

**Minutes of Meeting**

Tuesday 12 June 2019 1pm at NASUWT, Send

*Approved by the Forum at its meeting on 17 September 2019*

**Present**

School and academy members:

Rhona Barnfield (Chair)	Howard of Effingham School	Academy member
Donna Harwood- Duffy	Dorking Nursery School	Nursery school head
Katie Aldred	Bagshot Infant	Primary head
Clare McConnell	Bisley CE (A) Primary	Primary head
Jo Luhman	Kings International College	Secondary head
Justin Price	Freemantles School	Special school head
Geoffrey Hackett	Stepgates Community Primary	Primary Governor
Eric Peacock	Thorpe C of E Primary	Primary Governor
Fred Greaves	Oakwood School	Secondary governor
Annette Crozier	Manor Mead and Walton Leigh Schools	Special sch governor
Matthew Armstrong-Harris	Rodborough	Academy member
Ben Bartlett	Hinchley Wood School	Academy member
Kate Carriett	George Abbot School	Academy member
Sir Andrew Carter	South Farnham Primary	Academy member
Elaine Cooper	Horsell Village School	Academy member
Nicky Mann	Wallace Fields Infant	Academy member
Ruth Murton	Thamesmead School	Academy member
Seb Sales	Connaught Junior School	Academy member
Tim Stokes	Carwarden House Community School	Special academy member

Non school members

Sian Bath	Private, voluntary & independent nursery providers
Joe Dunne	RC Diocese of Arundel and Brighton
Nick Trier	Teaching union member of Education Joint Cttee
Andrea Collings	Family Voice Surrey

Local Authority Officers

Liz Mills (LM)	Director–Education, Lifelong Learning & Culture
Lynn McGrady (LMcG)	Head of Finance for Schools (clerk to Forum)
David Green (DG)	Senior Principal Accountant (Schools Funding)

Cabinet member for all age learning

Julie Iles

Others

Maria Dawes

**1 Welcome, Introductions and Apologies for Absence**

The Chair welcomed Julie Iles (Cabinet Member for all age learning) to the meeting.

Apologies for absence had been received from:

Kate Keane (Vice Chair)	Ewell Grove Infant and Nursery School	Primary Head
Tess Trewinnard	Wonersh and Shamley Green CE Primary	Primary Head
David Euridge	Reigate Valley and other PRUs	PRU member
Stephanie Gibson	Tandridge Learning Trust	Academy member
James Malley	Therfield School	Academy member
Jayne Dickinson	East Surrey College	Post 16 provider
Jonathan Gambier	Guildford Diocese (C of E)	

## **2 Declarations of interest**

There were no declarations of interest.

## **3 Minutes of previous meeting (10 January 2019) and matters arising** Accuracy

High needs block (page 9, final para)

Amend to state that LM had said that 200 additional special school places would be created in the 2019/20 academic year and that she had been confident that that would be achieved. LM advised that there would be an opportunity to discuss the wider SEN capital strategy later in the meeting. The extra places should mean a reduction in NMI placement costs.

### Matters arising

#### SEND outcomes (Page 2)

LM confirmed that no further information had yet been distributed. The question had related specifically to FE placement outcomes. Minutes to be amended to clarify this.

#### Surrey pay review (pages 4-5)

The special academy representative expressed appreciation for the financial support towards the cost of the Surrey pay award, but sought an explanation of how it had been allocated.

LM advised that the additional funding had been a recognition not only of pay costs but also of schools admitting pupils with increased needs. Pressures did not fall equally on all special schools.

DG explained that a sector specific percentage increase had been applied to all top up rates (with one exception for a small sector). The percentage increase varied between sectors and reflected modelling of costs of maintained schools in each sector, Top up funding made up a larger proportion of total funding for some sectors than for others. The top up increase had been applied to academies, generally at the same rates as for maintained schools in the same sectors.

The method was a one off and subject to review. LM proposed a wholesale review of band funding.

