



Papers for Surrey Schools Forum 10 November 2020

(Items 4b, 4c, 10 and 12)

**Item 4b
Surrey Schools Forum
10 November 2020
For discussion**

Schools Forum Sub Group - High Needs Block Dedicated Schools Grant

Terms of Reference

Key Purpose of the Group

To develop a greater depth of understanding in terms of the HNB financial position and associated trends in growth and needs types to inform sustainable planning and play an enhanced role in the Schools Forum and/or SEND Partnership.

Provide system leadership to inspire change and support the development and delivery of solutions to ensure services and support can be delivered within a sustainable high needs block and the agreed SEND Partnership Strategy.

To inform recovery planning and strategy proposals to manage the current deficit.

The group will work together to find solutions and provide expertise on how best to collectively make effective provision for high needs pupils within the available funding and deliver desired outcomes for children.

The group is likely to meet between November 2020 and June 2021 with specific delivery objectives. Then to be reviewed and recommendations to be formed in respect of the next steps.

Scope of the Group

Funding of High Needs placements and services in Surrey. Effective utilisation of High Needs Block funding within Surrey to ensure the optimum delivery of outcomes within the available financial envelope. Specifically to focus on inclusion across the county to ensure all schools are fully inclusive and supported to make provision for a greater number of children with additional needs through effective SEN support arrangements.

Suggested Project areas:

1. Key Stage Transfer – a wholly maintained schools approach to placement
2. Alternative approaches to alternative provision (linked to existing Alternative Provision Strategy)

3. Increasing inclusion in mainstream schools – building on our best practice (linked to Whole School SEND and the Autism strategy delivery), to define and measure inclusivity to drive consistency of practice.
4. Changing our approach to EHCPs, moving from a lifelong plan approach to a plan that supports the meeting of specific needs and goals
5. Banding review part 2 – SEN Units and IPSB, reviewing devolved models of delivery with effective target setting and to deliver better value.
6. Undertake action research to inform evidence based practice

Governance

In keeping with DfE guidance the group will report to both Schools Forum and the Surrey SEND Partnership Board.

Responsibility & Accountability

Report to Schools Forum on the HNB position and deficit recovery plan for 2021.

This group is in addition to the current boards and will provide focussed systemic leadership on managing the deficit. It is anticipated that detailed project work will take place outside of the meetings of the group and build where ever possible on existing projects and work.

To review practice elsewhere and build on best practice in the Surrey system.

To develop a narrative to strengthen lobbying and understanding of the pressures in this SEND area at a national and regional level.

To undertake the work in accordance with the principles, objectives and outcomes stated in the SEND Partnership Strategy.

To be brave, propose new things, break old cycles, challenge the convention and change the system, in order to move towards improved outcomes for children and a sustainable future.

Agenda and items for each meeting will be provided in advance.

Membership & Roles

Members will be experienced and influential system leaders able to shape and drive change in line with the purposes of this group:

1. Rhona Barnfield, Chair of Schools Forum
2. Liz Mills, Director for Education, Lifelong Learning and Culture
3. Sandra Morrison or Sandra Bingham – Vulnerable Learners AD
4. Alix Cordell – Consultant leading on Alternative Provision
5. Louise Ling – SM Education
6. Eamonn Gilbert – AD SEND Commissioning
7. Ellen Mulvihill – SAFE Rep
8. Primary Rep -
9. Secondary Rep –

10. AP Rep -
11. Special Phase Rep –
12. FE rep – Jayne Dickinson
13. EY Rep –
14. Health Rep – Nicola Dykes
15. Project support - David Green

Meeting Frequency - It is anticipated that this group will meet virtually on a monthly basis and then be reviewed.

Surrey County Council Dedicated Schools Grant (DSG) Recovery Plan

SUMMARY OF ISSUE:

This paper sets out and summarises the information contained within the current Dedicated Schools Grant (DSG) deficit recovery plan for the Council.

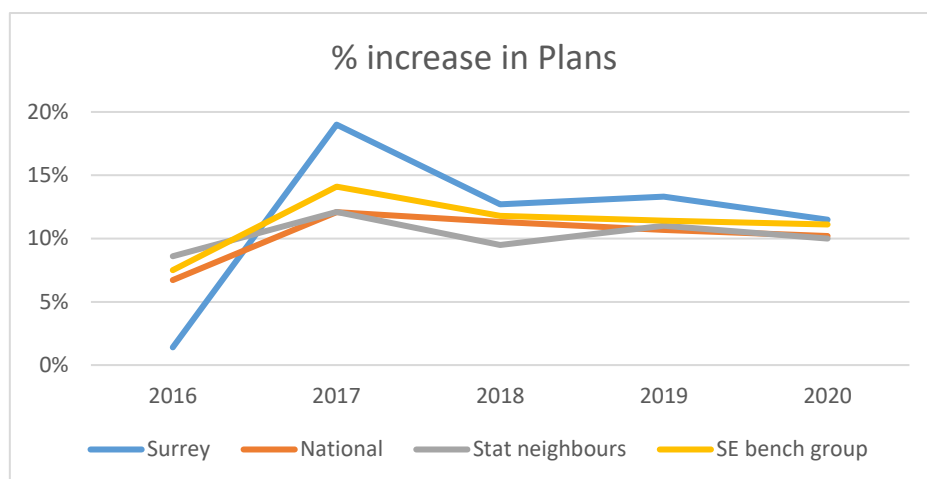
Sharing the deficit recovery plan with Schools Forum is a requirement before submitting a disapplication request.

