



Surrey Schools Forum Minutes of Meeting

Wednesday 11 May 2022 1.00pm Virtual Meeting on TEAMS

Approved by members at the meeting on 28 June 2022

Present

Chair

Rhona Barnfield Howard of Effingham School Academy member

Joint Vice Chairs

Kate Keane Ewell Grove Primary Primary Head

Justin Price Freemantles School Special school head

Other school and academy members:

Donna Harwood-Duffy Dorking Nursery Maintained nursery head

Katie Aldred Bagshot Infant Primary head

Susan Chrysanthou Furzefield Primary Primary head

Clare McConnell Bisley CE Primary Primary Head

Paul Jackson NW secondary PRU PRU representative

Geoffrey Hackett Burpham Primary Primary governor

Steph Neale St Pauls Catholic Primary Primary governor

Fred Greaves Oakwood School Secondary governor

Lisa Kent Manor Mead and Walton Leigh Schools (special governor)

Elaine Cooper SWAN academy trust Academy member

Jo Hastings Ottershaw Infant and Junior Academy member

Karyn Hing Westfield School Academy member

Paul Kinder Warlingham School Academy member*

Jack Mayhew Learning partners MAT Academy member

Kerry Oakley Carrington School Academy member

Susan Wardlow Reigate School Academy member

Neil Miller Bramley Oak Academy Special academy member

Non school members

Sarah Porter Private, voluntary and independent nurseries

Benedicte Symcox Family Voice Surrey*

Local Authority Officers

Liz Mills (LM) Director–Education and Lifelong Learning

Jane Winterbone Assistant Director-Education

Carrie Traill Service manager for Education

Eamonn Gilbert (EG) Assistant Director (Commissioning)

Daniel Peattie Strategic Finance Business Partner

Louise Lawson (LL) Deputy Strategic Finance Business Partner

Sarah Bryan New deputy strategic finance business partner

David Green (DG) Senior Finance Business Partner (Schools Funding)

*part of meeting only

1 Welcome, Introductions and Apologies for Absence

Apologies:

Matthew Armstrong-Harris Rodborough Academy member

David Euridge	Reigate Valley/Wey Valley (AP academy member)
Christine Ricketts	Post 16 provider
Matthew Rixson	Guildford Diocese (Church of England)
Joe Dunne	Arundel and Brighton Diocese (RC)

2 Declarations of interest (where not self-evident)

The Chair reminded members to continue to keep the register up to date. The Chair reminded members that she was CEO of an academy trust which included three special academies (relevant to item 10).

3a Minutes of previous meeting on 14 January 2022

Amend Jack Mayhew's academy trust to Learning Partnerships MAT.

There were no matters arising

3b Notes of workshop meeting 25 March 2022

The notes were agreed as accurate. There were no matters arising.

4 Final school and early years funding decisions for 2022/23

DG summarised decisions on 2022/23 funding rates for schools and early years providers taken after the 14 January meeting.

The ceiling on gains in the mainstream formula had been set at 3.90% (slightly lower than the 3.92% previously reported).

Of the 17p increase in the DfE 3 /4 year old funding rate, 9p had been added to the basic rate and the equivalent of 8p/hr had been added into the intervention fund. This did not mean that any specific funding rate within the intervention fund would increase by 8p/hour.

Members expressed concern at the late confirmation of the early years funding rates, which had caused difficulties for PVI providers in particular. They asked that rates could be confirmed earlier in future. LM noted that the LA needed to strike a balance between timely notification of funding rates and managing the risk of setting rates based on incomplete information.

Members also questioned the basis of the hourly rate for 2 year olds being lower than that provided by the DfE. They suggested that not all of the funding for two year olds was being passed through to providers, as had been proposed in the autumn consultation. DG explained that Surrey funded providers for more two year old hours (based on termly counts) than the DfE funded Surrey for (based on January census only). Therefore Surrey could not afford to fund providers at the DfE's hourly rate. Historically, in funding providers at the DfE hourly rate, Surrey had overspent on two year olds annually, and Surrey was not allowed to plan to do this. Surrey was still planning to pass on the whole of the funding to providers, and was not proposing to spend any centrally.

