

Papers for meeting of Surrey Schools Forum 1 May 2018

Item 4
Schools Forum
1 May 2018

Provisional DSG Outturn 2017/18

2017/18 outturn

The outturn position on DSG is as follows (may yet be subject to minor amendments):

Early Years	-£3.191m underspend
Schools	-£6.471m underspend
High Needs	<u>£9.363m</u> overspend
	-£0.299m underspend

The annex provides further details, but in summary the main variances from the budget are as follows:

- Schools Budget underspend results largely from underspends on contingencies set aside to fund growing schools, falling rolls and rates. Details are in the Annex.
- High Needs block (HNB) overspend is mainly due to increasing pupil numbers and demand pressures. The budget had already included a deficit brought forward from 2016/17 of £3m.
- Early Years free entitlement budget for 3 and 4 year olds has underspent compared to the DfE's updated estimated grant allocation. The underspend reflects the difference between the average termly take-up (which drives Surrey's costs) and the January take-up (which drives funding). There are minor overspends in 2 year old funding and central spend.

Schools Forum

The Schools Forum is invited to note the provisional outturn position for the end of the financial year 2017/18, pending a fuller discussion in June.

DSG SUMMARY OF OUTTURN VARIATIONS 2017/18

	Over (under)spend £000s	
Schools	-6,471	
High Needs Block	9,363	
Early Years	<u>-3,191</u>	
Total (net)	-299	net underspend

SCHOOLS		Over(under) spend £'000	Comment
Growing schools	-1,712	The number of new places requiring funding was lower in 2017/18 than in 2016/17.	
Falling rolls	-934	We had to set aside funding for three schools which would have been eligible for funding had they been good or outstanding. In fact none of them achieved that status by the year end and thus did not meet the DfE's criteria for funding	
Devolved admissions	-133	When the 2017/18 budget was set we didn't have a full year's historic data from which to estimate future costs. Budget has already been reduced by £50k in 2018/19	
Rates contingencies	-1,000	Sums set aside to cover the risk of increased rates bills as a result of new building work (many schools have been extended recently to accommodate bulge classes and PAN increases). In fact some increase did not occur in 2017/18. £186,000 was received in rates refunds following proactive action by the LA in challenging schools' rates valuations.	
Unallocated b/f	-1,747	Includes unallocated surplus brought forward from 2016/17 and savings on business rates. £1.2m was built into schools' 2018/19 budgets.	

Schools (continued) School specific contingency (primary maintained schools only)	-696	De-delegated item, much of which was brought forward from previous years - need to carry forward for same purpose. £328k will be reallocated back to individual contributing schools in 2018/19. Remainder to carry forward and add to contingency in 2018/19. Suggest we then recycle to schools in 2019/20 as de-delegation is expected to cease shortly
Total Schools Block delegated and devolved	-6,222	Underspend of which £1.2m had already been anticipated and allocated in the 2018/19 schools budget, and a further £0.328m underspend on primary contingency has already been allocated to schools. A further £0.368m will be carried forward as earmarked dedelegated contingency for maintained primary schools.
Centrally Managed Schools Services		
	Over(under)sp end £'000	
Dedelegated services (including overheads)	-159	Mainly on behaviour support
Schools Forum admin	-20	As discussed with the Forum at previous meetings. This budget has been reduced for 2018/19
Admissions	-70	
Total Centrally Managed	-249	
Total Schools Block	-6,471	underspend

(continued)

HIGH NEEDS

	Over(under)spend £'000	
SPECIAL SCHOOLS & SEN CENTRES		
Special schools /centres places and top up	1,365	Extra places in bulge classes in order to meet increased demand and failure to agree implementation of budgeted savings (eg £1.5m targeted from residential reductions, but only £0.8m realised, and £800k targeted from reducing special schools top up, which was not implemented in 2017/18)
Post 16 SEN Mainstream school places	198	Funding deducted by ESFA for SEND pupils in mainstream 6th forms. ESFA then funds schools directly.
Nursery places & top-ups	-19	Minor changes in occupancy
Hard to place pupils	218	Budget deleted as part of high needs block savings but scheme continues, with costs increased compared to 2016/17. Need to rethink the scope of this scheme and provide realistic funding if it is to continue
Alternative Provision	-23	Recycling of part of closing surplus of The Willows PRU (secondary part had no successor)
Additional funding for schools with high incidence of high needs pupils	132	Allocations are adjusted in year as the number of pupils with statements/EHCPs changes The increased cost is consistent with there being an increase in the number of EHCPs
Nurture groups, outreach, Learning support units etc	-262	£183k underspend on nurture groups due to closures largely initiated by schools. £38k saving on outreach from maintained COIN centres and £41k saving due to closure of a learning support unit (local decision)
Total Special Schools & SEN Centres	1,609	
OTHER HIGH NEEDS		
ISPSB funding	2,266	Increase of 431 pupils from 2,620 in 2016/17 to 3,051 in 2017/18.
Non-maintained & independent placements. Provision out-county.	8,557	Increase of 111 pupils from 1,033 in 2016/17 to 1,144 in 2017/18.
Cross Border Income from other LAs	-731	Additional income received from other LAs for Surrey schools educating their pupils

