



Surrey Schools Forum draft minutes of meeting Tuesday 14 May 2024 1pm on Teams

Approved by Chair, subject to approval by Schools Forum at meeting of 2 July 2024

Present

Chair

Jack Mayhew Learning Partners MAT Academy member

Joint Vice-Chairs

Kate Keane (from item 7) Ewell Grove Primary Primary Head
Justin Price Freemantles School Special school head

Other school and academy members:

Donna Harwood-Duffy	Dorking Nursery school	Maintained nursery sch rep
Clare McConnell	Bisley Primary School	Maintained primary Head
Zoe Johnson-Walker	The Winston Churchill School	Maintained secondary head
Nick Elliott	NE secondary SSS	PRU head
Jo Vigar	Charlwood Primary School	Maintained primary governor
Chris Hamilton	Portesbery School	Maintained special sc govnr
Ben Bartlett	Hinchley Wood Learning Partnership	Academy member
Sir Andrew Carter	South Farnham Educ Trust	Academy member
Elaine Cooper	SWAN academy trust	Academy member
Jo Hastings	Ottershaw Infant and Junior	Academy member
Karyn Hing	Westfield School	Academy member
Kerry Oakley	Carrington School	Academy member
Sue Wardlow	Greensand MAT	Academy member
John Winter	Weydon MAT	Academy member

Non-school members

Sarah Porter Private, voluntary and independent nurseries
Folasadi Afolabi Unions: Education Joint Committee
Tamsin Honeybourne Unions: Education Joint Committee
Matthew Rixson Guildford Diocese (Church of England)

Local Authority Officers

Julia Katherine (JK)	Director–Education and Lifelong Learning
Carol Savedra (CS)	Assistant Director-SEND, Education, Early Years
Carrie Traill (CT)	Head of Education
Mike Singleton (MS)	Service manager: place planning /commissioning
Kay Goodacre (KG)	Strategic Finance Business Partner (CFLL)
David Green (DG)	Senior Finance Business Partner (Schools Funding)

1 Welcome, Introductions and Apologies for Absence

Apologies had been received from:

Sarah Kober	Lumen Learning Trust	Academy member
David Euridge	Inclusive Education Trust	AP academy member
James Kibble	Arundel and Brighton Diocese	
Christine Ricketts	Post 16 providers	

The Chair welcomed new members (Chris Hamilton and Jo Vigar) and two observers from St Martin’s CE Primary School.

2 Declarations of interest for this meeting and register

There were no declarations of interest.

3 Minutes of previous meeting (9 January 2024)

Accuracy

The minutes of the previous meeting were agreed as accurate.

Matters arising (not covered elsewhere on the agenda)

DG reported that the LA had not submitted a disapplication request to DfE in respect of Cranleigh Primary School (recent academy converter).

4 Update on final schools budgets for 2024/25 including final units of resource for mainstream and early years providers, and special schools/PRU inflation

DG summarised funding decisions since the January schools forum meeting. The final ceiling on per pupil gains for mainstream schools was 6.57% (compared to 5.01% estimated at January meeting). £0.8m was transferred from growth fund to support the formula, as proposed at that meeting. Surrey’s application to transfer 1% of NFF funding to high needs block was approved by the DfE at the end of February 2024. Top up rates for special schools have been inflated by 2.14% plus £214 in lieu of inflation on place funding. This was equivalent to an overall increase of 2% across all funding streams, because other funding streams were not inflated. Top up rates for PRUs had been inflated by 4%, equivalent to an increase of 2% in overall funding.

The LA had made a new pay offer to support staff, with increases at grades PS3-6 exceeding those previously proposed.

Members commented that the 1% transfer of school funds to high needs under the safety valve remained a challenge to schools and one which would continue for several years and which was causing tremendous hardship. One member described the 2024/25 settlement as probably the toughest he could remember; although the ceiling was 6.5% many schools were seeing funding increases of 0.5% (NB this is for schools on minimum funding guarantee or MPPL) compared to cost increases of around 5%. This was a cause of considerable tension.

The Chair saw the challenges as probably the worst he had known, affecting provision, jobs and staff stress. Officers would take the message away.

JK recognised the impact of the increased support staff pay offer. The issue had been discussed with special school headteachers. Further work was being done to assess the impact, and an update would be provided at the July meeting.

The Chair noted that support staff deserved the pay increase, but that it couldn't be afforded and was likely to mean redundancies. Members recognised the essential role of support staff in schools and that support staff reductions would hit the quality of education, both locally and nationally. The Chair summarised that all recognised the challenges.

5 Update on DFE funding announcements if any

There were no updates.