No similar increase had been provided for SEN centres. It was acknowledged that they faced similar pressures but on a smaller scale.

#### Schools block and transfers to high needs block (p6)

Forum members recalled the significant increase in the number of LAs asking to transfer funds to the high needs block and asked whether Cabinet members had made representations on behalf of Surrey. They noted that Surrey MPs had been absent from a recent parliamentary debate on school funding. It was confirmed that Cabinet members would continue to lobby MPs on the issue.

#### Universal offer (page 12)

LMcG advised that the underspend on the “de-delegated” intervention fund had been £147,000.

LM advised that in future the intervention fund would be allocated through the school led partnership, the Surrey Alliance for Excellence (SAFE). This would be a school led company of which all schools and multi academy trusts, plus the LA, would be members. The LA would commission the company to deliver statutory school improvement services, subject to Cabinet approval,, plus a series of workshops for mainstream headteachers on “Every leader a leader of SEND”, partly funded by “Whole School SEND” using DfE funds.

The unspent intervention fund would be managed by the company. The LA was holding the funding for the summer term as the company would not be established until 1 September.

One Forum member asserted that the LA should have no role in managing the intervention fund. LM advised that the funds would be managed through SAFE. The LA was a member of the company, which aids procurement. Phase Council colleagues will also be directors of the company.

A letter on SAFE had been distributed to all headteachers and they had been asked to share it with their Chairs of Governors. It had also been made available on the Surrey Governors Association website. Governors would have the opportunity to participate in a live webinar on Wednesday 19 June. An invitation to register was on the SGA website.

#### High needs block (page 9)

Information on EHCP growth was provided within the meeting papers. Forum members asked for the increase in EHCPs at ages 0-4 and 18-25 to be shown specifically (and relative to population). **Action for LMcG/DG**

LM advised that new comparative data (based on SEN2 return<sup>1</sup>) showed Surrey as an outlier, with a high number of statutory plans and high growth. More data could be circulated for the July meeting. Members noted that the number of statements had been increasing in Surrey even before EHCPs were introduced.

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<sup>1</sup> DfE statutory return of numbers of EHCPs at LA level and type of placement

The small increase in NMI/SPI placements between Jan 2017 (868) and Jan 2018 (873) reflected several NMIs converting to academies between those dates.<sup>2</sup>

#### **4 DSG provisional outturn 2018/19 and actions**

LMcG noted that the outturn was similar to the January predictions. A net overspend of £5.4m on DSG was made up of a large overspend on high needs, offset by underspends elsewhere.

##### Schools block

The underspend of £4.9m included amounts of £1.468m for growing schools and £0.480m on falling rolls (both of which had been expected, and allocated to schools in the 2019/20 budget), plus £0.368m unspent primary school contingency and £0.147m intervention fund (discussed above) Only £2.2m was uncommitted.

##### Central schools services block

There was a small underspend of £260,000 on this block.

##### Early years block

There was a significant underspend. High contingencies had been maintained to cover the risk of allocations to providers (based on termly counts) being higher than DfE grant funding (based on the average of January counts) and uncertainty over demand for 30 hr provision. In fact, the contingency had proved over prudent and it had already been reduced by £1m in 2019/20.

Funding rates for 2019/20 had already been set. The LA was not allowed to amend them during the year and had been advised by the DfE to think of “more creative methods” of reallocating funding to the sector.

##### High needs block

DfE funding growth had proved insufficient to meet spending pressures. Many other LAs had also seen growth in demand, but from a lower base. There had been some minor underspends eg on education in children’s homes.

There had been a large overspend on NMI school placements. The LA had largely predicted the costs but insufficient funding had been available to set the budget at the necessary level.

An overspend of £3.3m had been brought forward from 2017/18 but had been offset in part by using the council’s SEND reform grant of £2.2m (unringfenced funds), as agreed with Schools Forum a year ago.

The additional £2.77m DfE funding in each of 2018/19 and 2019/20 had supported existing expenditure. Otherwise the 2018/19 overspend would have been £2.77m greater than it was.