Education in children's homes	-389	Fewer pupils requiring education within their children's homes in 2017/18. Varies each year.
Other SEN services (net)	200	Net impact of minor overspends (eg therapy) and underspends (eg portage).
Post 16 provision	-2,149	Initial budget generous as data on commitments unavailable at time of budget setting (Sep/Oct). In-year reduction of £800k in use of Specialist Post 16 Institutions (Independent).
Total Other High Needs	7,754	
Overspend to carry forward to 2017/18	9,363	

EARLY YEARS

	Over(under)spend £'000	
		Note : Early Years funding mechanism (a) The DfE sets our estimated grant based on estimated pupil nos. The funding is then recalculated based on 5/12 January 2017 and 7/12 January 2018 pupil nos once these are available. This resulted in a reduced grant during 2017/18, which has been taken into account in the figures below. (b) Although the funding is based on two January pupil counts, the council is required to fund providers on a termly average. Thus the actual costs can be higher or lower than the funding provided and lead to an overspend or underspend.
3-4 year olds	-3,428	See b) above. The funding for 3-4 year olds exceeded the costs for reasons set out in b) above.
2 year olds	88	See b) above. The funding for 2 year olds was insufficient to meet the costs for reasons set out in b) above.
Central spend	481	See a) above. Central expenditure was slightly less than had been originally budgeted however, as the DfE subsequently reduced the grant, the 5% centrally agreed retention was then lowered, resulting in a net overspend.
Total Free Entitlement	-2,859	
DSG adjustment: funding provided for 2016/17	-332	Additional funding provided by DfE for 2016/17. Council funded the 2016/17 overspend and this funding is therefore due to the LA
Total Early Years underspend	-3,191	

Item 5
Schools Forum
1 May 2018

Education for All Children in Surrey 2018/19 and Beyond

There have recently been some significant changes to the system and landscape of education – academies, legislative changes around integrated Education Health and Social Care Plans for children with special education needs and disabilities, and raising of the participation age for all children to 18 and for children with additional needs to 25, free early years entitlement for 2, 3 and 4 year olds – to name a few. These changes coupled with the increasing 0-25 population means that demand for education services in Surrey is at an all time high. These pressures of change are also being seen nationally, with mainstream schools stating there is insufficient funding to cover increasing costs (eg nationally determined pay and NI changes and the introduction of the apprenticeship levy), an increasing numbers of EHCPs in most local authorities and the Early Years sector lobbying for increased funding rates to cover the real costs of free entitlement.

The introduction of a National Funding Formula has not led to an increase in funding for all schools, and across the learning system for children and young people there are differences between volumes, demands and resources which present challenges to system leaders. The House of Commons Education Select Committee has recognised the need to review resourcing in education and has recently launched two inquiries and calls for evidence, one around long term planning for investment in education and the second on the impact of the SEND Reforms (see separate item on this agenda). Elective Home Education is another important area for potential change and a recent call for evidence has been launched.

Following a recent Director of Children’s Services Forum, the County Councils Network has gathered information around overspending on children with additional needs. Their research has revealed that High Needs Block funding in County Councils rose by 18% (*Surrey 1.5%*) in total between 2016/17 and 2018/19, yet spend over the same period has risen by 83% (*Surrey 20%*).

In Surrey the provision of support and education for our children with additional educational needs is a significant concern and issue for the education system, as demand and associated costs exceeds the government funding available. This was looked at in detail in January 2018 with schools forum. The problem is borne out by the overspend on the High Needs Block of £9.3m at the end of 2017/18. The gap between spend and HNB funding is estimated to rise to over £30m by 2019/20, although this estimate is also likely to significantly increase as the number of EHCPs in Surrey continues to rise at an extraordinary rate (40% increase since 2016). The sustainability of the current level of spend is untenable and the problem is compounded by the carrying forward of the 2017/18 overspend of £9.3m into 2018/19.

