

Surrey Schools Forum

Minutes of Meeting

Thursday 7 December 2017, 10am at NASUWT, Send

Approved by the Schools Forum at its meeting on 10 Jan 2017

Present

School and academy members:

Rhona Barnfield (Chair)	Howard of Effingham School	Academy member
Kate Keane (Vice Chair)	Ewell Grove Infant and Nursery School	Primary Head
Sally Cave	Guildford Nursery and Children's Centre	Nursery head (subst)
Clare McConnell	Bisley C of E Primary Sch	Primary Head
Jane Douglass	North Downs Primary Sch	Primary Head
Eric Peacock	Thorpe C of E Primary	Primary Governor
Judith Langley	Kings International College	Secondary Head
Fred Greaves	Oakwood School	Secondary governor
Paul Jensen	Sunnydown School	Special school head
Annette Crozier	Manor Mead and Walton Leigh Schools	Special sch governor
Jo Ashworth	NW Surrey SecondaryPRU	PRU member
Ben Bartlett	Hinchley Wood School	Academy member
Ian Hylan	Tomlinscote School	Academy member
James Malley	Therfield School	Academy member
Seb Sales	Connaught School	Academy member
Geoff Wyss	George Abbot School	Academy member

Non school members

Sian Bath	Private, voluntary and independent nursery providers
Jayne Dickinson	East Surrey College : Post 16 provider rep
Tamsin Honeybourne	Secretary to Teachers' Joint Committee
Nick Trier	Teachers' Joint Committee
Michael Hall	Guildford Diocese (CE)
Joe Dunne	Arundel and Brighton Diocese (RC)
Andrea Collings	Family Voice Surrey

Local Authority Officers

Lynn McGrady (LMcG)	Head of Finance for Schools (clerk to Forum)
David Green (DG)	Senior Principal Accountant (Schools Funding)

Julie Smyth, HR Reward Manager, attended to present item 4.

1 Welcome, Introductions and Apologies for Absence

The Chair welcomed Seb Sales, as a new academy member.

Apologies for absence had been received from:

Donna Harwood- Duffy	Dorking Nursery School	Nursery school head
Joanne Hastings	Ottershaw CE Infant and	Primary Head

Lynn Tarrant	Junior Schools Shawfield Primary School	Primary Head
Geoffrey Hackett	Stepgates Community Primary	Primary Governor
Roger Blackburn	Queen Eleanor's CE Junior	Academy member
Andrew Carter	South Farnham Primary School	Academy member
Matthew Armstrong-Harris	Rodborough	Academy member
David Monk	Pond Meadow School	Special academy member

2 Declarations of interest

Andrea Collings: item 4 (Surrey pay and reward strategy);
Rhona Barnfield and Kate Keane: item 10(a): growing schools;
James Malley: item 10(b) falling rolls.

3 Minutes of previous meeting (10 November 2017) and matters arising

Accuracy:

Add Nick Trier to apologies from previous meeting.
Page 11 "several hundred £" should read "several hundred £000s".

Matters arising

Consultation outcome

Only 2 responses had been received since the previous meeting. Copies of comments were available to view if desired.

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4 Surrey Pay and Reward strategy update

Julie Smyth circulated a set of slides providing an update on this project. At the date of compilation, 15 maintained schools had still not submitted the job family data spreadsheets, excluding schools in specific difficulties eg with no headteacher or business manager. 636 posts had been mapped by schools to higher grades than their present grade, and 297 to lower grades. All of these now required moderation, and a full job evaluation would be needed on each. Where posts had been mapped to higher or lower grades, schools had been asked to provide the information on which they based their mapping, such as job profiles and evidence of how roles had changed. The 636 posts mapped to higher grades were spread across 154 schools. By 7 Nov only 49 of these had provided the necessary information, and a number of schools had still not provided that information. Schools would be advised whether the LA agreed with the local evaluation and of the reasons for any disagreement. Julie hoped that the moderation could be completed by early January. She also hoped to share the outcomes of the moderation with unions in January. The mapping spreadsheets would be returned to schools showing LA moderation outcomes. Revised template job profiles would be provided to schools, including some additional profiles, and it was hoped that those would assist some schools in reviewing some of their mapping decisions. The LA

would continue to chase schools which had not returned data. Staff in schools where anomalies had not been resolved might well ask why they had not been resolved.

Members asked whether there were individual schools which had generally mapped posts higher or lower than current grades. Julie noted that the unions had also asked this, but that the necessary analysis had not yet been done, because of the need to focus on mapping individuals. The Chair suggested that an analysis of differences by primary/secondary/special sector could be useful, noting in particular the different roles of LSAs across different sectors.