Details:

Overview

1. The demand for Special Educational Needs Disabilities (SEND) provision has increased significantly since 2015 due to increased demand resulting from the legislative changes brought about by the Children & Families Act and the SEND Regulations, 2014 and SEND Code of Practice, 2015 which extended the age range of Statements of Special Educational Needs and EHCPs from 0-25 years. Since the first year of this extension the number of young people aged 20-25 has increased by over 1000% to now account for around 5% of all EHCPs.
2. Since that revised guidance came into effect, Surrey has seen the number of EHCPs increase by between 11-18% each year. This has caused a significant increase in demand at a time without comparable increases in funding allocations.

Chart 1: Increase in EHCPs over the previous 5 years



3. Surrey has experienced a significant increase in the number of children and young people with complex SEND in the past 4 years. Although the percentage increase in growth of Education, Health and Care Plans (EHCPs)

has slowed in recent years, Surrey’s growth in EHCPs is still higher when compared to the national picture, statistical neighbours and the South East benchmarking group. On average, Surrey’s EHCP growth has been 12% since 2016 – nearly two percentage points higher on average than its statistical neighbours.

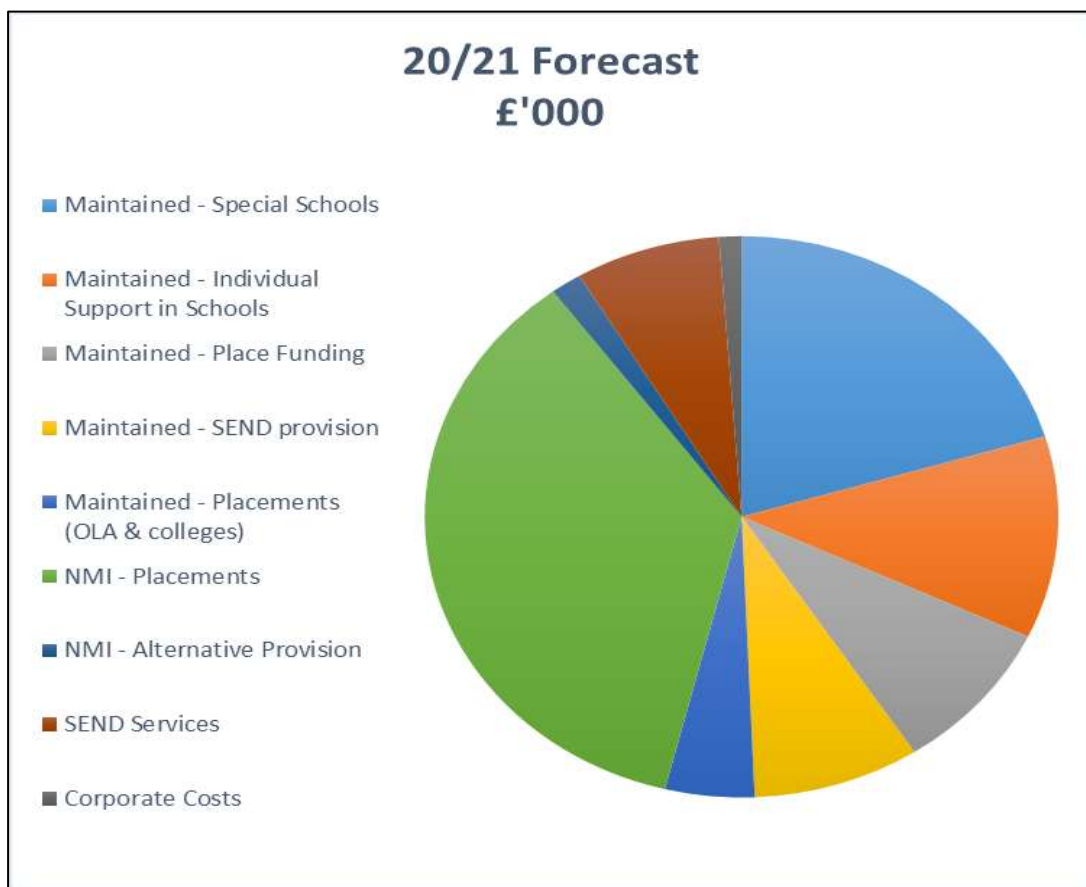
4. Autism (also referred to as ASC) has been the most prevalent primary need in Surrey since 2015. The rate of ASC growth continues to be almost double that of the growth rate for Moderate Learning Difficulties (MLD) and Social Emotional and Mental Health needs (SEMH), which are the next two highest areas of need in the county. On average, ASC has grown by 32% in Surrey over the last 4 years and continues to trend upwards.
5. Whilst the demand has increase over this period, the funding levels have not done so at a comparable rate. Table 1 below shows the year on year increases in funding within the High Needs Block (HNB). Despite some higher year increases, the rate is overall significantly below the increase in demand.

Table 1: Year on year High Needs Block funding growth

	2016/17	2017/18	2018/19	2019/20	2020/21
% year on year increase	1.75%	12.00%	4.16%	1.68%	8.61%

6. The combination of such significant increase in demand and lower rates of funding increase have resulted in an unsustainable financial position.
7. Pressure within the HNB is not unique to Surrey with authorities across the Country lobbying the DfE for support in this area. The DfE HNB Benchmarking tool highlights some key areas Surrey is spending more than other authorities. These are set out in more detail later in this report. When considering benchmarking data, it is important to remember that other authorities are also in a position of financial pressure and so should not necessarily be considered financially stable in the longer term. Altering costs to match others would not necessarily result in creating a financially stable position if demand continues to grow at current rates.
8. Within the 20/21 financial year the Council is forecasting to spend £192m on the HNB. Chart 2 shows the areas of spend where this will take place (figures are in appendix D).