6 DSG outturn 2023/24

a) Context

Julia Katherine summarised recent EHCP trends in Surrey: EHCP numbers had been rising year on year since 2015 nationally, and in Surrey until the latest year, when there had been a slight fall. Much effort had been made to improve early intervention and support, including the Learners' Single Point of Access (LSPA) to provide timely advice and support for parents, guidance for schools on ordinarily available provision, and the Team Around the School approach of multidisciplinary support for early intervention. Further work was planned to scale up the Team Around the School intervention and there had been additional funding from the council to strengthen the early intervention and support offer. EHCP requests were not expected to revert to earlier levels, as schools could access more support without seeking EHCPs. However, there had been a recent increase in EHCPs being finalised due to the success of the EHCP recovery work, which was expected to restore EHCP timeliness to above national levels (Around 60% meeting target) by the end of May. She recognised that the recovery work had temporarily put extra pressure both on schools and the high needs block.

The SEND capital programme had been intended to reduce use of NMI special schools, which were often at high cost and not close to home. In practice although there had been a large increase in the number of state special school places, usage of NMI schools had not fallen, though it had not increased further.

Members noted that action had been taken towards the challenge (of NMI usage) even if it had not had as much impact as had been desired, and that it was the first time a fall in the number of EHCPs had been seen. They argued that schools would need more funding to deliver early intervention if children were to make progress and to keep up the momentum. Members would welcome discussions as to whether the safety valve agreement could be renegotiated.

Members welcomed the suggestion that more information would be made available at the July meeting.

Members asked how much progress had been made on educating Surrey children closer to home, rather than outside Surrey, and the impact on home to school transport costs. JK advised that while NMI school placements had not reduced, it was estimated that the increase in state special school places had saved over £27m compared to placing those pupils in NMIs. Members noted that while the number of pupils in NMI placements was not falling as had been hoped, the LA had worked hard to provide extra maintained places but demand for special school places had increased; there are more children with complex SEND.

JK noted that the LA was nearly halfway through the planned SEND and AP capital programme. Approximately 1000 additional places had already been added and around another 1000 are planned. Costs, however had increased and therefore work is underway, with a paper going back to Cabinet to consider how the SEND and AP capital programme can be delivered within the available resources. She emphasised the importance of the programme in achieving the safety valve agreement commitments. Forum members thought it would be encouraging if the council found additional funding to deliver all of the planned places.

The Forum asked for a further update on NMI usage in July and for a regular item on NMI usage. A further update on the SEND capital programme would also be given at the July meeting (Action for JK).

b) Detailed outturn

DG summarised the DSG outturn, a net deficit of £31.4m against estimated DSG income for the year, before additional safety valve funding from the DfE. This compared to a net planned deficit of £32.8m before safety valve funding.

Schools block

Schools block had been underspent by £1.6m, of which £1.465m was growth fund. There was an overspend of £0.1m on schools' delegated allocations, largely due to the impact of academy conversions, offset by underspends on various de-delegated services, partly where they had not been reduced in year for academy conversions.

Central schools services block

Central schools services block had been underspent by £0.282m, of which £100,000 was due to the allocation for Inclusion Innovation working group initiatives not being spent (funded indirectly by DSG). Carol Savedra proposed that this sum should be carried forward. These were school driven inclusion projects, partners had self funded the work done so far, but it was now necessary to look externally to deliver the remainder of the projects.

The Chair recalled previous Schools Forum discussions of, and support for, the inclusion innovation working group priorities of neurodiversity, autism and phase transition. It was noted that many schools had engaged with the work of the group.

The Forum supported the proposed carry forward.

High needs block

This block showed an overspend of £1.031m against budget, but the overspend was in line with the safety valve agreement taking both 2022/23 and 2023/24 together. Although the cost of state special schools had increased (reflecting new provision) the cost of NMI placements had also increased. It had always been expected that the deficit (and the cost of independent school placements) would continue to increase in the first few years of the safety valve agreement, before falling, however it was important not to underestimate the challenge of delivering the safety valve agreement. Placement patterns had differed from original budgets and budgets had not been fully realigned during the year to reflect that.

The Chair noted that high needs budgets were a national struggle.

One member asked whether the Labour party proposal to impose standard rate VAT on independent school fees would incur additional costs for the council. It should not, because the council was able to recover VAT.

Another member noted the £1.3m net underspend on DSG and asked whether all of that was being held against the high needs block or whether some could be released for other purposes. KG replied that the DFE saw the DSG balance as a single sum and expected that underspends and overspends would be netted off. The council had been reporting separate DSG block balances and carrying them forward for future decisions, but some of these were committed under the safety valve agreement. It was recognised that the net underspend in 2023/24 was over and above the existing safety valve commitment. The member asked whether the underspend needed automatically to be used to offset high needs block overspends or whether there was an opportunity for it to be used in other ways and what was the role of the Forum in respect of the issue.