Bursars had been advised to budget for the additional costs when jobs had been mapped to higher grades but not to rely on the saving when mapping posts to lower grades.

Delays in return of data by schools had had an impact on the implementation timescale. The LA still proposed to launch the job families for schools on 1 April and they would be available for use with new appointments after that date. However, there would need to be time for consultation where any existing employees' pay changed, so not all of the pay changes could be implemented by that date. There would still be one year's pay protection where anyone's pay was reduced, as this was contractual for all community school staff and for staff in other schools which had adopted Surrey's pay policy.

The headteacher and governing body of each school were accountable for implementation of the changes in schools. The LA was writing to governing bodies to remind them of the information required and of the consequences of not providing it. One member asked how those schools not supplying the necessary information would be held to account, commenting that it was indefensible for headteachers and governing bodies not to do this.

5 Early years funding

This item was deferred until the January meeting because Liz Mills had not been available to approve it for consideration at the present meeting.

6 DfE updates

a) Interim NFF 2018/19 and late change in regulations

LMcG recalled that, although on 14 September the Secretary of State had announced a minimum funding increase of 0.5% per pupil for 2018/19, the detailed guidance to LAs had allowed no more than 0%. Thus the LA had consulted on three options, based on a minimum funding guarantee (MFG) of 0%. This had meant that no schools would lose average funding per pupil. It had seemed pointless for any school to lose when they would not lose under the full NFF.

On 23 November (a day before the deadline for Surrey's Cabinet paper), the DfE had announced that LAs could set MFG at +0.5% per pupil. However, that had left insufficient time for the LA to consult all schools and the Cabinet on whether an 0.5% MFG was desirable locally, before the 19 January

deadline for submitting budgets to the DfE. The Chair had been consulted, and it had been agreed not to change the existing proposals.

The DfE had also removed the previous restriction that the ceiling deduction could not exceed the cost of the MFG. This would have allowed the LA to move straight to the NFF, but a large ceiling deduction would have been needed as the full NFF cost an extra £28m, whereas in 2018/19 the LA only received additional funding of £14m. The ceiling would have been 2.8% (rather than 3.68% under Surrey Option 3)¹ with over 80% of schools on MFG or ceiling. It was not clear how much support there would have been from schools for such an option had it been included in the consultation.

The LA would consult next year on options for 2019/20. The issue was how fast to get to the full NFF, not whether to get there.

The report to Cabinet on 14 December supported the Forum's recommendations, including that no funding should be transferred from the schools block to the high needs block.

b) Free school meals: DfE consultation on eligibility criteria

DG advised that the DfE had proposed new free school meals eligibility criteria for parents on universal credit, as part of the roll out of universal credit. They had proposed a net income threshold of £7,400 pa from 1 April 2018 but children already eligible at that date under the old criteria would remain eligible until they reached the end of the phase they were now in (either primary or secondary). Schools would not need to recheck those pupils' eligibility during that time. Thus the number of eligible pupils would increase.

"FSM6" status would then continue for a further five years for those pupils.

The DfE had asked four questions: on:

- the earnings threshold,
- the protection period for pupils currently eligible,
- the equalities impact of the proposals
- the impact on disadvantage statistics (as the proposals would temporarily increase the number of "disadvantaged" pupils.

The consultation closes on 11 January.

Schools would need to bear the cost of additional free school meals in 2018/19 and there would (presumably) be a reduction in universal FSM grant.

One member asked whether DfE funding rates for pupil premium would be reduced to offset the increased eligibility. (note: we await information from DfE on future years' pupil premium rates but the revised criteria won't affect FSM6 in Jan 2018 and thus pupil premium funding in 2018/19).

¹ Both ceilings are estimated on the basis of Oct 2016 data and will need to be revised

7 Central schools services

a) Central schools services DSG block

DG noted that the central schools services block (CSSB) funded a range of services which the DfE recognised as LA responsibilities for all schools (as listed in the paper). Little change was proposed in these budgets compared to 2017/18. The estimated CSSB had now increased by £68,000 from that in the paper, due to increased pupil numbers².

The Schools Forum budget had historically been set at £36,000 but costs had not exceeded £20,000 for some years. A reduction of £16,000 was thus proposed. This left a residual shortfall of £33,000 against current CSSB budgets (ie £117,000-68,000-16,000) Officers saw this saving as achievable.

The Schools Forum had the right of approval of CSSB budgets (except for licences), subject to a right of appeal by the LA to the Secretary of State. This was a separate funding block outside the schools NFF and the LA did not have to delegate it to schools if the Schools Forum did not approve the proposed use.