Officers were asked to provide a simple explanation of the setting of the two year old rates for providers. Carol Savedra would be asked to do this. **Action: DG to contact Carol Savedra**

5 Dedicated Schools Grant (DSG) outturn 2021/22

DG summarised the DSG outturn for 2021/22. There had been an overall overspend of £33.9m against 2021/22 DSG (before safety valve grant), made up of an overspend of £35.3m on high needs block and an underspend of £1.4m on other blocks, after adjusting for £791,000 of expected additional early years grant in the year end adjustment.

Schools block (underspend of £930,000 made up of £574,000 against 2021/22 DSG and £356,000 against underspends brought forward)

The main variations were:

- An underspend of £564,000 against growth fund, where budget had to be set on estimates of growth, some of which did not materialise;
- An underspend of £156,000 against de-delegated primary school contingency (none of the contingency had been used). DG advised that in previous years, this underspend had been recycled back to schools in future years. However, in 2023/24 it was proposed not to recycle, but not to de-delegate either and simply to carry forward the underspend as a contingency. The overall impact on maintained primary schools would be the same.
- Underspend of £88,000 on new redundancies (very much a demand led budget).

Central schools services block (underspend of £48,000)

This was made up of a number of small variations.

Early years block (underspend of £791,000 against estimated final grant allocation)

- £476,000 underspend against 3-4 year old funding formula;
- £535,000 underspend against early intervention fund;
- £188,000 overspend against budgets for centrally provided services;
- £29,000 overspend on 2 year olds.

DG noted that the overspend on 2 year olds had been relatively small in 2021/22 due to the use of termly counts by the DfE for funding Surrey in that year only.

One member asked whether it was a cause for concern that the budgets for centrally provided services had been overspent whereas other funding for three and four year olds had been underspent. LM emphasised that the centrally provided services still supported providers and children. A high demand for services had been seen in the pandemic and the decision had been taken to meet those needs. Setting provider budgets was difficult because of uncertainty over demand and the need to use different census dates to fund providers than DfE used to fund Surrey. If provider funding rates were set too high, they would be unsustainable in future years. Members noted that the “COVID gap” in development had been particularly high in early years.

Members noted the underspend on the early intervention fund and contrasted this with known high levels of need. However, another member noted that many providers had been wholly or partly closed during part of 2021/22 and thus the outturn may not have reflected underlying need. Another member suggested that early years phase council may need to promote the early intervention fund more.

High needs block

LL advised that the high needs block overspend had been £200,000 higher than the December forecast (and the safety valve estimate) and £11m higher than the original budget, due largely to the full year effect of additional placements and placement changes. £26m of cost containment measures had been delivered by working together.

LM commented that the LA had had stretch targets, including moving children back from out of county placements into local placements with a package of support. Local placements made monitoring safeguarding issues much easier, but the changes required the agreement of families. The schools community had supported change (eg new specialist places) and there had been much progress on transition to adulthood eg apprenticeships and other employment routes. The capital programme would also drive better value, reducing the need to use independent placements, with their much higher unit costs.

Not all cost containment targets had been met. In particular, placement breakdown was an issue, particularly during the year, which frequently led to new placements in the independent sector, which had cost £7m in 2021/22. There was a need to work more closely with schools to maintain placements. The LA may have overestimated possible cost savings from the “coming home” project.

The way in which children’s needs were met had to change, with increasing emphasis on developing early help and early intervention, including specialist teaching, changing some expectations and changing the way we worked with partners. For example, an EHCP should not be necessary in order to secure speech and language therapy, and an EHCP was often seen by partner organisations as needed for children with trauma or mental health needs, where often it was not appropriate.