A table had been provided showing comparisons of high needs block spending over the last three years. Members noted the increase in NMI special school costs, but that the increase would have been greater still had the number of state special school places not increased.

Early years block

There had been a small overall underspend in early years (approx. £0.4m).

The maintained nursery rep noted the underspends of £61,000 on early years pupil premium and £54,000 on Disability Access fund (DAF), and argued that that meant that funding was not reaching those who needed it most. She asked what else could be done to support those children, and she sought assurances that the funding was being used. Carol Savedra advised that EYPP and DAF funding were separate amounts within DSG, based on demographic data. The LA had obtained DFE permission to use DAF underspends on 2 year olds eligible for EIF. Takeup of funded entitlement by disadvantaged children was a key priority for Surrey. It was estimated that 50% of funded two year olds would be eligible for EYPP in Surrey.

7 Notional SEN funding and possible additional funding for schools where the incidence of SEN is high relative to their additional needs funding

JK explained that the paper covered two key issues

- a) Aligning Surrey's notional SEND budgets with the national average
- b) Whether to allow any additional funding for a small number of schools where a disproportionate number of pupils require SEN funding.

Schools were required to self-fund up to the first £6,000 of additional support from within core budgets. LAs were required to review notional SEND budgets annually. Historically Surrey had defined a lower percentage of formula factors as notional SEN than the national average. The Forum had previously supported moving to the national average over two years. The LA now proposed to implement the second stage increase in 2025/26 as planned. This did not mean additional funding for schools but a higher proportion being spent on SEN.

Schools were expected to use the notional SEND budget to fund the first £6000 per EHCP plus an amount for children on SEN support. There was a small number of schools where the cost of the first £6000 per EHCP exceeded the notional SEND budget. Five schools were estimated to be in this position, reducing to two if the notional SEND factors were raised to national average. However, these figures were based on modelling data and the number of schools affected may have increased during the year as more EHCPs have been finalised.

DFE recognises that formula-based notional SEN budgets will not cover the expected SEND costs in all schools and encourages LAs to consider whether additional SEND funding should be made available to a small minority of schools. If so, the distribution method should be simple and transparent.

The Forum was asked for a view on whether additional funding should be allocated. Officers suggested that the Forum should consider the issue annually. If the Forum supported the allocation of additional funding, detailed proposals could be brought to the July meeting.

If Schools Forum's view was that additional funding should be allocated, officers recommended that funding was based on EHCP numbers, as there was no external validation of numbers of pupils on SEN support, and funding based on numbers of pupils on SEN support could have unintended consequences.

Surrey had had a mechanism for distributing additional funding prior to 2021, but it ceased following concerns that it was not targeting the highest need schools.

One school had requested retrospective funding. Officers did not recommend support as there could be significant pressure on the budget if retrospective funding was considered.

Members noted that provision of additional SEND funding was not a decision for the Forum, but that the Forum could express a view.

Members noted that in infant schools there were often children who clearly needed an EHCP but who did not secure an EHCP until they had been in the school for some time, because of the need for the school to gather and submit evidence, via a graduated 'plan, do, review' response, over time, which could take most of year R. Could this be taken into account in any funding distribution? Officers would consider the position of infant schools in modelling.

In January the Forum had agreed additional funding to support children in year R who had received additional support in nursery, where they clearly needed additional support but might not need it in the long term. This was to be implemented from September 2024 and then evaluated. The LA no longer had a backlog of assessments, so schools should no longer have long waits for assessments. One member noted that the additional funding for year R was a pilot, and only applied where a school had three or more pupils in the category, and thus would not apply to all schools.

CS explained that reception inclusion pathway planning leads were now in place, who would work between nursery and year R to provide support in the assessment period.

One member noted that some schools had a high incidence of pupils on SEN support because they successfully held pupils at that level without needing EHCPs. There was a need to consider whether this was successful and the practice needed to be encouraged if it was successful.

The Forum:

- **Supported moving notional SEN budget factors to the national average in 2025/26**
- **Supported the allocation of additional funding to schools with disproportionately high incidence of SEN, noting specifically the impact on infant schools of using EHCPs alone as a measure, suggesting that use of EHCPs alone might be a challenge**
- **Agreed to review the issue annually.**

8 Falling rolls funding 2025/26

Mike Singleton presented this item. The majority of primary schools with falling rolls would not be eligible for support, because their pupil numbers were not expected to rise within the next 3-5 years. The report set out possible options for supporting eligible schools; a formula, specific costs, or a mixture. An example was shared of a planning area where one school had seen a drop in numbers which might be reversed over the next few years due to growth in the area.

It was noted that funding allocated for falling rolls was funding which could not be allocated through the main funding formula.

The Forum supported continuation of the existing special case of falling rolls funding (specific school relocated to new housing development).

The Forum supported preparation of proposals for more general use of falling rolls funding for the July meeting.