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<sup>2</sup> The increase in NMI placements between those dates was offset by a number of NMI schools converting to academies and thus their pupils no longer qualified as NMI pupils in Jan 2018 even though they remained in the same school and their costs were largely unchanged.

LM said that the council had set aside some of its own funds in 2019/20 to support the high needs overspend, because DSG was insufficient to meet demand. Nationally LAs were finding high needs DSG insufficient, and this was a big issue for the DfE. LM noted the need for sustainable funding at national level.

One Forum member requested a tabulation of the high needs funding provided by the LA to support the high needs DSG. **Action for LMcG/DG**

LM noted that using the DSG underspends to offset part of the high needs overspend would not create an opportunity to change the way in which needs were met. Changes were needed in the way in which schools were supported, including non statutory provision. She proposed that part of the underspend should be diverted back into the mainstream school system to support cluster working between groups of schools, building on models such as the Surrey Alternative Learning Programme (SALP), outreach, learning support units and nurture groups. Schools could then work together locally to develop early identification and support for pupils. She hoped that this could be in place as soon as possible in the autumn term. She also proposed that 0.5% of schools block should be transferred to high needs in future years and ringfenced for these purposes.

Much of the underspend had arisen in Early Years and it was important to work on skills development in this sector. Improving provision for two year olds was also a priority, to give as many as possible the best possible start.

Forum members supported the principles but had concerns over colleagues' capacity to do the necessary work.

Forum members also suggested that some budgets had been set too conservatively so that they were likely to underspend. They saw potential risks in not returning £2.2m to schools and then deducting a further 0.5% of school funds.

One member supported the proposed investment subject to it being monitored.

LM advised that the uncommitted underspend of £10.5m was mainly early years funding. She proposed to use a proportion of this to fund new work. The alternative was to use it to offset the high needs overspend. Adding it to mainstream schools' budgets was not an option.

If the £8m early years underspend was distributed through the early years hourly rate, that rate would become unsustainable. There was an opportunity to use the funds to do something different. There was no intention to use early years funding in this way every year.

Forum members suggested that some of the funds could be invested in specialist early years provision, eg increasing the number of specialist places. Others questioned whether this would be sustainable.

The PVI rep noted that there was no longer separate funding for training in that sector. She suggested some of the funding should be used to improve

skills levels in the early years sector (eg more graduates) to be better able to support SEN. This could be more sustainable than creating additional specialist places.

LM confirmed that she was looking at ways of supporting SEN in nurseries.

Forum members asked how much of the £10.5m uncommitted underspend would add value in reducing the number of NMI placements.

The Chair proposed that there should be an additional meeting, specifically on SEND, and that LM should give a presentation at that meeting on the transformation work. She noted that there was a strong tradition of partnership working between schools and the LA. It was unlikely that additional government funding would resolve the current funding issues.

## **5 SEN sufficiency plan presentation (this was discussed before item 4)**

LM circulated some slides on SEND capital proposals. She advised that 800 additional state specialist places were planned within five years, of which 500 were in the two new special free schools and in the new school proposed in Woking. The LA would run a competition, closing in the autumn, to select a partner for the new Woking school. There would be a Cabinet paper in July on a number of individual developments and she hoped to submit a 15 year capital strategy to Cabinet in September. This would include rebuilding or re-providing schools which were not fit for purpose or not in the right place.

Forum members welcomed the proposal for more specialist places.

Forum members asked whether there was a planned strategy to reduce the number of NMI placements. LM replied that the aim was to provide for children locally, avoiding the need for long journeys or residential placements. Children might be moved at key stage transfer points, subject to needs being met. Some NMI schools offered good value.

LM also proposed to review the designations of specialist provision. These were often quite narrow and the descriptions meant little to parents. Work on reviewing designations and establishing curriculum needs was to start in September. She had asked for secondments from schools (1 day/week) to develop this work.

