

Surrey Schools Forum

Minutes of Meeting

Wednesday 10 January 2018, 1pm at Goldsworth Park Community Centre,
Woking *Approved by members at their meeting on 1 May 2018*

Present

School and academy members:

Kate Keane (Vice Chair)	Ewell Grove Infant and Nursery School	Primary Head (Chair for meeting)
Donna Harwood- Duffy	Dorking Nursery School	Nursery school head
Katie Aldred	Bagshot Infant School	Primary Head
Joanne Hastings	Ottershaw CE Infant and Junior Schools	Primary Head
Clare McConnell	Bisley C of E Primary Sch	Primary Head ¹
Lynn Tarrant	Shawfield Primary School	Primary Head
Tess Trewinnard	Wonersh and Shamley Green C of E Primary	Primary 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
David Euridge	Reigate Valley and others	PRU member
Matthew Armstrong-Harris	Rodborough	Academy member ²
Ben Bartlett	Hinchley Wood School	Academy member
Roger Blackburn	Queen Eleanor's CE Junior	Academy member
Stephanie Gibson	Bletchingley Village Primary	Academy member
Ian Hylan	Tomlinscote School	Academy member
James Malley	Therfield School	Academy member
Geoff Wyss	George Abbot School	Academy member
David Monk	Pond Meadow School	Special academy member ¹

Non school members

Sian Bath	Private, voluntary and independent nursery providers
Nick Trier	Teacher associations and trade unions
Jonathan Gambier	Guildford Diocese (CE)
Joe Dunne	Arundel and Brighton Diocese (RC)

Local Authority Officers

Liz Mills (LM)	Assistant Director for Schools and Learning
Lynn McGrady (LMcG)	Head of Finance for Schools (clerk to Forum)
David Green (DG)	Senior Principal Accountant (Schools Funding)

¹ Item 4 (part) and 5-9

² Item 4 (part) and 5-7

Frank Offer, Head of Market Strategy, attended to present item 4, Prodromos Mavridis, Senior HR Adviser, and Jane Armitage, Union representative, attended to present item 7.

1 Welcome, Introductions and Apologies for Absence

The Chair welcomed new members: Katie Aldred, David Euridge, Jonathan Gambier, Stephanie Gibson, and Tess Trewinnard.

Apologies for absence had been received from:

Paul Jensen	Sunnydown School	Special school head
Rhona Barnfield (Chair)	Howard of Effingham School	Academy member
Andrew Carter	South Farnham Primary School	Academy member
Jayne Dickinson ³	East Surrey College :	Post 16 provider rep

2 Declarations of interest

Item 4 (Early years): Jo Hastings, Geoffrey Hackett;

Item 8b (Falling rolls) James Malley;

(NB members are not required to declare an interest when it is self evident from their position on the Forum).

3 Minutes of previous meeting (7 December 2017) and matters arising Accuracy

Page 4 should read “how fast to get to the NFF” (not to the MFG).

Matters arising

There were no matters arising not covered in other items on the agenda.

4 Early years funding

Frank Offer presented this item. He reported that the proposed changes in early years funding, previously shared with the Forum, had received a high level of support (80%+) from those providers responding to the consultation. The Forum was being asked to approve central retention of 5% of total early years block funding and to comment on the other proposed changes. Their comments would be shared with Cabinet to inform their decisions. The proposals were in line with principles agreed a year ago.

Increase in basic hourly rate from £4.51 to £4.60

Providers had commented positively on the increase but had argued that they were struggling and needed a greater increase.

Increase in contingency

The contingency was needed because the LA was funded by the DfE based on the January census, but the LA was required to fund providers based on takeup at (at least) three points in the year (and takeup at some dates might be higher than in January). The introduction of the 30hr entitlement increased

³ Given before meeting but not reported at meeting

the uncertainty of takeup and the risk to the LA. The level of contingency would be kept under review as the 30hr entitlement became established. The paper proposed that for 2018/19 the contingency would be managed within the early years block. The DfE required the LA to use at least three count dates to fund providers, despite funding LAs using the January census alone. DfE had been asked to consider funding LAs on a termly basis but as yet had not responded.

The contingency counted within the 95% passed to providers and thus any underspend could not be used for staffing. LMcG advised that the use of any underspend would be subject to council members' decision.

Sian Bath noted that the contingency was a prudent way of covering the risk.

Deprivation funding

The increase was needed in order to direct funding to areas of greatest need.

SEND funding

This would be increased in line with increased free entitlement takeup.