Important Next Steps

The funding is not keeping pace with this increased demand and this is manifesting itself in increasing numbers of schools struggling financially and a significant lack of resources for children with additional needs. It is recommended that a substantive item be brought to the next schools forum to identify and consider:

- how we will enable adequate support and education for all children in Surrey during 2018/19;
- how we will achieve sustainable resourcing of education support and provision in Surrey for all children over the next 3 to 5 years.

Item 6
Schools Forum
1 May 2018

House of Commons Education Select Committee Inquiries: Call For Evidence

Summary

Commons Select Committees gather written and oral evidence and report their findings to the House of Commons, after which they are printed and published on the Parliament website. The Education Committee has recently launched two inquiries that may interest Schools Forum members:

- **School and college funding**
- **Support for children with special educational needs and disabilities**

School and college funding

On 19 April, the House of Commons Education Select Committee opened an inquiry into school and college funding, with a Call for Evidence, which is open until Wednesday 30 May.

The inquiry aims to examine whether a longer-term plan is needed for investment in education and what resources are required to ensure schools and colleges get the support they need. The inquiry will also look at the effectiveness of targeted funding such as the pupil premium and how the national funding formula will be implemented.

They are asking for evidence on

- What the Department for Education's priorities should be for the next Spending Review period as they relate to schools and colleges
- Whether the spending review cycle is the best mechanism for determining overall expenditure on schools and colleges, and what that level should be
- The effectiveness of targeted funding such as the pupil premium, and its relationship to core education funding
- The practical implementation of the national funding formula

Submissions are invited via an online enquiry form

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/education-committee/inquiries/parliament-2017/school-and-college-funding-inquiry-17-19/commons-written-submission-form/>

Support for children with special educational needs and disabilities

This inquiry was launched on 18 April and the call for evidence is open until Thursday 14 June.

This inquiry is intended to review the success of the 2014 reforms to the SEND system, how they have been implemented and what impact they are having in meeting the challenges faced by children and young people with SEND.

They are asking for evidence on:

- Assessment of and support for children and young people with SEND
- The transition from statements of special educational needs and Learning Disability Assessments to Education, Health and Care Plans
- The level and distribution of funding for SEND provision
- The roles of and co-operation between education, health and social care sectors
- Provision for 19-25-year olds including support for independent living; transition to adult services; and access to education, apprenticeships and work

Evidence should be submitted via the online form at

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/education-committee/inquiries/parliament-2017/special-educational-needs-and-disability-inquiry-17-19/commons-written-submission-form/>

Evidence should be new (ie not previously published elsewhere) and will normally be published by the committee, so should not be confidential.

Action requested of the Forum

The Forum is invited to consider the issues mentioned in both Call for evidence. Members are encouraged to respond individually and to suggest issues which the LA may wish to consider in framing its own response.

Item 7
Schools Forum
1 May 2018

Request by St John the Baptist Catholic Comprehensive School for growing schools funding for pupils admitted on appeal in September 2017

Summary

St John the Baptist Catholic Comprehensive School is asking the Forum to consider providing growing schools funding for up to 30 pupils admitted on appeal in September 2017. This would require an extension to the current growing schools criteria, as these do not include pupils admitted on appeal. The Forum is asked to consider the school's request.

Background

Growing schools funding is intended to fund additional pupils admitted to schools opening bulge classes or increasing PAN, where the additional capacity is needed (ie where the LA would not otherwise be able to offer places to all of the pupils requiring them - ie basic need). Growing schools funding is provided for the pupils' first two terms (maintained schools) or for the first year (academies). Thereafter all pupils are funded in the normal way through the preceding October census. The criteria for growing schools funding must be approved annually by the Schools Forum.

Surrey's growing schools funding criteria are based on DfE guidelines and, since their introduction in 2013/14, Surrey has not permitted funding for pupils admitted over PAN on appeal. Specifically, the criteria for 2017/18, approved by the Schools Forum on 7 December 2016, included the following restriction:

"Additional funding would not be allocated to schools exceeding PAN on appeal or admitting excepted infant pupils or to schools adding additional classes which were not supported by the LA".

The policy reasons for this are:

- that the LA has already offered a place elsewhere to these pupils, and thus their admission on appeal is not necessary in order to provide them with a suitable place;
- that if, as a result of the appeals, there is a fall in pupil numbers at another school the LA cannot withdraw funding from that school part way through the year under the DfE's single pupil count requirement (whereby a school cannot normally be funded for fewer pupils than on the preceding October census)..