## **6 Surrey schools funding consultation**

### **a) Update on 2019/20 consultation: final decisions**

LMcG recalled that the DfE had approved the LA proposal to transfer £3.1m from schools to high needs in 2019/20. The DfE had rejected the LA's proposal to claw back excessive surplus balances. They wanted to see increasing autonomy for schools. The DfE no longer placed a target on local authorities to minimise the number of schools with excessive balances.

Additional SEN funding had been targeted at the 20% of schools with the highest needs. This would be kept under review as part of the transformation plan. The amount of formula funding distributed on low prior attainment had

increased in moving towards the NFF, which would typically benefit schools with high incidence of SEN.

**b) 2020/21 consultation: discussion on principles**

Usually, funding proposals for the following year were discussed with the Forum in July, then issued to all schools for consultation in early September and the results were reported back to the Forum at the end of September. However, the DfE could not issue funding guidance for 2020/21 until after the Spending Review, the timing of which was still uncertain. It could cover one year or three.

Consultation with schools may need to be delayed, with proposals for consultation discussed with the Forum at an additional meeting in early September, and consultation with schools starting thereafter.

DfE was known to be very aware of pressures on the high needs block, but no assumptions of growth could be made.

Key issues to be considered in a local consultation could include:

- Transfer of 0.5% of schools block to high needs
- Level of minimum funding guarantee and ceiling
- How much further to move towards the national funding formula.

LM recalled that last year there had been charges of lack of transparency in the consultation. She wanted the Forum to have the opportunity to help to shape the consultation. She confirmed that the LA was likely to ask for a 0.5% transfer to the high needs block but to use it differently. The final decision would be one for Cabinet

The Chair noted that last year the DfE guidance had arrived after the July Forum, but that the schools consultation had been different from that which the Forum had expected. The Cabinet had had the right to ask the Secretary of State to override the Forum's decision on the 0.5% high needs transfer, and LM was trying to be as open as possible.

High needs

Clarification: transfer of 0.5% of schools block to high needs would not reduce mainstream schools' funding compared to the level which schools had received in 2019/20.

One Forum member asked that the question on block transfer be framed "the LA will be asking for a transfer (to high needs), .. to be used for .... which will reduce schools' budgets by xx %". The same member asked that any proposed block transfer should be reviewed if there was a significant increase in DfE high needs block funding, recalling the DfE expectation that similar requests in 2019/20 should be withdrawn when additional funding had been allocated.

LM suggested that the magnitude of the high needs budget issue was such that any additional DfE funding was unlikely to be enough to make the system sustainable without change in the system, It was unlikely to be sufficient to allow the LA not to request transfer of 0.5% of schools funds to high needs She would provide a clear position statement.

LM could not comment, in advance of the spending review, on whether she expected to request a block transfer annually,

LM noted that all members had a responsibility for every child including those with SEN. It could not be assumed that government funding would solve the problems.

The Chair asked that LM present a multifaceted approach to SEN transformation at the next meeting, for deeper discussion.

Forum members asked for an actual plan showing how much it would cost to fix the problems and “future proof” the system.

LM advised that the LA would propose tangible actions but that part of the role of Schools Forum was to work with the LA to create a plan. It would not be easy to estimate accurately the impact on statutory provision of initiatives such as expanding early years support, although a range of impacts could be suggested.

LMcG warned that, even if there was more funding nationally for high needs, Surrey’s share would depend on how the government chose to distribute it. In 2019/20 the extra funding had been distributed on population and everyone had received some. But if it was distributed through the existing national formula, LAs on transitional protection (such as Surrey, which received £18m in floor protection) might not receive any.

#### National funding formula

LMcG noted that the DfE no longer quoted a final date for full implementation of the NFF. A few years ago the Forum had agreed to move as quickly as possible to the NFF (rather than a more gradual transition) but that was when it was to be implemented in full nationally within three years. Now that there was no specific implementation date, we could choose, and we might choose to move more slowly.