The Schools Forum costs included venue hire, members' mileage claims copying and some administration costs. The LA did not charge for costs of research and attendance. £10,000 pa had been paid to the Surrey Governors' Association from this budget, to support core SGA costs to remove the need for a membership fee for governors of maintained schools. Free membership meant that now all maintained school governors had the right to attend two SGA meetings each year and thus those meetings could be used to elect governor representatives to Schools Forum. The election process had to allow all governors the right to stand for election and to vote. The SGA arrangement removed the need for the LA to write to every individual governor. The sum paid to SGA was being reduced to £8,000 in 2017/18 to reflect the reduced number of maintained school governors.

Fred Greaves noted that SGA was trying to widen its membership and was encouraging academy governors to join, for a fee. This could lessen SGA reliance on LA funding.

Michael Hall noted the cost of admissions and asked what the "overheads" were and what pressure there was on the admissions service to reduce its costs. He suggested that there should be some savings from the reduced number of maintained schools and that the service received income from academies which ought to reduce its net cost. Officers advised that overheads included costs such as office space and IT, which were not within the head of service's budget. They also understood that increased pressure on school places had increased the work of the admissions service.

Another member asked for comparative costs for previous years for the listed services.

² Ie Oct 2017 census

While technically it was possible to compare admissions service costs across LAs, comparisons would be affected by differences in services provided and charged for.

Officers would provide further information on the costs of the admissions service, including prior year comparisons, and on the impact of academy income . They would try to do that for the next meeting Action: LMcG/DG

School place planning and the school organisation plan were not funded from DSG but from council tax.

The £300,000 set aside to fund “own admission authority” appeals was treated as funding delegated or devolved to schools and the underspend in 2016/17 had been reported as part of the underspend on schools (not on services)..

The Forum agreed the proposed central schools services block budgets, subject to the reduction of £33,000 being found.

b) Maintained schools levy (or “central services levy”)

LMcG recalled that the former general Education Services Grant, deleted in recent DfE budget cuts, had funded LAs for a range of services for which they retained responsibility for maintained schools, and had directly funded academies for those same responsibilities. The LA still retained those responsibilities but no longer received the grant, and thus now needed to recover those costs from maintained schools. Similarly, multi academy trusts would need to charge their members for similar services and single academies would have to bear the cost of equivalent services.

For example the LA paid £390m in funding to maintained schools and needed to demonstrate that appropriate monitoring arrangements were in place for that sum. While most schools monitored their budgets well, a small number did not. Some of the “levy” funding paid for Babcock4S to monitor those schools. Monitoring had meant that Surrey had few schools in deficit by national standards even though funding was relatively low. The LA also had residual HR responsibilities for staff in maintained schools.

The proposed levy for 2018/19 was £37.96/pupil³, higher than in 2017/18 because in 2017/18 a one off transitional grant of £20.63/pupil had been available No contribution was being sought for music in 2018/19 as the Forum had agreed that that service should be traded. The gross cost per pupil remained the same (except for music) and the rate per pupil had only increased to offset the loss of grant. Services were being required to make savings to offset the estimated loss of income due to reduced pupil numbers in maintained schools resulting from actual and projected academy conversions, . LMcG had reservations about demanding large reductions in some services eg teachers pensions administration and capital programme management, due to potential adverse impacts..

³ Per place for special schools and PRUs, as required by the DfE funding regulations

The cost of the levy for a large primary school was around £20,000.

Members sought further information as to whether there had been year on year reductions in the cost of the services listed.

The Chair sought clarification as to whether the LA's teachers' pensions team charged academies. Another member noted that there had been a huge change in the way teachers' pensions information was submitted, which had made much more information available to members, and thought these changes might also have reduced LA costs.

LMcG advised that costs of asset management were largely for managing basic need projects in primary schools, which typically required more LA assistance in project management. Budgets for redundancy costs and for national curriculum assessment moderation had been reduced as the number of maintained schools fell. Actual costs of services in 2018/19 would be taken into account when proposing the level of the levy for 2019/20.

Maintained schools had been advised to allow for an increased levy in their draft budget plans⁴. LMcG thought that the levy could not safely be reduced further at this stage.

Members commented that schools were expected to reduce costs in line with reductions in pupil numbers and suggested that services should get used to working in that way. They also asked to see changes in the number of maintained schools not just in the number of pupils.