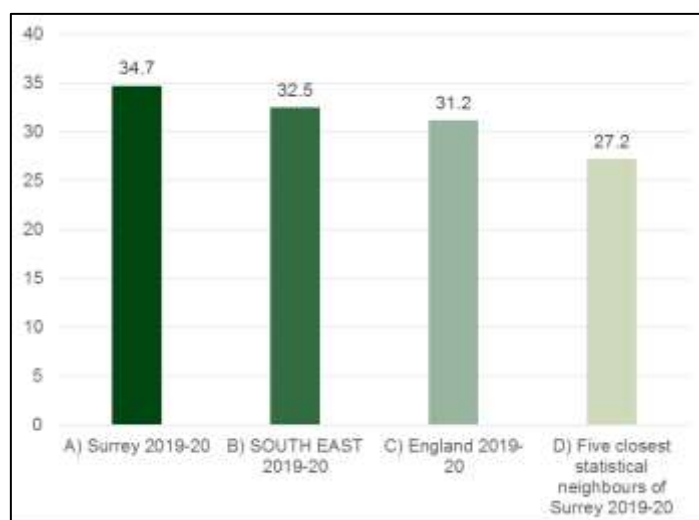
Chart 2: High Needs Block expenditure areas (please see Appendix D for figures)



Other factors causing financial pressures

9. Whilst Surrey has a high number of EHCPs compared to national and local comparators, they are not so much higher than other authorities to explain the disparity in HNB position. Chart 3, from the DfE template, below shows the number of EHCPs in Surrey for 2019/20. This therefore suggests that there are other factors driving the level of DSG HNB spend. For example;
 - a. Significantly higher spend on Non Maintained Independent (NMI) schools
 - b. High levels of top up funding, in particular within NMIs and Alternative Provision
 - c. An imbalance of expenditure between top up funding and core place funding, with a higher proportion within top up compared to other authorities.

Chart 3: Number of Children aged up to 25 with SEN statement or EHCP (per 1,000 of 2-18 population)



10. In order to both address the current annual operating deficit and create a financially sustainable service in the future, the ongoing strategies are focused on addressing these areas to bring Council expenditure more in line with other authorities.

Future Strategy Themes

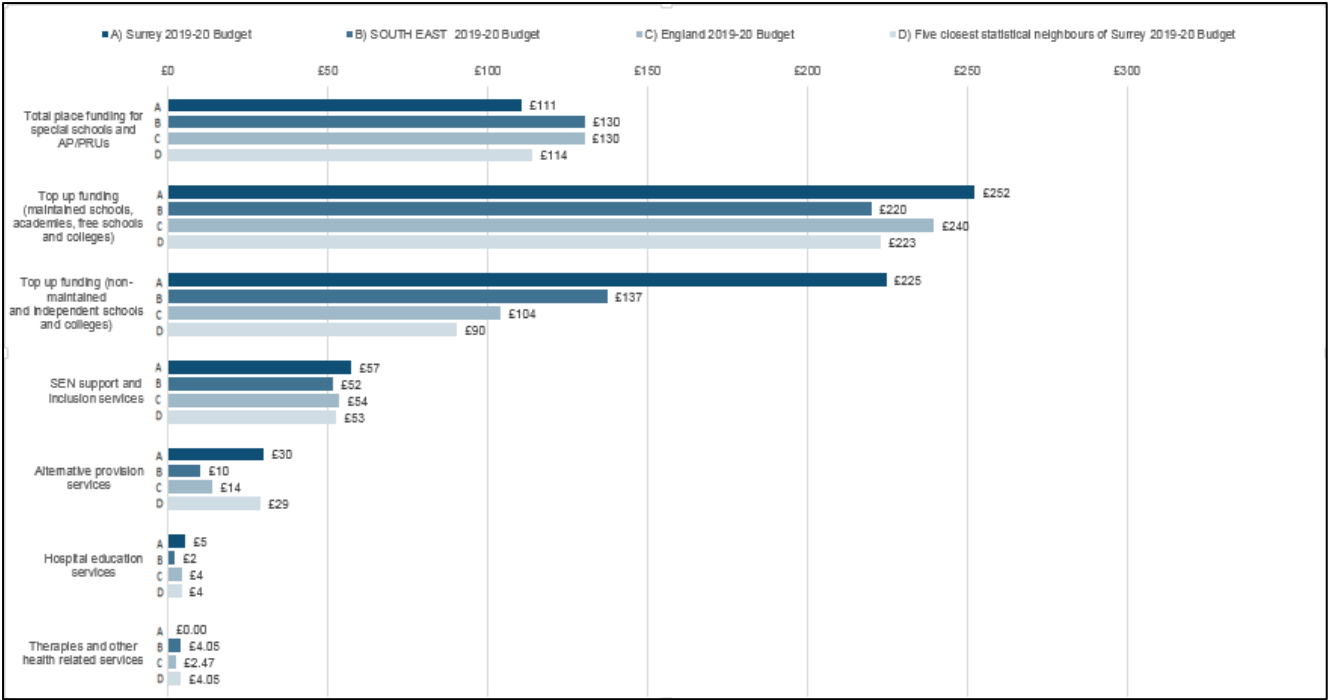
11. Within the deficit recovery and SEND transformation strategies, there are a number of key themes which both target both effective outcomes for children and improved financial performance. These strategies are intended to be applied to both the existing cohort and future entrants to the system.

- a. **Reduce the reliance on NMI_Schools** (Non-Maintained Special Schools and Independent Schools). From a cost perspective the NMI placements are the most expensive at an average cost of £53,000 per head compared to £20,378 in maintained placements. Bringing Surrey's children who have the most complex needs closer to home supports highly effective joint agency monitoring to ensure that individuals continue to make good progress and reduces the likelihood of placement breakdown. In order to address this the Council is significantly increasing its Capital Strategy in order to provide more places within the specialist centres in mainstream primary and secondary schools and maintained special schools. The financial benefits will be from the difference in placement cost less any borrowing costs from Capital expenditure.
- b. **Increase the proportion of young people placed in County** and the Local Offer. Similarly, to the position with NMIs, out of County placements tend to be even more expensive and require careful contract management as well as regular monitoring to ensure progress

against EHCP outcomes. To support this, we want to enable children and young people's right to a mainstream education through work with mainstream partners to be as inclusive as possible, and collaborate with local specialist partners to create high quality and long term sustainable provision that is responsive to changing local population needs.