Maintained nursery school transitional grant

The proposed approach to the use of this grant would be unchanged.

Funding of SEN resources in maintained nursery schools and nursery classes

It was proposed that the distribution of funding between early years block and high needs should be made consistent with that used elsewhere, ie high needs block would fund additional needs but not the basic hourly rate funding.

5% retention to fund early years service provision

5% of total early years funding would provide a larger sum in 2018/19 than in 2017/18, because of the full year impact of the 30hr entitlement. It was proposed that £250,000 would be deployed for additional support. A total increase of £446k in allowable central funding had been estimated, but it was not proposed to commit the whole sum because of uncertainty over what the total funding (and hence the allowable 5% retention) would actually be. The extra "central" funding would allow additional support to be provided to the sector to reflect the increase in hours provided and also to secure additional provision where the need existed. There was also a need to improve the consistency of 2 year old checks, both those targeted to families in need and the universal offer. Service provision also needed to reflect changes in children's centres.

Members noted the reduced number of providers in Surrey. Reasons given by providers for leaving the market had included costs of the minimum wage, workplace pensions, rents and business rates. The 30hr entitlement had not seemed to be a specific concern, but its introduction meant that more provision was needed, at a time when the number of providers was falling. The service did not specifically survey providers which closed, to identify the reasons for closure, but could try to do this. The service would also look at whether the closures were typically in more deprived areas.

The service set out to identify areas where there was a shortfall in provision and concentrated efforts to increase provision on those areas, particularly

those which were also high need areas. For example available capital funds would be concentrated on those areas.

The Vice Chair asked what a typical increase in hourly rate might be for a high need provider. Frank advised that the average rate per child would vary between providers, with high need providers receiving higher funding. £4.60 was a minimum rate for all providers. Sian Bath estimated that the maximum rate received might be around £9/hr, but suggested that SEN funding didn't cover the additional costs of providing for those pupils.

The Vice Chair noted that 78 responses from 700+ providers was a low response rate. Sian suggested that private nursery managers were simply under too much pressure to be able to be aware of wider issues. She also suggested that some providers had had difficulty in accessing Survey Monkey. Another member suggested that providers may have seen little benefit in responding.

Sian also suggested that the DfE had failed to acknowledge rising costs of business rates and pay increases. The Vice Chair suggested that it might be difficult to lobby based on such a low response rate.

Frank advised of discussions with districts and boroughs as to whether business rate discounts could be offered to nursery providers. This had been done in other areas of the country. Others noted that charitable status might lead to 80% business rates relief but that it could impose constraints.

Frank advised that he was working on an early years phase council, to provide more structured representation for the sector. It could work alongside existing phase councils.

Sian suggested that parental pressure for 30hr provision was likely to make "pre school" providers, open for 3-4hrs/day, unsustainable. Many of these providers did not want to open for longer hours, or could not do so because of premises availability eg village halls.

Members suggested that the LA needed to hold better data in regard to reasons why providers were leaving the market and the geographic spread this impacted on; noting that the LA had reduced staff numbers who used to collect data from providers. Frank suggested that there was some provision for data collection in the increased central costs.

Concerns were expressed that 2 year old checks were not taking place consistently or in an integrated way across education and health. This was recognised and work is underway to improve the offer and take-up'

The Vice Chair emphasised that there should not be perverse incentives to prevent children with SEN entering early years provision, as this was important for early identification of need.

The Forum agreed the proposed central retention of 5% of the 3-4 year old funding,
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The Forum recommended that any contingency underspend should be distributed to providers by some mechanism.

Members also asked that the loss of providers should be noted. They also argued that funding for two year olds was insufficient and that the 30 hr entitlement was leading providers to admit 3-4 year olds for 30hrs rather than admitting funded two year olds (and thus take up of the two year old offer is low) Staff recruitment was also an issue, with low pay and “confusing” qualifications.

They requested further lobbying over the need for DfE to fund LAs based on termly counts to better match funding to takeup.

5 DSG funding and budget 2018/19

LMcG circulated a table showing funding, allocations and unfunded pressures for the DSG blocks. She reminded the Forum that there were now four DSG funding blocks:

Schools (NFF) block

Funding changes included:

- £14m increase in funding from NFF;
- £8.1m increase due to increased pupil numbers (0.98% increase in primary and 1.91% increase in secondary). Earlier increases in primary pupil numbers were now working through the secondary sector;
- £2.6m transfer from high needs block, because place funding from the high needs block for SEN centres was being reduced from £10,000 to £6,000 with the remaining £4,000 coming from the schools block (a technical adjustment).