One member argued that the need for Babcock4S services should be further reduced given the increasing quality of business managers in schools. He also suggested that if the work was undertaken directly by the LA, costs would be lower because there would be no profit margin. LMcG advised that the cost of Babcock 4S finance support had been reduced a lot in recent years, but that all maintained schools needed to submit budget plans and some needed to be challenged. Ultimately, responsibility for maintained schools' finances lay with the LA and deficits here were a potential risk to all schools. Much of the work was a fixed cost irrespective of pupil numbers.

The Chair reminded members that only representatives of maintained primary, secondary and special schools and pupil referral units were allowed to vote on the proposals. DG advised that maintained nursery schools were outside the scope of the levy.

Representatives of maintained schools approved the proposed levy of £37.96/pupil.(or per place for special schools and PRUs)
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8 High Needs SEND update

DG circulated slides showing a five point plan proposed by Liz Mills, which had been shared by other officers with the high needs working group at its meeting on 4 December. Her five priorities for change were:

⁴ The recommended estimate was £44/pupil ie £25.65x12/7

- * transition (post 16 and post 19);
- * inclusion;
- * market sustainability;
- * early years and early help;
- * admissions: centralising SEND admissions processes in order to facilitate creation of bulge classes, and group placements in non-maintained and independent schools which might mean better prices.

DG noted that high needs block costs were increasing nationally and that there was a need for lobbying for DfE recognition of this. Nationally 71 LAs had moved funding totalling £110m from other DSG blocks into high needs in 2017/18 (Surrey had transferred none), despite the blocks being realigned in 2017/18 to match historic spending, including previous transfers from other blocks. At least four south east counties were proposing further transfers from NFF block to high needs block in 2018/19.

Members of the working group expressed concern that the 5 point plan had apparently been presented to the Cabinet, before being shared with the working group. Some described it as “well intentioned aspirations” which they would struggle to own as a plan. Only the lobbying proposals appeared specific. They had expected to work up proposals to build a “zero based” financially sustainable high needs budget, following discussions at the previous Forum meeting, and saw that task as necessary. They questioned the purpose of the group if proposals were to be made elsewhere first.

One Forum member suggested that “create services operating within available resources” should be an additional point in the plan.

One group member commented on the possible £65m funding gap after 2019/20, and that charts presented at the working group had clearly demonstrated a widening gap between costs and resources.

Another group member argued that early years and early help should be seen separately and that their management should be separated. Early years support had been among the greatest concerns at the group’s most recent meeting, particularly children entering school with SEN which had not previously been identified

Members expressed concern that proposed changes to the Portage service, currently at pre-consultation stage, occurred at a time when schools were seeking more support with early years SEN and that the proposals had not been shared with the working group. It was explained that Portage was usually a home based service which worked with very young children with SEND (including those taking up the free entitlement for two year olds). Therefore schools would not expect much contact with the service. There was some inconsistency in the way in which the service was currently provided across areas.

The PVI representative asked that there should be an early years provider on the working group, suggesting that PVI providers’ view of the SEND system was different from that of maintained schools.

Annette Crozier asked that there should be a special school governor on the group. (There was already a governor representative but not a special school governor).

The Chair asked for the Forum's dissatisfaction to be minuted, that either Liz Mills or Julie Stockdale should explain the purpose, aims and protocol of the working group at the next meeting of the Forum, and that the terms of reference of the group should be clarified. Action for LM/JS

The Chair noted that the working group had originally been established with a 1 year remit and that some reasonable meaningful savings had been identified.

Group members recognised that they had a responsibility to suggest concrete changes, to consider the long term impact of those changes, and to concentrate on those areas with the greatest impact. For example what did inclusion mean in practice?

Other points made by group members included:

- Actual savings might be unlikely given projected increased in demand but there was still a need to make better use of the available funding
- There was a need for all of the work being done around the LA on high needs savings to be brought together to be scrutinised and considered.

One Forum member noted that rising NMI costs had been an issue for many years. The Chair noted that efforts had been made to provide more places in Surrey state maintained special schools but that changes could not be made overnight. Others noted that NMI placements were right for some children, not necessarily always more expensive, There was a need to focus on those which were not necessary or not value for money. The Chairman asked for further information on NMI costs. **Action to be assigned**

Another member also expressed concern that one proposed lobbying objective was for more flexibility to transfer DSG from schools to high needs.

The Chair asked that high needs should be a major item at the next meeting (10 Jan) or even at an additional Schools Forum meeting, and that there should be a cessation of consultations (eg on Portage) meanwhile A strong message needed to be conveyed. She urged that the Cabinet member should be invited to that meeting.