DfE advice

Following an approach to the DfE on this particular issue, their advice is as follows:

"If the school in question has opened the additional class at the request of the Local Authority as there are not enough places available to meet demand, then it would be

appropriate to fund the additional class. If, however, the additional pupils taken on appeal had been able to be accommodated at alternative schools then it would not be appropriate to fund through the growth fund. Additional places allocated through appeals would generally be considered as popular growth and not subject to growth funding, and this appears to be clearly stated in the Surrey growth policy.”

For the avoidance of doubt, pupils admitted on appeal are funded in exactly the same way as any other pupil in any year for which they appear on the preceding October school census.

The LA doesn't have comprehensive records of the number of pupils admitted to schools on appeal or the reasons why the appeals were successful,

Future changes to the national distribution of funding are likely to constrain the level of growing schools funding which Surrey can afford to provide.

Request from St John the Baptist Catholic Comprehensive School

St John the Baptist Catholic Comprehensive School admitted 30 pupils on appeal in September 2017 and is asking for growing schools funding for those pupils for the academic year 2017/18. The school's case for funding is set out below:

“The appeals committee admitted (those 30 students) last year against the wishes of the school. They did this, as they deemed the school to not be full. This is in contradiction to the fact that our PAN, as of June 2017, was 180. At that point we offered places up to 180.

SJB defence at the last appeals was that the school is full. We had admitted students up to our PAN and therefore did not have the capacity to admit any more. Although the building work was two thirds complete at the time of the appeals process, very few classrooms had actually been built at this time for use for main school groups. Therefore, we believed that as in previous years, our defence of stating the school is full to capacity would stand.

The decision of the appeals panel to admit this number of students was absolutely against the wishes of the school. We believe that admitting these students has not only placed a strain on the school financially, as an additional form group has been created, but it has also meant that students much lower down the admissions category have been granted a place this year, compared to previous years. We highlighted to both parents and the appeals process that future siblings will not be offered a place as our future PAN of 240 will be offered to Catholic students in our four feeder schools. However, the appeals panel still decided to offer places to 30 pupils as they deemed the school to not be full.

The reason for the panel to admit these students was due to the building work currently taking place at SJB. The building work to increase our PAN has taken place over three stages:

- New sports facilities, completed Summer 2016.
- Expanded extension to the sixth form, completed Summer 2017 and
- Humanities and Science extension, due to be completed Summer 2018.

The building work has all been managed by staff at SJB.

We have been asked to expand SJB by the LA to meet the increase in numbers that are currently in our four feeder schools. Our PAN was due to increase to 240 in September 2019, however this has since been brought forward to September 2018 where we will accept 240.

As the building work has been taking place for three years now to meet the demand of a future increased PAN, this has placed us in a difficult position during the appeals process as it was argued by parents that the school was not full. This was due to the building work being well underway and 9 additional classrooms had been built by this point and were in use, however only two classrooms were in use for students in Year 7-11. The appeals panel then upheld the argument of the parents.

In previous years in the appeals process we have argued that the school is full beyond capacity and therefore we could not admit beyond our PAN of 180. Each year this has been accepted and the appeals panel have only granted a small number of successful appeals. We have therefore been able to include these students in our original classes. In September 2015 10 students were granted a place at appeals and in September 2016 5 students were granted a place at appeals. This shows the increase to 30 students in September 2017 highlights the difficulties we have faced this year.

As a result of the 30 places granted by the appeals panel, we have had to create a completely new class and therefore there are numerous costs associated with timetabling this across the whole curriculum.

We understand that the DFE advice states:

“If the school in question has opened the additional class at the request of the Local Authority as there are not enough places available to meet demand, then it would be appropriate to fund the additional class. If however the additional pupils taken on appeal had been able to be accommodated at alternative schools then it would not be appropriate to fund through the growth fund.”

However, the school believes this to be an exceptional circumstance due to the building work we have undertaken at SJB to meet the demand the LA had requested us to take initially”.

Thus the school is asking the Schools Forum to see their case as an exceptional circumstance as the appeals panel acted completely against the school’s position”.

Action requested of the Forum

The Forum is asked whether it wishes to support the school's view that its circumstances are exceptional and therefore whether to approve the school's request in this specific instance.

If the Forum wishes to support additional funding, it may wish to consider whether to apply a threshold, eg to fund all appeals beyond the first ten, or above a specified percentage of roll. The cost of funding all of the pupils admitted on appeal at this school would be £131,727 for 30 appeals at £4,390 each for three terms (as the school is an academy), which would need to be met from the 2018/19 growing schools budget.

In considering the school's request the Forum may wish to have regard to whether a precedent is being set and, if they agree the request, the Forum may wish to suggest how similar requests may be assessed in future.