Allocations:

- NFF implementation (£14m);
- Pupil number growth. Costs didn't match funding because of the workings of the formula-eg reduced incidence of low prior attainment;
- Provision for business rates increases eg additional buildings;
- Lump sum funding for new free schools.

Centrally managed Schools Block

This funded admissions, copyright licences and a range of other statutory duties of the LA. It had been discussed in detail at the December meeting. The allocation was subject to a 2.5% per pupil reduction year on year, although it had increased by £68,000 since the December meeting due to increased pupil numbers. There was a net reduction of £65,000.

Savings had been identified in the budget for Schools Forum administration and also in the devolved admissions appeals budget.

High Needs block

Funding had increased by £2.109m due in part to increases in population and in pupil numbers. However, this was nowhere near enough to meet demographic growth etc. The technical adjustment of £2.6m was for SEN centre costs, where both funding and costs transferred to the Schools NFF block (see Schools NFF block above).

Early years block

The increase in grant of £8.8m was a DfE estimate. It could be higher or lower in fact and will depend on pupil numbers on the Jan 2018 and Jan 2019 census dates. Most of it related to the 30 hr free entitlement. Proposals for use of this sum had been discussed under item 4.

The maintained nursery school grant adjustment was a DfE adjustment.

Cost pressures exceeding available funding

Central school services block

Cost of copyright licences had increased by £23,000. Savings would need to be identified to offset this.

High needs block

The current estimated overspend in 2017/18 was £8.5m. This, plus other unfunded demand increases in 2018/19, led to a need for £10.7m additional savings in the high needs block in 2018/19. Although Surrey was an outlier, unfunded demand increases in the high needs block were a national issue.

Issues for meeting on high needs block on 15 January 2018

An additional Schools Forum meeting had been arranged for Monday 15 January, specifically to discuss high needs block pressures. The Vice Chair noted that that meeting would need to be the start of a series of discussions. LM proposed that that meeting should last no more than 1½ hrs.

LM suggested that that meeting might start by reviewing the context and understanding where the largest part of the budget was spent, which were the areas where the greatest influence might be possible and what were the most urgent areas to look at (early years might be one). A full zero based approach (as proposed by the working group) might require decommissioning existing places for existing children and thus might not be realistic. NMI placements were right for some pupils, eg those with very complex needs.

Members were welcome to suggest new lines of enquiry but it would not be possible to explore them all at Monday's meeting.

LM suggested that schools reps might be invited to look at some individual children in NMI placements, and to consider how they might have been placed in state maintained schools.

Members suggested that:

- more clarity was needed as to the future role of the high needs working group, which had agreed the need to start with "a blank sheet of paper";
- An overview of current spending would be useful;
- Data was needed on future demand and on identified gaps in Surrey provision (eg need groups for which Surrey had no provision of its own);;

- There needed to be clarity as to what services were available and to whom: one member lacked confidence that she had an overview of what was available;
- There was a potential for inequalities between those children who had already been placed and those who had not (although LM suggested that this was not currently an issue as the LA was choosing to meet need rather than immediately constraining provision to budget).

They also asked for:

- Associated costs including transport;
- Costs of post 19 provision;
- Data on how long it takes for a child to obtain the specialist provision specified in an EHCP.

One member argued that the Forum lacked clarity on the cost of statutory provision. LM suggested that it was more important to consider the way in which we met statutory requirements. The cost of non statutory provision was not always obvious, other than nurture groups and outreach. Others suggested that if provision was in an EHCP, or part of the process for securing an EHCP, it was statutory.

Other views expressed by members included:

- That checks on 2 year olds were key to early identification of SEND needs;
- That many children were being held in mainstream schools who would inevitably need an NMI place and whose needs were increasing meantime;
- That the LA ought to analyse the processes by which children are placed in NMIs and why individual children are placed in NMIs: (The Vice Chair suggested that perhaps members could look at a few cases where there might be doubt over what placement might be appropriate).

David Monk recalled that a few years ago there had been consideration of a model whereby areas would be given an allocation of funding and then expected to place children in schools in that area. He suggested that there was scope for some form of discussion in areas about local solutions for local needs. LM saw this as an example of something which the working group could look at. David Monk also argued that Surrey spent 15-20% more on NMI placements than comparable LAs. LM suggested that statistics indicated that Surrey schools were less inclusive.