9 DSG budget monitoring update

Schools budget

The 2017/18 budget had been supported by a budgeted underspend of £1m brought forward from 2016/17. Current projections were for a £2m underspend to be available to support the 2018/19 budget, although as we are still only part way through the year, rates costs etc could still change. An additional £8m in DSG was expected from pupil number growth, most of which would be needed to support those extra pupils. Pupil numbers had

increased by 1.3%, with increases in both primary and secondary sectors. Further details would be provided at the 10 January meeting.

Early years

Takeup of the 30 hr extended entitlement was currently lower than expected. DSG funding for early years for the academic year was based on the January 2018 census, so increased demand after that date was a potential budget pressure.

10 Local funding formula issues

a) Growing schools

DG reminded the Forum that they had the right of approval of the growing schools budget and criteria. The latest 2017/18 estimate and proposed initial budget and criteria for 2018/19 were set out in the paper. The criteria were the same as those previously approved by the Forum, including changes to future vacancy funding approved during the year for Broadmere primary school (and schools in similar circumstances).

The estimates for 2019/19 would need to be increased to reflect the changes in units of resource for that year. That might mean a further increase of £250k but it could be met from 2017/18 underspend.

There had been some significant variations against the 2017/18 budget, mainly an increase in extra secondary classes and a reduction in extra primary classes, which had not been seen as surprising.

Members noted that criterion 6 (p18) should include former junior schools admitting a year R.

Currently primary schools received £8,000 per new class for non capital resources. This was a historic figure but was similar to that allocated by DfE for those costs for free schools⁵ Surrey secondary schools received no equivalent funding as they were expected to be large enough to manage those costs. One secondary school was increasing PAN and also filling a large number of existing vacancies and had asked for an allocation of resource funding to be considered. Further information was still awaited and thus Annex B had not been provided as anticipated.

The Forum approved the proposed initial growing schools budget and the recommendations on p14 of the report ie

- The proposed growing schools criteria summarised in the report
- The proposed methods for use of average pupil numbers to fund schools extending their age range
- The proposals for advance funding of pre opening costs of wholly new primary schools, if required;
- The proposed changes in the basis of funding rates for additional pupils and vacancies (ie to follow the main funding formula funding rates)

⁵ This is £250 per year R-6 pupil, or £ 7500 for a class of 30

b) Falling rolls

Secondary schools

DG asked the Forum to approve the proposed criteria for falling rolls funding for good or outstanding secondary schools which faced short term falls in pupil numbers. One minor change was proposed to the criteria –that the number of vacancies funded should not exceed 990 less the NOR⁶, as the eligibility criteria were that schools should have fewer than 1050 pupils and at least 60 vacancies (hence no more than 990 pupils).

Falling rolls funding applied equally to all Surrey state maintained secondary schools , including free schools, but currently was unlikely to affect free schools as they were still building up year groups.

Annex A would be reissued with amendments.

Primary schools

Some members argued that falling rolls funding should be extended to primary schools, suggesting that they knew several primary schools with falling rolls in areas where new housing developments were expected. DG advised that when falling rolls fund was introduced in 2014, surplus capacity in primary schools was not seen as an issue, but that issue could now be reviewed if the Forum wished.

Members would provide DG with examples of affected schools.

Michael Hall expressed concern that the LA had created too many places in some areas and had then expected schools to manage the surplus.

The Forum agreed to defer a decision on falling rolls fund until the next meeting, and asked that proposals for falling rolls funding for primary schools should be brought to that meeting.

c) MFG changes

DG asked the Forum to support three additional “disapplication” proposals to the DfE, as the DfE expected to be advised of the Forum’s views on such proposals.

- To use separate primary and secondary MFG calculations for an expanding “all through” school which was adding secondary year groups Otherwise the increased number of (higher funded) secondary pupils might offset a reduction in average funding for primary pupils in the MFG calculation, which didn’t seem fair. This wasn’t yet an issue, but could be a real issue once data was updated to Oct 2017, by which time it would be too late to make an application;
- * To remove one off allocations for rent arrears from the MFG calculation- so that they were not preserved through MFG
- * to exclude newly delegated funding for confederations and for school improvement from the MPPL so that it was allocated to all schools in full

⁶ This removes an anomaly which affected one school in 2017/18.

This proposal seemed to DG to be consistent with the intended purpose of the additional delegation.

The Forum supported all three proposals for MFG changes/MPPL variations..

11 Schools Forum issues

Items for next meeting

To include high needs, early years, falling rolls fund.

Retirements

The Chair noted that this was Judith Langley's and Jo Ashworth's last meeting prior to their retirement. The Forum wished both a long and happy retirement.

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

None

Meeting ended 12.25pm

Date of next meeting: Wednesday 10 January 2018 , 1pm at Dianthus, Woking