#### NFF: Small schools

In particular, the move to the NFF has disadvantaged small schools (and especially deprived small schools) in Surrey, because the NFF lump sum (£116,061) is lower than Surrey’s historic lump sums. The easiest way to help small schools would be not to reduce the lump sum any further. We could consider maintaining the lump sum or even increasing it. LMcG sought the Forum’s views as to whether it was worth discussing such a proposal. Two members spoke in favour of pausing any further movement to the NFF and considering increasing the lump sums to help smaller schools.

Forum members asked to see the impact as gains/losses per pupil once more information was available

One member noted that small schools often had high incidence of SEN because parents of children with SEN liked small schools.

Another noted that the NFF might never be fully implemented.

### NFF: Minimum per pupil level (MPPL)

LMcG recalled that in 2019/20 the MPPL had not been implemented in full because, had that been done, other schools would have needed to bear a greater share of the cost of the transfer of £3.1m to high needs<sup>3</sup>. Schools receiving MPPL funding were generally large schools with low needs.

One member argued that schools receiving MPPL had been underfunded in previous years.

Another argued that the NFF was supposed to bring fairness and schools which were losing funding under the NFF were actually just not “overfunded” as much as previously.

The Chair noted that the government had changed its original direction during the implementation of the NFF.

### NFF: funding floor

In 2019/20, DfE had funded LAs on the basis of a minimum increase of 1% per pupil over two years, at school level. LAs were allowed to fund schools on that basis, but if they did they still had to have a year on year minimum funding guarantee too ie two overlapping levels of protection.

Officers were inclined not to implement the 1% floor, unless and until there were moves to a hard NFF.

There was no support from the Forum for the 1% floor.

### NFF: Minimum funding guarantee level

In 2019/20 most schools preferred a 0% minimum funding guarantee rather than the maximum allowable level (of 0.5%). A 0.5% MFG would mean a lower ceiling and hence fewer schools on the formula without MFG or ceiling adjustments. It was generally seen as better for fewer schools to be on MFG or ceiling. But there was no “right” answer.

DfE could set different ranges for the minimum funding guarantee in 2020/21.

### Excluding rent and split site funding from the minimum funding guarantee

This was now permissible without seeking annual approval from the Secretary of State

### Growing schools funding

Reductions may need to be considered here, depending on the level of funding made available by the DfE.

### “De-delegation”

Were there any “de-delegated” services on which further details should be provided?

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<sup>3</sup> For clarification, had the MPPL been delivered in full, other schools which were NFF gainers would have gained less, because the ceiling on gains (from which MPPL schools are exempt) would have been set at a lower level. These are not schools which are protected at funding levels above NFF levels.

## **7 Children's services academy**

Ben Bartlett led on this item.

June 2019 was the first month in which unspent apprenticeship levy funding would be recovered by HMRC. Up to 25% of the levy could be transferred to employers who were not liable to pay in their own right. Jackie Spence had presented a paper to phase councils, proposing that 25% of community and controlled schools' levy was transferred to other education providers who were ineligible to pay (eg private nurseries), in order to allow them to train apprentices. The sum available to transfer was estimated at £174,000 pa at present.

If there was no surplus then no funds would be transferred, Members thought this created a risk to other providers if they had started training apprentices and funding was withdrawn part way through. However, Ben suggested that it was likely that the surplus would continue.

One member thought maintained schools had not been given sufficient information on how to spend the levy, noting the wide range of options available, eg teaching assistants, business support

Forum members noted that more funding would go back to HMRC if implementation of the transfer proposals was delayed.

LM saw the proposals as an opportunity to use the funding more effectively.

The Chair suggested that Jackie Spence should be invited to the next meeting to answer questions. Schools needed to be helped to make better use of the levy. She would like some firmer proposals.

The Forum supported the proposed use of apprenticeship levy..
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## **8 DfE call for evidence on SEN funding**

LMcG explained that DfE had issued a call for evidence on SEN funding and the responses had concentrated on the inadequacy of funding. The DfE know that but they want to demonstrate that no more can be done with the funding which they have.