- c. **Promoting independence** within the Post 16 cohort, in particular, is a fundamental part of the Council's strategy for all young people to develop independence and to be fully prepared for adulthood. We are seeking to commission excellent pathways to employment for our young people in special schools so that from the age of 14 years we're starting to work with them, their families and teachers to identify what their next steps may be. To support this we want to work with local colleges and young people to create more in-county Further Education provision courses that match their aspirations and interests as well as employment pathways such as apprenticeships and supported internships, which enable young people who have SEND to make a successful transition to adulthood and secure long-term employment. If this needs to involve Adult Social Care because of the complexity of needs the young person has, then we will seek to do this at the earliest opportunity.
- d. **Reduce the reliance on top-up funding** and develop more delegated/collegiate budgets for schools to control. This high level of expenditure on top up funding is particularly prevalent within the NMI sector. Table 2 below shows the Surrey is a particular outlier in this category.
- e. Table 2 also shows the high level of spend on **Alternative provision services** compared to national and local comparators. We are developing an AP Strategy which aims to put in place interventions early on before a child or young person's behaviour become increasingly challenging or vulnerability becomes apparent. We're also seeking to reduce our reliance on private tutors, often outside of the county, to support these young people and instead offer an in-county high quality alternative.

Table 2: High needs funding amount per head of 2-18 population



Financial position

12. The Council is facing significant financial pressures within its DSG High Needs Block (HNB) which has caused it to generate a deficit for a number of years. In 2019/20 the outturn was a deficit of £30m which resulted in a cumulative deficit of £49m on the DSG HNB. When offset against balances within the other DSG blocks, the cumulative deficit for the DSG, as a whole, was £31.5m.
13. In 20/21 the budgeted position was to achieve a deficit of £24m which would have created an overall deficit at the end of the year of £73m. However, based on current forecasts the outturn position is expected to be £31m which will increase the HNB deficit to £80m and the overall DSG deficit to £62m. The first priority for the Council is to achieve a position whereby the spend and annual level of funding are in balance so the cumulative deficit does not grow any further. This requires a change of c£31m from the current level of expenditure before any consideration of reducing the level of cumulative deficit.
14. Legislation due to be put before Parliament in November sets out proposals for altering the way DSG expenditure is accounted for within local authorities. However, this would only cover a three year proposal (19/20 to 21/22) and provides no support for dealing with historic deficits. Therefore the need to address this pressure for the Council remains.
15. Due to changes in DSG regulations which prevent use of the General Fund to pay for deficits there are very limited options available to address the cumulative deficit. Without additional funding for the HNB, limited other options available are to potentially repurpose funding from other blocks within the DSG.

Impact of the deficit recovery plan on Budgets

16. For the deficit recovery plan the key is to factor in the impact of the above strategies on our existing base budgets and growth assumptions. The DfE have provided a new template to assist with this process, which this report summarises, and this is expected to be the basis of any future discussions, replacing the previous deficit recovery plan process.
17. The template contains an unmitigated and mitigated budget for a five year period. The unmitigated budget position shows the projected expenditure based purely on growth expected over that period. The key growth assumptions currently included for 21/22 are:
 - i. EHCP growth (Appendix C) 11%
 - ii. Increase in NMI spend of 23%
 - iii. Increase in Surrey Special school spend of 15%
 - iv. 10% increase in Post 16 specialist providers

- v. 10% increase in mainstream Individual Pupil Support Budget (IPSB) spend
- vi. £2.6m of additional Teachers pension & pay grant (but this is replacing existing grants so is not new money)

18. In order to address the above growth pressures and also mitigate the existing underlying pressure, there are a number of cost containment activities to begin the process of aligning expenditure and annual funding allocations. The key elements of cost containment in 21/22 are;

- f. Additional maintained places from the SEND capital strategy, £3m
- g. Reduction in additional costs to NMI from schedule 2 work focusing on contract management, £4m
- h. Improved alignment with ASC on transition of post 16 pupils, £3.6m
- i. Revised funding policy/more efficient devolved model, £3m
- j. Revised AP strategy £2.6m
- k. Reduction in Alternative SEN of £1.3m

19. The mitigated budget then shows the impact and areas where proposed strategies will impact and the reductions in expenditure required. Appendix A shows the 5 year profile of this expenditure. At the end of 2024/25 the unmitigated position would be a cumulative deficit on the DSG of £310m compared to the mitigated position of £128m a difference of £182m.

20. Appendix B then shows the level of forecast growth and cost containment required for the HNB to achieve this position. The yellow boxes represent the amount of cost containment required if assumptions around additional growth and funding allocations are correct.