One member requested the number of children in each category of placement, suggesting that this would emphasise the need for change. **Action for LL to supply**

Another member requested details of the percentage overspend in each of the listed categories. **Action for LL to supply.**

The Inclusion Innovation group was being reconvened and would look particularly at supporting professionals to understand placement breakdown.

Increased spending on FE colleges, apprenticeships and preparation for adulthood had meant savings in NMI placements. A rigorous approach had been adopted to requests for cost increases by NMI providers, and more attention was being given to recovering funding where pupils were not attending NMI provision. There had also been a significant increase in income from health, and the need for health contributions was automatically considered for pupils in bands S5, 6 and 7 in special schools. Pupils with continuing health needs should not have those needs fully supported through education funding and health bodies needed to be aware of continuing health needs which would need to be supported once the EHCP ended.

One member noted that sometimes NMI placements could be good value for children with very complex needs, even though they were expensive.

LM suggested that more work may be needed to increase awareness of the details of Surrey's SEND transformation plan.

6 Update on DfE funding consultations

a) Hard or direct NFF consultation

DG summarised the potential impact on Surrey of the DfE decisions following the hard NFF consultation:

- Formula funding for looked after children would have to cease (£150,992 in 2022/23) Pupil premium plus for looked after children would remain unchanged
- Lump sums in the Surrey formula were currently above the NFF and thus would need to be reduced. The actual reduction required would depend on the difference between Surrey's lump sum and the 2023/24 NFF lump sum. Members requested further details of the likely reduction. (In 2022/23 the proposed 10% reduction in the difference between Surrey lump sum and NFF would have meant a £290 reduction in the primary lump sum and a £948 reduction in the secondary lump sum, but both would have been partly offset by increased basic entitlement funding and the total funding delegated to schools as a whole would not have been reduced)
- DfE would standardise funding of growth and of split sites to an extent to be determined.
- DfE was proposing to standardise the way in which notional SEN funding was defined (but had set no timescale for this)

DG suggested that, as mainstream formula funding for looked after children would cease, consideration might be given to removing such funding from special schools, as it had been given to special schools on grounds of equity (NB total cost £43,500 in 2021/22). Special schools reps thought special schools should keep the funding they had, as they were not subject to an NFF. It was noted that this was not a decision for the Schools Forum.

b) SEND Green Paper

LM advised that the consultation response deadline had now been extended to 22 July. The LA would respond, and would liaise with the Association of Directors of Children's Services and the County Council Network. The proposed changes were expected to take some time, but there would be only one opportunity to influence the changes and it was important to seize it. There were proposals to standardise the EHCP threshold, whereas currently every LA had its own, but a national threshold would need to take into account variation in costs across the country. The Chair asked that the LA response could be shared with Schools Forum members. **Action for LM**

The Chair commented that any attempt at national prescription was difficult but applauded the ambition.

LM saw the general direction of the Green Paper as consistent with local direction, eg regarding alternative provision.

There was a clause in the safety valve agreement which allowed either side to revisit it in the case of substantial national changes.

While the Green Paper suggested nationally set banding across the country for high need pupils, DfE had advised Surrey to continue with local developments, as any national model would take some time to develop. We might wish to put forward some locally developed models.

One member expressed concern that a national banding/funding system could be a lowest common denominator and that, as with the 2014 changes, huge amounts could be spent on administration (eg rewriting EHCPs) which could be better spent on meeting children's needs.

7 DSG management plan updates

a) Summary Reminder of safety valve agreement

DP reminded the Forum that the DfE required the LA to maintain a DSG management plan, with a five year projection of DSG, and to share it with Schools Forum. The safety valve agreement was based on the (then) latest version of the template. The plan would be updated periodically, and updates would be shared with the Forum.

The agreement included a transfer of funds from Schools Block to high needs block. The Secretary of State had approved the agreement, but the LA would still have to apply annually for the block transfer, even though the Secretary of State ought to be supportive because it was in the agreement.

