000. This is LAG funding due to the early years count being completed three times per year, the third being in May but not shown until the following financial year. This is not unusual.
* Central services block is as previously reported.

The detailed report will come once published from Cabinet.

**8. Schools 2019-20 Outturn and Reserves Report. See confidential minutes.**

**9. Schools Forum Policy Review.**

MB noted these policies will be used in the 21/22 financial year.

**The Medway Scheme for Financing Schools.**

There are no planned changes to the scheme and the Schools Forum was asked to ratify the scheme for the next financial year as per appendix 1.

MB noted that she will be altering the policy during the year to change the maximum roll forward to exclude ringfenced grants and tighten the criteria regarding the use of LA payroll. Both will need schools to consult upon these and will be brought to a later meeting for ratification.

**Decision –** The maintained school members voted and agreed on the proposed Medway Scheme for Financing Schools policy.

**The Growth Fund Policy.**

MB explained that the growth fund policy was first introduced in 2012 and was last reviewed in 2019 and must be reviewed and approved each year.

Medway’s policy effectively offers schools three protections for each new class opened it:

1) Guarantees pupil numbers.

2) Offers a yearly lump sum of £6,000 for each year a new class is opened if the new class is funded through the funding formula.

3) Offers a yearly lump sum of £61,000 (£55,000 plus point 2 above) for each year a new class is opened if the new class is not funded through the funding formula.

The Schools Forum was asked to approve the Schools Growth Fund Policy as per appendix 2.

It was noted that item 3.1 the second sentence needs to be reviewed as the wording is poor. It was suggested to rewrite this item. It was also suggested that item 4.2 The school will receive 2 x £60k = £160k, this is incorrect and needs to be reviewed.

**Decision -** All mainstream members voted and agreed on the policy with the noted amendments.

**The Schools in Financial Difficulty due to Pan Class Sizes Policy.**

MB explained that at the Schools Forum meeting of 15th January 2020, 6 schools applied for funding support under the Schools in Financial Difficulty policy, of which 2 were approved and 4 were rejected. Members felt there was some confusion around the policy and agreed to review the policy. In February 2020, the remaining 4 schools funding claims were approved.

The Schools in Financial Difficulty policy was first introduced in 2018 after a year of discussion and amendments to the policy by members. The policy was reviewed and updated in May 2019 before the change in School Forum membership.

The policy criteria states:

• Those schools who cannot reduce their published admissions numbers due to statutory school class sizes in key stage 1 i.e. years R, 1 and 2.

• Where the place planning team determine there is a requirement for a minimum percentage of the surplus places within the next three years and cannot enter into a local area amendment arrangement? Especially where the school has requested to reduce their PAN or enter into a local agreement which has been denied by the LA.

• Schools must submit a business case for approval by the Schools Forum in November so it can be discussed at the January Schools Forum meeting with funding starting from September. I.e. submit a business case in November 2020, Schools Forum approval in January 2021 with funding to start from September 2021. Where business cases are rejected, schools will be told why.

• The school does not receive pupil growth funding support for new classes.

• This funding is not intended to support schools who fall into financial difficulties through budget mismanagement.

• A school will not be eligible or will stop being eligible for funding if the class is more than 2 thirds fall. I.e. 21 for a PAN of 30, 41 for a PAN of 60, 75 for a PAN of 90.

Membership of the Schools Forum has changed since the introduction of the policy and most of the history behind this policy and the changes have been lost. Previous Schools Forum minutes state:

*“****Sept 2018 Minutes note 6****. Ratify the schools in financial difficulty policy note:*

*MB gave a summary of the policy including the requested changes to the policy following the last meeting.*

*The cut-off point was discussed and noted to be a max of 80 pupils or 2/3. It was felt this should be made clear in the policy.*

*Members felt that the policy should show all form entry numbers and maximum pupils for each form. (This is based on the October census day figures.)*

*It was discussed whether this policy could negate the LA place PAN planning ongoing issues. It was felt that in the future there should be better transparency regarding where the hotpots are and where there is a need to keep capacity.*

*The LA stated they have agreed the reduced Sept 2020 PAN numbers to go through at school places level.*

*It was made clear that this policy allows schools to present a business case to the Schools Forum.*

*Decision: All members voted and agreed on the policy based on the changes above “*

Note the 80 pupils were changed to 74 at another meeting.