Next steps

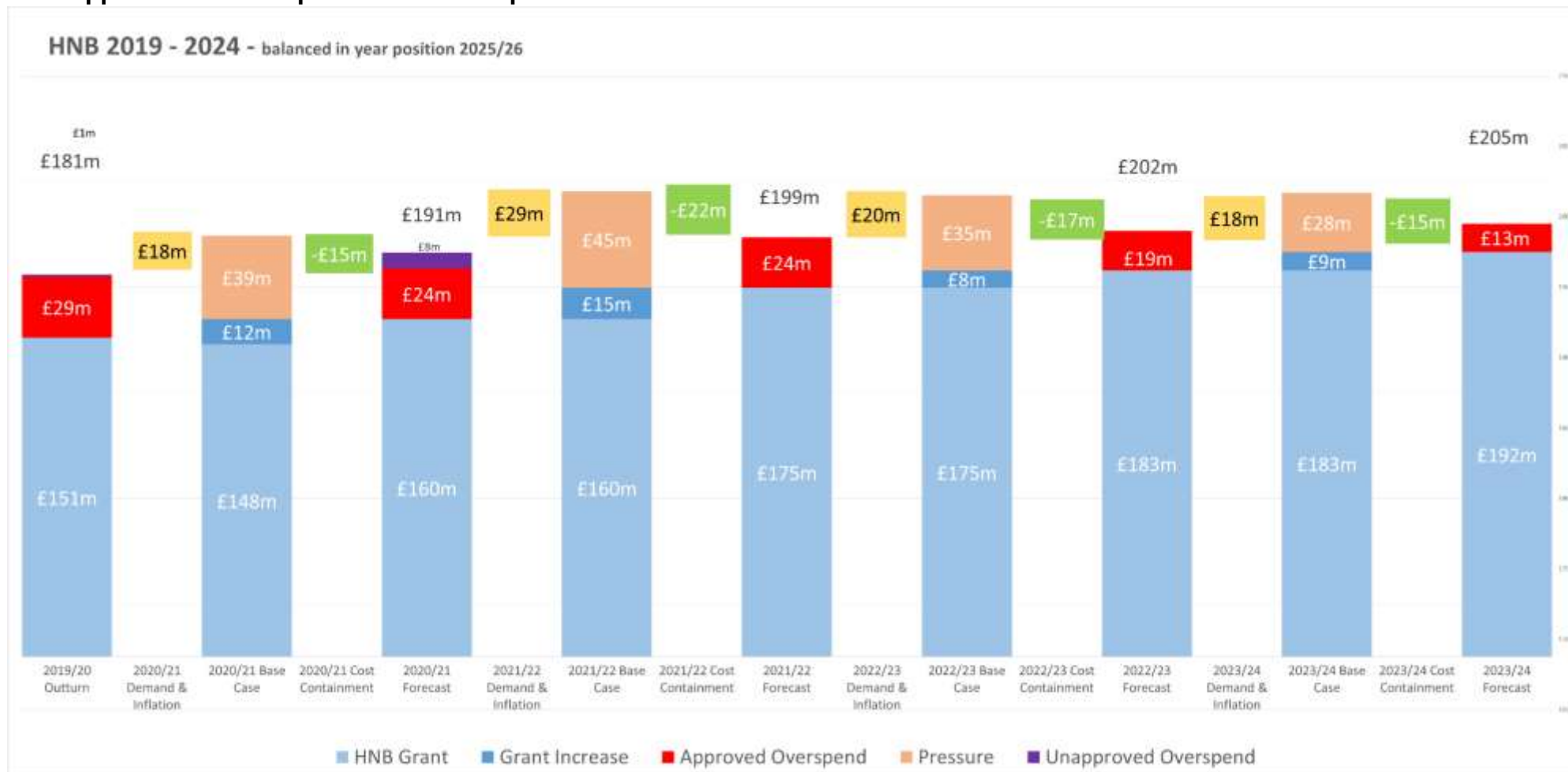
- 21. The Council has previously reported progress on the HNB deficit recovery plan to schools forum. As part of the revised DfE process for DSG deficits, we must use their newly released template format (Appendix A). Using and sharing this information with Schools forum, as with this report, is also a pre requisite before submitting any disapplication request.
- 22. This is the first iteration using the revised template so the Council intends to continue to refine this as the means by which we will provide future updates to Schools Forum on a termly basis.
- 23. Officers from SCC have met with counterparts from other local authorities to learn from best practice and initiatives already in place within the HNB. There are also larger scale consultations and discussions taking place to lobby central government on what is a national issue.
- 24. In order to further expand discussions and joint working with Schools Forum members, the Council is establishing a HNB working group with selected

members. This group will enable that group to have more targeted discussions around how future strategies can be developed and implemented in conjunction with the financial circumstances outlined above.

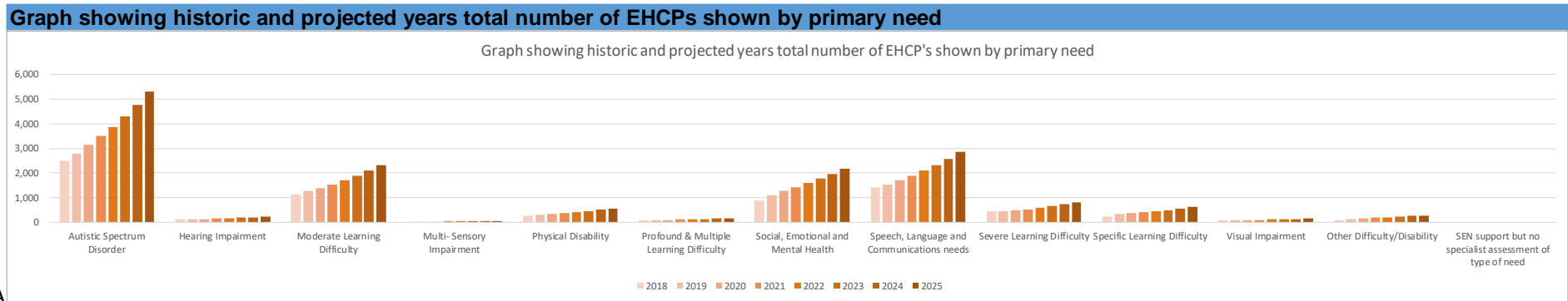
Appendix A: Overall DSG position up to 2024/25