The LA had asked for flexibility over the minimum per pupil funding level (MPPL) as part of the agreement, but DfE had given no specific commitment on that point.

b) Impact on school funding for 2023/24: transfer from schools block to high needs block

The paper illustrated various methods of delivering a 1% transfer from schools to high needs, via smaller increases in formula rates, minimum funding guarantee etc.

DG noted that 30% of Surrey mainstream schools were in receipt of MPPL funding and that, if MPPL funding could not be varied, this meant a smaller number of schools bearing the cost of the proposed block transfer, and thus individually bearing a higher cost. Schools on MPPL were generally large schools, because MPPL took the lump sum into account. He proposed that, in the autumn consultation, schools should be consulted on options for distributing the 1% schools contribution, including whether or not the MPPL should be varied. Recent previous (smaller) block transfer requests had not included proposals for MPPL variations, but the larger transfer now proposed would have a much greater impact on non MPPL schools if MPPL were not varied. For example a large secondary school not on MPPL might lose £111,000 from a 1% block transfer if the MPPL were not varied, but only £97,300 if the MPPL were varied, but a similar large secondary school on MPPL would lose £97,300 if MPPL were varied, and none if it was not.

Members suggested that the Forum should consider whether maintaining MPPL was a point of principle, but also how to protect the most vulnerable schools.

Members asked that the 1% contribution be distributed in such a way as to reduce the impact on those schools facing the greater risks, eg energy costs and recruitment challenges, and on deprived schools. DG noted that discrimination between schools was only possible where it could be based on formula factors. Members noted that information on surplus balances might be useful but was incomplete because many schools were academies. The Chair suggested that any proposal to the Secretary of State needed to be simple if it was to have a chance of being approved.

Members asked how other LAs had implemented block transfers and whether they had varied MPPL. LM was happy to ask. **Action for LM**

LM sought a consensus from Forum on what went into the consultation paper. The Chair noted that there would be another opportunity to discuss the proposals in June.

8 Mainstream banding review update (this was taken after item 9)

Eamonn Gilbert advised that it was intended that a consultation proposal could now be shared with all schools in July, for response by the end of September. The aim was agreement in time for schools to know funding arrangements before the 15 February key stage transfer deadline. The working group favoured a two year implementation timescale. Full implementation in September 2023 was seen as being too demanding, but maintaining dual systems for an extended period was not favoured.

The working group had been keen to move away from staff hours as a measure of funding, and on greater emphasis on outcomes and pupil progress, allowing more flexible use of staff. Hours per year, rather than per week, might allow greater flexibility. Annual reviews could then concentrate on whether outcomes had been delivered, rather than specific hours.

Mainstream support was not formally banded at present.

Band 0 would cover pupils whose needs should be covered by what was “ordinarily available”, ie with no attached additional funding. Separately, work was being done on what should be “ordinarily available” to or within a mainstream school.

A system of need descriptors would support the new bandings, with criteria for each band across four need areas. Mini working groups were developing those descriptors. A similar approach had been used in the special schools banding review.

The needs descriptors would be a guide to the level of funding to propose to a school. Assignment of bandings would not just be a formula.

Top up funding for pupils in SEN Centres was within the scope of the review. Place funding for centres would be unaffected.

Implementation of the special schools review had required the agreement of all special schools. Agreement was needed on what level of support would be needed for mainstream changes, as the number of schools was much larger and it would be unlikely that all (356) mainstream schools would support. For example, would majority support be binding on all, or would dual systems be necessary with schools not agreeing to change being allowed to remain on existing arrangements?

One member argued that, where a pupil clearly needed an EHCP, a school should not be required to demonstrate first that it had spent £10,000 on that child and that that had not been sufficient, which delayed the issue of an EHCP and provision of associated support.

Members noted that often schools were finding it impossible to recruit TA's to fulfil EHCP requirements and were having to look at alternative solutions.

The Chair noted that for schools with SEN Centres, and for some others with high incidence of SEN, the banding review could affect a significant proportion of the overall budget. Therefore schools would need to consider the banding review in the context of wider funding changes. Should the consultation timescale be aligned with that of the wider funding consultation?