And

“***15th May 2019 minutes*** *The Schools in Financial Difficulty due to Pan Class Sizes Policy note:*

*MB explained that The Schools in Financial Difficulty policy was first introduced in 2018 after a year of discussion. The policy offers temporary protection to schools who must open a new class with very few pupils because of the maximum class sizes in key stage 3.*

*In 2018, a £300,000 budget allocated to the policy and has been fully spent. A similar amount was allocated for 2019-20 and is expected to be fully spent as well.*

*The ESFA has reviewed this policy and would like the Schools Forum to consider adding the highlighted section at the bottom of the policy and other cosmetic changes are highlighted in yellow in section 3.3. (See pre-read paperwork appendix 3.) Attached above.*

*Decision – All members voted and agreed to approve the policy amendment section 3.3 “A school or academy will receive £55,000 per class per year. The £55,000 will be pro-rated against the maximum PAN. “Example: A school has 21 pupils on roll from a PAN of 30 = £55,000 / 30 \* (30-21) = £16,500.*

*A school has 42 pupils on roll from a PAN of 60 = £0.*

*A school has 74 pupils on roll from a PAN of 90 = £55,000 / 30 \* (90 -74) = £29,300.”*

MB further noted that all 4 of the business cases the Schools Forum members rejected were for schools who have a PAN of 90 based on the two-thirds fall criteria. However, by applying the two-thirds criteria rather than the 74 pupils (67%) these schools would never meet the criteria. This goes against the aim of the policy which was to help support schools who have to open one or more classes because of the maximum key stage 1 class size.

Therefore, the LA would like to propose the following changes are made to the policy and are highlighted in blue in appendix 3:

• A school will not be eligible or will stop being eligible for funding if the class is more than 2 thirds full of schools who have a PAN of 60 or less across key stage 1. I.e. 21 for a PAN of 30, 41 for a PAN of 60.

• A school will not be eligible or will stop being eligible for funding if the class is more than 67% full of schools who have a PAN of 90 across key stage 1. I.e. 75 for a PAN of 90.

• Medway Council’s director of education will determine if a school meets the eligibility criteria set by the policy.

• A school or academy will receive £3,750 per pupil up to a maximum of £55,000 to match the government’s minimum funding guarantee.

4.8 The 4 schools whose business cases which were rejected, resubmitted in February and have now been approved.

4.9 Please see appendix 3 for the revised policy and appendix 4 which show the impact of this policy. The Schools Forum is asked to approve the Policy as per appendix 3. ( 2018 Policy)

The members robustly challenged and questioned the fairness of this policy, noting that it was biased towards 3 form entry, and was still unclear.

Members questioned why 75% of the schools who have come to ask for support have been 3 form entry when this is not the majority of schools in Medway. MB noted that these schools are holding spare spaces for future provision.

The members noted that the policy could list the backgrounds to the school and what actions they had put in place to address their issue. It was also suggested that a percentage of additional children over the PAN could be used instead of the two-thirds exampled.

It was further suggested to remove the criteria figures and two-thirds reference and stipulate that the LA will determine if the school meets the eligibility criteria set by the policy. If so they will then bring their cases to the school's forum to review on a one to one basis. MB agreed to review the policy again.

Noted - Karen Bennett left the meeting 15.19.

**9. Funding Support Business Cases – None planned.**

**10. The Forward Plan 2020-21.**

MB noted that for the next financial year there will be either 4 to 6 face to face meetings or 2 to 4 if virtual.

MB asked if the members required any additional agenda items.

It was agreed on the following amendments:

* The outcomes for the High Needs budget discussions need to be added to the July meeting date.
* Item 6 - The School improvements - should move from the July meeting to the Sept meeting.