They were now consulting on various issues, such as the £6000 "high needs" threshold. The deadline was 31 July. Individual responses did not need to cover every question.

The Chair asked that the LA circulate its draft response before the end of term, so that schools could consider it before submitting their own, if desired.

## **9 Miscellaneous formula funding issues**

### **a) Falling rolls funding for secondary schools (2019/20)**

DG noted that falling rolls funding allocations (for small secondary schools with temporary falls in pupil numbers) were based on pupil number projections. Concerns had been expressed that, being based on historic data, these might underestimate future pupil numbers in schools whose OFSTED ratings had recently improved. He therefore proposed that in 2019/20,

allocations for such schools would be recalculated using actual Oct 2019 pupil numbers.

Under DfE rules falling rolls funding can apply only to (good or outstanding) schools whose rolls have recently fallen and where pupil numbers are expected to be higher at the end of three years.

DG saw this as a minor adjustment to the calculation of falling rolls funding already agreed for secondary schools for 2019/20. 2019/20 was the last year in which falling rolls funding would be available in Surrey. No proposal was being made to continue funding into 2020/21.

Seb Sales asserted that there were many good or outstanding primary schools with falling rolls: he would provide some examples and wanted them to be considered. DG would look at them but didn't think it appropriate to widen the (published) criteria to include primary schools part way through the year. Additionally, forecasting pupil numbers at individual primary schools was more difficult than for secondary schools. LMcG recalled that the current arrangements had been introduced when secondary school pupil numbers were low but when the LA could see higher numbers working through primary schools.

**b) Additional SEN funding for 2020/21**

Currently additional SEN funding, for schools with relatively high incidence of EHCPs, was allocated to primary schools based on a termly calculation, but to secondary schools based on an annual calculation. DG proposed to consult on extending the termly calculation to secondary schools in 2020/21. This would simplify the system, particularly where there were all through schools.

The Forum supported the proposed change to additional SEN funding as a basis for consultation
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**c) High needs place funding for mainstream sixth forms**

DG proposed to consult on changing the basis of funding for post 16 mainstream high needs places (excluding SEN centres) from lagged (prior year) to current (in year) actual EHCP numbers, from August 2020..

The Forum supported the proposed change to high needs place funding for mainstream sixth forms, as a basis for consultation
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**10 Finance scheme for maintained schools Outcome of recent consultation**

DG advised that in late March, the LA had consulted on changes to the Scheme for Financing Schools following a recent update of the DfE model scheme. No maintained school had responded to the consultation.

The main change of substance was the removal of the requirement to consult the LA before providing community focused activity, as consultation was no longer a legal requirement. Other changes were minor and were set out in the paper.

Changes to the Scheme require the approval of maintained schools representatives on the Forum.

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

## **11 Schools forum issues**

Next meeting:

Meeting on 4 July to be cancelled

Chair and LMcG to agree on a new date for a meeting focused on SEN

A further meeting to be arranged either in late July or early September if DfE provide further information on 2020/21 funding by then.

## **12 Any other business (if agreed by Chair in advance)**

### Charging for academy conversions

LM advised that a paper would be going to Cabinet proposing levying a charge on schools converting to academies. It was understood that many LAs already did this. Charges would not be made where schools were already converting or where they were required to convert.

The proposed charge is currently estimated at £6,000 for a community or controlled school, but would be lower for an Aided school (which required no HR work) or a foundation school (which required no HR or property work)

The Cabinet would decide from what date the policy should be applied and would recognise that some schools would already have made decisions before the policy change.

The Chair noted that the DfE academisation grant had been set at £25,000 for some years.

One member asked if the charge would improve the capacity of the LA to support conversions. LM advised that she was already providing funding to support other departments working on conversions.

This was not an issue for a Schools Forum decision.

### Donna Harwood Duffy

The Chair noted that this would be Donna Harwood-Duffy's last meeting and thanked her, on behalf of the Forum, for her contribution.

**Meeting ended 3.55pm**