EG proposed presentations at phase councils. He saw it as part of the working group's role to raise the profile of the changes. He hoped to be able to share detailed proposals with the Forum on 28 June.

Members asked that business managers should be briefed.

The PRU representative noted that PRUs generally did not receive IPSB funding and that where pupils in receipt of IPSB were temporarily placed in PRUs, the mainstream school generally retained the IPSB. EG noted that PRU funding rates were much higher than those in mainstream schools but agreed to look at the issue. **Action for EG**

Another member asked whether additional funding would still be available for pupils with extreme short term needs, currently provided from IPSB.

9 Other mainstream funding issues for 2023/24: items for consultation paper

Add early years to items to be covered.

De-delegation was already included.

Any other suggestions to be sent to DG after the meeting. **Action: all members**

LM wanted to share information on specialist teachers and REMA before the consultation and asked whether this should be done at June Schools Forum, or via alternative routes.

One member asked for further information on funding available for Afghan and Ukrainian refugees, suggesting that West Sussex had better arrangements in place. LM was happy to contact West Sussex **Action for LM**

The Chair noted that the government had not been fast in providing details of financial support for LAs for Ukrainians and that some schools were finding it difficult to accept Ukrainian refugees. She urged all colleagues and all schools to work together effectively to help as there was a moral imperative to help. LM noted that there was a countywide group working on the issue, and that the number of children being offered places varied across the county.

One member suggested that de-delegation of funding could provide a pool of expertise to assist. LM noted a demand for other services eg ESOL courses in colleges.

10 Special schools inflation funding proposals for 2022/23

EG noted that LAs were expected to set funding levels for special schools locally, supporting the schools but also managing their high needs block deficits. The LA had written to special schools proposing a 2.5% increase (costing £1.6m). He recognised that the current climate was challenging, but the LA could not increase the HNB deficit in order to raise special school funding.

Placement breakdown was still a major cost pressure, leading to increased use of NMI's either because Surrey didn't have maintained placements available or because the pupils' needs required more specialist provision.

Members reported feedback from special schools colleagues of a general level of disappointment, arguing that over three years mainstream schools had seen an increase of 12% whereas special schools had seen only 4.5%. The government had stated that schools had been funded for teacher pay increases but special schools had not. Special schools might be able to use reserves once, but that would not be a solution if inflation continued. Additionally, inflation provision should include residential provision.

EG recognised that use of surplus balances was not a long term solution. It had been mentioned specifically in respect of energy costs, which were expected to be short term. Any school facing an unsustainable deficit had been invited to discuss.

Members commented that it would be difficult for maintained special schools to present their provision as the best, or to deliver expansions, win tribunals, and retain the most challenging pupils, if their budgets were under greater pressure.

LM recognised that there were pressures on special school budgets and the need to work together, but emphasised that mainstream and special schools funding was not like for like. Schools would be supported to meet higher pupil need through banding changes. The majority of maintained mainstream and special schools had seen an increase in surplus at a time when the LA had seen an increase in the high needs block deficit. The LA had offered to consider the circumstances of individual schools which were genuinely facing a deficit.

As part of safety valve discussions, the DfE had asked Surrey to reduce its special school top up rates. The LA was not doing this, except for a few outliers. The LA would not be investing large capital sums in its special schools if it did not believe in the provision it had. £500,000 had been allocated for

implementation of the SEND banding review. The LA saw special schools as part of the solution, but all parts of the high needs budget had to work together.

The Chair noted the challenges of setting special schools' budgets but also the constraints of the high needs block.

11 Schools Forum business

Date of next meeting Tuesday 28 June 2022

To include:

- Items for autumn consultation paper
- Update from EG on mainstream banding working group
- Update on inclusion innovation fund

Please contact DG with any other suggestions.

A decision on whether to hold a real meeting would be taken nearer the time.

12 Any other business

None

Meeting ended 3.30pm

Date of next meeting **Tuesday 28 June 2022** 1pm, virtual