9 Proposal for additional exceptional premises factor for schools with listed buildings incurring disproportionate energy and maintenance costs (Reigate Priory Junior School)

Carrie Traill presented this item. The Forum was asked to support an application to the DfE for an exceptional premises factor to provide extra funding to a school occupying a listed building, from 2025/26 and retrospectively for 2024/25. Listed building costs were on the DfE's list of (optional) eligible exceptional premises factors. It had originally been intended that the school would be in a new building in September 2024. Part of the school was a grade 1 listed building, which was impractical for education. The listed status meant that any improvements in energy efficiency would be very expensive and even then the building would not be fit for purpose as a school. The school's energy costs were within the top 10% nationally. For other schools with costs that high we would be looking at capital works. A sum of £39k pa was proposed. If it was approved, DfE would fund through DSG in future years. The costs involved were revenue costs, unrelated to any capital works, and thus could not be capitalised.

The Chair noted that the sum requested was relatively small.

Members expressed concern at the potential for a continuing commitment and suggested that additional funding might reduce the urgency of moving the school. The future of the school depended on a Cabinet decision. It would be possible for the Forum to support for a limited period only (note: if approved, DfE would fund from 2026/27 anyway).

Officers had not identified any other grade 1 (or indeed grade 2) listed buildings occupied by Surrey schools, so the application would not set a precedent.

One member asked whether there was an opportunity to mitigate falling rolls by taking the listed building out of use. CT replied that there might be a surplus of one form of entry in the area, but this school had five, and a reduction of 1 form would not be sufficient for the listed building not to be required. Thus no change was not an option.

The Forum supported the proposal, on the basis that it was a temporary measure.

10 Surrey schools and early years consultation

DG summarised various routine items to be included in the autumn schools funding consultation paper. The purpose of the item was to allow the Forum to suggest proposals which they wanted officers to develop for consideration at the July meeting.

The proposals would include how to release 1% of school funding for the high needs block transfer, levels of minimum funding guarantee and ceiling, and whether to continue to maintain lump sums in excess of the NFF. DG also drew attention to possible anomalies with sparsity funding where very small schools saw an increase in pupil numbers.

Proposals for de-delegation would cover the same services as in 2024/25.

Carol Savedra noted that the large expansion in funded early years entitlement from April 2024 and Sept 2024 made it difficult to formulate proposals for 2025/26 yet. So far 4474 Surrey parents had been verified as eligible for the two year old working parent entitlement, 500 more than the original DFE estimate (around £3m in grant). Codes for the 9 month entitlement had only been available since May 12. Therefore at this point it was too early to estimate available funding for EIF etc for two year olds (or younger children). She proposed to share proposals for 2025/26 at the July meeting.

DfE would publish 2025/26 early years funding rates for 2025/26 in December 2024. LAs would then have 8 weeks to advise providers of hourly rates, despite the level of demand uncertainty due to the new offers.

11 Review of mainstream SEN banding changes

CS reported that 2,769 children were transitioned onto the new bands in 2023/24. There were challenges from 15 schools, of which 4 led to changes. 1,726 children were expected to transition in September 2024; these were the remaining primary children. Funding rates had increased by 2% from April 2024.

A mid year review had been undertaken with a working group of headteachers with whom officers had worked throughout the development, plus a few others. The group had thought that transition, implementation and banding had gone well, but had raised concerns that funding was inadequate, that funding and funding information were not timely and that funding levels were often lower than indicated by the descriptors.

Members asked how many appeals had resulted in the outcome which the school had originally asked for. CS would provide this information for the July meeting.

The Chair described the timeliness of finance as a huge issue.

12 Proposed changes to the Surrey Scheme for Financing

Schools: leases

DG noted that the proposed changes meant that schools would no longer need to consult the LA when leasing items on the DfE 's new approved list. Maintained schools reps on the Forum had the right of approval of changes to the Scheme.

The Forum approved the proposed changes to the Scheme for Financing Schools.

13 Schools Forum issues

Election of Chair and Vice-chairs

The new Chair and Vice-Chairs would take office after the 2 July meeting. Nominations to David Green by email please, preferably using the form circulated with the papers.

The Chair and Justin Price confirmed that they were both willing to stand again.

Future meetings

Next meeting (2 July) to be in person.

Dates of meetings for 2024/25 school year were on the agenda,

14 Other business

Ben Bartlett asked what happened when a maintained school ran out of funds and whether Schools Forum had a role in that situation and what Schools Forum could do to help. The Chair suggested that Schools Forum might have a role in the overall risk management of the system, eg impact of demographic change.

The issue would be added to the July agenda.

Meeting ended 3.00pm

Date of next meeting

Tuesday 2 July 2024, "In person" meeting, venue Guildford Pavilion.