Overall DSG position (pre recoupment total)	2018-19	2019-20	2019-20	2020-21	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24	2024-25	2024-25
Income/surplus should be shown as negative	actual	budget	actual	Outturn	Mitigated budget	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast
1. Expenditure (Positive figures)														
Schools block	£275,236,155	£626,824,989	£260,602,123		£664,138,185	£664,138,185	£717,971,000	£717,971,000	£739,510,130	£739,510,130	£739,510,130	£739,510,130	£739,510,130	£739,510,130
Central school services block	£6,063,353	£6,230,322	£6,329,298		£5,996,131	£5,996,131	£5,964,754	£5,964,754	£5,825,618	£5,825,618	£5,714,309	£5,714,309	£5,625,262	£5,625,262
Early years block	£68,799,973	£75,406,467	£71,968,567		£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000	£77,282,000
High needs block	£153,797,049	£176,410,459	£169,682,306		£174,149,584	£174,149,584	£181,390,377	£203,020,377	£184,354,337	£222,899,337	£187,729,590	£240,880,590	£191,537,536	£260,648,536
Planned spend from DSG reserves														
Total expenditure	£503,896,530	£884,872,237	£508,582,294	£0	£921,565,900	£921,565,900	£982,608,131	£1,004,238,131	£1,006,972,085	£1,045,517,085	£1,010,236,029	£1,063,387,029	£1,013,954,928	£1,083,065,928
2. DSG income (Negative figures)														
Schools block	-£278,486,648	-£629,137,913	-£265,389,737	-£663,838,185	-£663,838,185	-£663,838,185	-£717,971,000	-£717,971,000	-£739,510,130	-£739,510,130	-£739,510,130	-£739,510,130	-£739,510,130	-£739,510,130
Central schools services block	-£6,308,878	-£6,234,682	-£6,234,682	-£5,996,131	-£5,996,131	-£5,996,131	-£5,964,754	-£5,964,754	-£5,825,618	-£5,825,618	-£5,714,309	-£5,714,309	-£5,625,262	-£5,625,262
Early years block	-£71,022,895	-£75,407,225	-£75,631,899	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000	-£77,282,000
High needs block	-£130,032,616	-£144,666,021	-£131,006,935	-£143,123,000	-£143,123,000	-£143,123,000	-£155,343,000	-£155,343,000	-£166,182,000	-£166,182,000	-£174,832,000	-£174,832,000	-£183,916,000	-£183,916,000
Total income	-£485,851,037	-£855,445,841	-£478,263,253	-£890,239,316	-£890,239,316	-£890,239,316	-£956,560,754	-£956,560,754	-£988,799,748	-£988,799,748	-£997,338,439	-£997,338,439	-£1,006,333,392	-£1,006,333,392
3. High needs block - other income (Negative figures)														
CCG contributions	-£525,986		-£1,093,416											
Other (Please specify)	-£5,364,879		-£3,675,788											
Total other income	-£5,890,865	£0	-£4,769,204	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
4. Block transfers (Income/Block moved to as negative, Outgoing/block moved from as positive. Should net to 0)														
Schools block		£3,100,000	£3,100,000	£0			£3,400,000		£3,740,000		£4,110,000		£4,520,000	
Central schools services block				£0										
Early years block				£0										
High needs block		-£3,100,000	-£3,100,000	£0			-£3,400,000		-£3,740,000		-£4,110,000		-£4,520,000	
Total Block Transfers (should net to 0)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
5. In year net position deficit / (surplus)														
Schools block	-£3,250,493	£787,076	-£1,687,614	-£663,838,185	£300,000	£300,000	£3,400,000	£0	£3,740,000	£0	£4,110,000	£0	£4,520,000	£0
Central schools services block	-£245,525	-£4,360	£94,616	-£5,996,131	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Early years block	-£2,222,922	-£758	-£3,663,332	-£77,282,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
High needs block	£17,873,568	£28,644,438	£30,806,167	-£143,123,000	£31,026,584	£31,026,584	£22,647,377	£47,677,377	£14,432,337	£56,717,337	£8,787,590	£66,048,590	£3,101,536	£76,732,536
Total net	£12,154,628	£29,426,396	£25,549,837	-£890,239,316	£31,326,584	£31,326,584	£26,047,377	£47,677,377	£18,172,337	£56,717,337	£12,897,590	£66,048,590	£7,621,536	£76,732,536
6. Other														
Council contribution (negative)	-£2,141,000													
Add brought forward deficit / (surplus) (net)	-£4,043,000	£5,970,628	£5,970,628	£31,520,465	£31,520,465	£31,520,465	£62,847,049	£62,847,049	£88,894,425	£110,524,425	£107,066,763	£167,241,763	£119,964,353	£233,290,353
Brought forward earmarked amounts in other blocks (optional memorandum item, not used in calculation)														
Planned year end position	£5,970,628	£35,397,024	£31,520,465	-£858,718,851	£62,847,049	£62,847,049	£88,894,425	£110,524,425	£107,066,763	£167,241,763	£119,964,353	£233,290,353	£127,585,889	£310,022,889

Appendix B – HNB pressures and required cost containment



Appendix C – Profile of EHCPs up to 2024/25



Appendix D Data for charts and diagrams in main report and in Appendices A,B and C

Part 1 Data for chart 2 (cost as percentage of high needs block budget)

Maintained - Special Schools	20.38%
Maintained - Individual Support in Schools	11.64%
Maintained - Place Funding	8.80%
Maintained - SEND provision	8.52%
Maintained - Placements (OLA & colleges)	4.55%
NMI – Placements	35.95%
NMI - Alternative Provision	1.59%
SEND Services	7.43%
Corporate Costs	1.14%

Part 2 Data for table 2 (comparison with other local authorities)

Expenditure per pupil on various categories of SEN provision (as a sum per pupil: total cost/total pupils (not just total SEN pupils))