**11. AOB** – None.

**12. Date and time of next meetings:**

22nd July 2020.

23rd September 2020.

04th November 2020.

13th January 2021.

The chair thanked members for their attendance.

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

Sign………………

Date ………………

**CONFIDENTIAL MINUTES.**

**8. Schools 2019-20 Outturn and Reserves Report – Confidential minutes.**

MB explained to the members that the Medway Scheme for Financing Schools outlines the maximum carry forward reserves for any maintained schools as follows:

• Revenue - 8% of their total yearly grant income (I01, I02, I03, I05 and I08)

• Capital – a school must spend their annual Devolved Formula Capital Funding (DFC) and any brought forward balances within three years.

**The 2019-20 Year-End Schools’ Revenue and Capital Reserve Balances**

MB further explained that as of 31st March 2020, there were 29 maintained schools with revenue reserve balances totaling £2.246m; which is a reduction of £0.380m or 14% from the previous year. Appendix A showed the level of school reserves for the last three years.

As of 31st March 2020, the capital reserve balances at the end of the 2019-20 financial year were £0.583, which is a reduction of £0.572m from the previous year. Again, Appendix A showed the level of school reserves for the last three years.

2 schools converted to academy status during the year, Halling Primary and Wainscott Primary.

There are 2 schools currently shown as in deficit. Crest Primary and St John Fisher, however both deficits as of 31st March 2020, have been caused by mis postings into the school or LA accounts. Once corrected these cash deficits should be resolved and back into surplus. 5 schools will be/ are working closely with the Schools Finance Team to address potential deficits which may arise in 2020-21 or are already in an agreed deficit recovery plan.

8 schools had higher than permitted revenue reserves totaling £0.173m. These are highlighted in green and each school will provide a brief explanation of why they are above the maximum limit in section 3.

School Explanations and commentary - See confidential appendix tabled for the meeting.

The Schools Forum was asked to note the position on schools’ balances for 2019-20 and vote on whether to claw back funding on the 11 schools that were over the maximum carry forward limits.

MB outlined each schools case noting:

* Abbey Court.

Is holding reserves of just under £49,000 due to rural activity center built and it is not complete before the end of the financial year, and so did not make the venue cost.

**Decision -** Members voted and agreed to carry the budget over.

* Burnt Oak.

Is holding £10,000 of reserves due to holding Mellor money until the end of the financial year.

Q - Is this correct as it is understood that Elaine Primary holds the finance for Mellor? A – They may have held this at the end of the financial year and passed it over.

A member asked if in the future the Mellor could hold its own budget so that it is not detrimental to the school holding the funding. MB noted that she would have to consult to schools to change the policy but agreed that she would be happy to propose this.

**Decision -** Members voted and agreed to carry the budget over.

* Hempstead infants.

This is due to staffing pay roles across both schools and funding for those members only sitting in one school (budget codes issue between the infant and juniors). If the school's budgets were together, they would be under the limit for funding.

**Decision -** Members voted and agreed to carry the budget over.

* Horsted school and New Road primary.

Both are holding school improvement budget which was given as a grant and due to delays in work and can currently not use.

**Decision -** Members voted and agreed to carry the budget over.

* St Helens C of E.

Capital fund for building works currently has construction delays.

**Decision** -Members voted and agreed to carry the budget over.

* St Nicholas C of E and St Peters C of E.

Both will be changing PANs from one/two form infants to a one form primary. This will mean they have a gap year where they lose funding. (noted this will stop the schools needed to come to the schools’ forum for additional funding)

**Decision -** Members voted and agreed to carry the budget over.

**Decision** – The maintained and academy members voted on whether to enact the revenue claw back for those schools noted, who were over the maximum carry forward limits. All voted and agreed to allow the schools to carry forward the budget as outlined above.

**Decision -** The maintained and academy members voted on whether to enact the capital claw back for those schools who were over the maximum carry forward limits. All voted and agreed to allow the schools to carry forward the budget as outlined above.