	Surrey 2019/20 budget (A)	SE authorities' average 2019/20 budget (B)	England average 2019/20 budget (C)	Five nearest statistical neighbours (D)
Total place funding for special schools and pupil referral units (PRUs)	111	130	130	114
Top up funding (maintained schools, academies, free schools and colleges)	252	220	240	223
Top up funding (non maintained and independent schools and colleges)	225	137	104	90
SEN support and inclusion services	57	52	54	53
Alternative provision services	30	10	14	29
Hospital education services	5	2	4	4
Therapies and other health related services	9	4.05	2.47	4.05

Part 3 Data for charts in Appendix B Base budgets for high needs block and forecasts

	2019/20 outturn	2020/21 base	2021/22 base	2022/23 base	2023/24 base
	£m	£m	£m	£m	£m
Grant	151	148	160	175	183
Approved overspend	29				
Growth in grant		12	15	8	9
Projected overspend		39	45	35	28
less cost containment		-15	-22	-17	-15
Total estimated cost	180	184	198	201	205
		2020/21 forecast	2021/22 forecast	2022/23 forecast	2023/24 forecast
		£m	£m	£m	£m
Grant		160	175	183	192
Approved overspend		24	24	19	13
Unapproved overspend		8			
Total estimated cost		192	199	202	205

Part 4 Data for charts in Appendix 3 Number of pupils with Education Health Care Plans

The table shows the number of pupils with Education Health Care Plans in each January 2018 to 2020 by category of need and projections for the next four years.

Data as at January	2018	2019	2020	2021	2022	2023	2024	2025
Autistic Spectrum Disorder	2493	2791	3146	3493	3877	4304	4777	5303
Hearing Impairment	134	133	140	156	172	190	211	235
Moderate Learning Difficulty	1134	1264	1387	1539	1709	1898	2106	2338
Multi- Sensory Impairment	30	30	34	37	40	45	50	55
Physical Disability	287	306	337	375	416	462	512	569
Profound & Multiple Learning Difficulty	85	96	102	114	127	140	155	171
Social, Emotional and Mental Health	898	1087	1289	1431	1588	1765	1960	2176
Speech, Language and Communications needs	1408	1537	1705	1892	2101	2332	2588	2873
Severe Learning Difficulty	447	458	484	537	596	661	733	813
Specific Learning Difficulty	236	329	368	409	454	503	558	619
Visual Impairment	87	89	93	104	115	127	140	154
Other Difficulty/Disability	103	127	170	189	210	233	259	287

Report on Local Learning Fund (LLF) activity 2019/2020 academic year.
Proposal for finalising fund.

1: Background

1.1: The LLF comprised £1m from DSG allocated for one academic year. The purpose was to allow all SCC mainstream schools (maintained and academies) to fund revenue activity that would embed the Surrey Profiles of Need at Universal / Setting Support or Specialist Setting Support level. Awards were made following schools submitting a short proposal for funding. Submissions were agreed at multi-professional panels which all SCC schools were invited to attend. The funding was used as a means for schools to be creative in their approaches and inform our collective understanding in respect of effective early interventions.

1.2: Evaluation of bids was planned at mid-point and end of project. Covid-19 has had substantial impact on schools' ability to deliver within original timescales and many are starting projects that were planned for the summer term this September or later.

In total 161 bids were received. 31 were received in the autumn term, 84 in the spring term before lockdown and 46 during lockdown.

- The most requested activity was ELKLAN (157 places), ELSA (36 places), Speech and Language Therapy (20 applications), Dyslexia training (12 applications), STIPs Behaviour support (11 applications).
- Bids that were disallowed were for 1:1 student support, capital works, capital equipment or directly related to EHCP activity.
- Some training that was awarded for has not yet been undertaken due to Covid-19 restrictions on delivery methodology, most notably ELSA.
- Some training has been cancelled due to ongoing Covid-19 restrictions
- 1.3: The LLF closed to new applications at the end of the summer term 2020.
- Original funding allocated £1,000,000
- Funding applied for £1,338,087
- Funding allocated in principle £822,402 (subject to change)

2: Review methodology / impact

2.1: All awards were made dependent upon a mid-term and full-term review to measure impact against the SMART targets within each proposal.

2.2: All award recipients have been contacted regarding a mid-term review. Early recipients of award were able to show impact before lockdown. However, all reported a hiatus and have re-started delivery from September.

2.3: Speech and Language Therapy requests were agreed by Service Manager for therapies and were subject to the Speech and Language SLA. Those awards are being monitored by the S&L team.

2.4: Educational Psychology plan to increase their offer as a result of the volume of ELSA requests.

2.5: STIPs ran a virtual summer ELKLAN training as a result of the volume of ELKLAN requests.

2.6: Depending on the proposal, impact on a school level will be demonstrated via: individual pupil data or narrative case studies.

3: Proposal for schools that were successful in their original bids, but are now unable to deliver:

3.1: Due to Covid 19, some schools have been unable to deliver on their original bids. However, the needs identified that led to them being successful have not changed. Some schools have searched for and requested that different delivery could be approved. The proposal for how to manage this is set out below.

3.2: Does their new request still target the same cohort Y/N

3.3: If yes, then how will this meet the original outcomes?

- Provide an evidence base for what they are requesting.
- provide a Profile of Need for each student, for up to ten students.
- confirm the funding requested is no more than was originally offered.
- If all these conditions are met, then they need to come to a multi-agency virtual panel for ratification.
- A new grant letter is issued

3.4: If no, then what is their rationale? If it is Covid recovery, then schools should investigate the offer available through SAfE.

4: Proposal for finalising LLF

4.1: Some LLF from 19/20 was unused. The proposal below is how to finalise the fund. The final amount will be dependent on 3.3 above:

- That unused funding remains as a DSG balance.
- That schools show impact measures against original targets with an additional commentary on how it has been used to support vulnerable children following lockdown
- That schools with an agreed award that has been delayed due to restrictions are able to hold the funding for the academic year
- The Forum is asked to take a view on the proposed methodology for evaluating and finalising LLF activity.

Disapplication Protocol – for discussion with Surrey Schools Forum

Background

The purpose of this protocol is to set out the steps to be taken if a disapplication request is being considered to transfer funds to the High Needs Block from the schools or early years blocks within the DSG.

Both Surrey County Council and the Schools Forum share a responsibility to ensure that Surrey's education funds are effectively used for the benefit of all Surrey learners, irrespective of where and how they are educated, and to have regard to the impact of decisions on priority groups such as those with special educational needs and disadvantaged children.

From 2020/21, a shift in government guidance states that local authorities cannot contribute to the DSG/Schools Budget (including High Needs) from non-DSG funds without approval from the Secretary of State, which will increase pressure on councils and Schools Forums to manage demands across DSG blocks. Local authorities have the right to appeal to the Secretary of State for a transfer of funding in the case that a Schools Forum does not agree to this request.

As a local authority, Surrey County Council is also required to prepare a DSG recovery plan and to engage with the Department for Education on this. Surrey County Council is mindful that the DfE may expect local authorities to consider transferring funds from the Schools Block to the High Needs Block as part of any recovery plan. The local authority will share the recovery plan with Schools Forum in advance of any disapplication request.

At 31 March 2020, Surrey's cumulative High Needs Block shortfall DSG was £49m and the projected overspend in 2020/21 is between £24m - £30m, or 15% of annual High Needs Block DSG. As a result, any recovery plan in Surrey will be challenging and will need to be achieved over an extended period.

Legal Context

This protocol is set within the context of national guidance on good practice, and in particular:

Schools forum: Operational and good practice guide, May 2020:

- **responsiveness:** local authorities should as far as possible be responsive to requests from their Schools Forums and their Members. Schools Forums themselves should also be aware of the resource implications of their requests.
- **strategic view:** Members of Schools Forum should consider the needs of the whole of the educational community, rather than using their position on a Schools Forum to advance their own sectional or specific interests.

- **challenge and scrutiny:** Schools Forums may be asked to agree to proposals from their local authority that will have an effect on all schools and academies in the local area. The extent to which Schools Forums can scrutinise and challenge such proposals is an important aspect of their effectiveness
(Paragraph 117)

**ESFA, DSG: conditions of grant 2020 to 2021, updated 27 March 2020:
Transfer of funds between DSG funding blocks**

The following conditions apply to the transfer of funds between the four DSG funding blocks:

- Subject to the paragraphs below, local authorities must not allocate money designated in the DSG settlement tables as schools block to items of spend other than budget shares for mainstream primary and secondary schools (excluding funding for nursery classes and for places reserved for pupils with special educational needs), or money retained centrally for growth in schools, as defined in paragraphs [4] to [7] of Schedule 2 to the School and Early Years Finance (England) Regulations 2020.
- Local authorities may allocate up to 0.5% of money designated as school block to other items with the consent of the schools forum.
- Local authorities must consult with all local maintained schools and academies if they propose to allocate schools block money to other items. The schools forum must take into account the outcome of that consultation before deciding whether to give their consent.
- The local authority can apply to the Secretary of State for permission to allocate schools block money to other items if they do not secure the consent of the schools forum as above, or if they wish to allocate more of the schools block money to other items than would be permitted under point 2. In the case of the Secretary of State giving such permission, this may be for all or part of the sum requested by the local authority and may be given subject to conditions.

While the guidance refers to transfers from the Schools Block and Early Years Blocks, the only transfers which have so far been considered in Surrey are to the High Needs block, due to the significant pressures of demand and demographic increases.

The timescales for application to the Secretary of State (commonly known as a disapplication request) are specified annually by the DfE in the *Schools funding operational guidance*. The deadline is usually the end of November. The limited time between the DfE's announcement of funding levels is challenging for consulting schools, reporting to Schools Forum and seeking Cabinet approval.

This protocol, as a result, recognises that; while ordinarily the Council will wish to follow this process; in practice, due to time constraints, it may not be possible.

Proposed Protocol

1. When proposing a transfer from the Schools block to the High Needs block, the Council will first consult all schools on the proposal. This consultation will include a range of options, along with their implications, a description of the equalities impact of the proposals and an illustration of the impact on individual schools' budgets. The Council will endeavour to consult the Schools Forum, or representatives, on the principles of any consultation prior to its issue but timing (and in particular the summer holiday) may prevent the sharing of the full paper with the Schools Forum before issue.

The Council will make clear in any consultation whether it may consider an appeal to the Secretary of State, within its legal rights, but cannot anticipate all eventualities and therefore reserves the right to revert to appeal if necessary, even where the original consultation did not make this likelihood explicit.

The results of any consultation with schools will be shared with Schools Forum and with the Cabinet Member(s).

2. Before seeking Cabinet Member approval for a request to the Secretary of State to transfer funding between DSG blocks, Surrey County Council will advise the Chair of Schools Forum, that such a proposal is being made.
3. The council will share the draft disapplication request with the Chair of Schools Forum allowing as much time as possible taking into account DfE and Cabinet deadlines. Where possible allowing five working days for comment in the spirit of openness, this is not a formal consultation.
4. Representatives of the Schools Forum will be notified when the Council wishes to seek the Secretary of State's approval for specific changes in the funding of schools, including transfers to the high needs block.
5. Elected Members will be made aware of the views of the Schools Forum, and Members of the Schools Forum have access to the Lead Cabinet Member to make their views known either at the Schools Forum meeting or by separate agreement.
6. The Forum should note that there will be times when officers propose, and elected Members accept, actions which are not supported by the Forum.

The Forum should note that there will be circumstances where this is not always possible and cannot be guaranteed, due to the timing of DfE announcements/discussions/instructions/submission deadlines, and the overall financial situation of the Council.