6 High needs places: maintained schools and PRUs

DG noted that the LA had to report the number of high needs places in SEN centres in maintained mainstream schools to the DfE by 19 January, although this only really mattered if there were to be reductions. However, so far data was not available on proposed place numbers for September 2018. This had to be discussed with individual schools. The deadline did not apply for special schools or PRUs.

He proposed that consideration of the number of places to be funded should be referred to the high needs block working group. Proposals for academy places had been considered by the Forum previously.

7 Traded arrangements for trade union buyback (facility time)

Prodromos Mavridis presented this item. He recalled that the right to de-delegate funding from schools was expected to cease within the next few years. Proposals were being developed to move to a service level agreement covering all categories of schools, and which would also be available to independent schools and to FE colleges if they wished to join. Prodromos noted that SCC HR had shared an outline of the proposed new approach with forum members in 2017. Although de-delegation could legally continue for a few more years, introducing a new agreement now would allow time to refine it before the DfE deleted the power to de-delegate.

The council was reviewing its facilities agreement with support staff unions and the distribution of facility time between unions, as part of wider discussions with unions. This didn't involve teaching unions because the Council does not recognise them for collective bargaining purposes due to the fact that historically teachers' conditions had been set nationally. However, Prodromos acknowledged that some local discretion on teachers' pay is gradually being introduced within the national 'burgundy book' framework. Alongside this, facilities arrangements for school staff were being reviewed.

He hoped to have a facilities time SLA with schools in place by the start of the next financial year, although this might depend on whether committee approval was required. He proposed discussions with phase councils during January and February. Phase council reps present appeared unaware that that had been proposed, and advised that it was not on current agendas. Prodromos would then issue an update note to all schools in March. He would welcome input on the proposed SLA from headteachers and business managers. It would be reviewed annually. The overall cost of facilities time was not expected to change much, but there might be a redistribution of time between unions.

One member asked that the position of multi academy trusts should be clarified as they, not individual academies, were the employers of their staff. Prodromos was happy to involve MATs in the process.

Members noted that the arrangement was actually a cost sharing arrangement whereby individual schools were compensated for the cost of releasing their staff for wider union duties if they were elected for such duties.. An SLA could not make the union reps accountable to a school or to the LA. Prodromos advised that the terms of the agreement would not be like an SLA with a service provider. Although the Council does not recognise teaching unions for the purposes of collective bargaining, it is keen to involve them in discussions relating to facility time.

One union representative present argued that their workload had increased as a result of increased local discretion on teachers' pay (eg on the number of steps within the main scale for teachers in individual schools).

The Vice Chair suggested that April 2018 implementation did not give schools long enough to consider any proposals, and thought this was a “corporate” change being extended to schools but without the necessary communication and transparency needed to ensure all schools fully understood the reason for the change but perhaps more importantly the risks of not having either dedelegation or SLA for trade union buyback

One member stated that following both Prodromos’s presentation and discussion they were not clear at all about what was being proposed nor the costs involved to schools.

Another member objected strongly to the word ‘assume’ being used consistently throughout the presentation and felt this was inappropriate in a context where money and budgeting were involved. They stated that they would need ‘specific’ detail to be able to consider this proposal fully.

Jane Armitage explained that she had been allocated some facilities days to work with schools to develop the new agreement. She asked that they advised her of the data which they would require in order to put a facilities agreement in place. The Vice Chair suggested that that question required consideration by a wider group.

LMcG advised the Forum that, should members have concerns that an April 2018 implementation date would be unrealistic, as an alternative, maintained primary and secondary reps on the Forum had the power to approve continued de-delegation for another year. If so, a decision would be required before 19 January and hence at this meeting. No such proposal had been included in the autumn consultation paper because it had been anticipated that “traded” arrangements would be in place for 2018/19. If neither de-delegation nor the SLA were agreed, then central funding for union facility time for schools would cease.

The Vice Chair proposed, and representatives of maintained primary and maintained secondary schools present, separately, agreed that de-delegation for trade union facilities time should continue for 2018/19, at the same rates per pupil as in 2017/18.

8 Mainstream schools funding issues 2018/19⁴

a) Growing schools

DG asked for approval of one clarification of criteria, ie that for the purposes of calculating vacancy funding, wholly new primary schools should not be treated as schools extending age range (even though they were adding a year group every year). This meant that they would receive vacancy funding only for the Infant year groups. In practice this was unlikely to be an issue in 2018/19.

The Forum agreed that wholly new primary schools should only receive vacancy funding in the infant year groups.

⁴ Not 2017/18 as stated on agenda

b) Falling rolls funding

DG asked the Forum to approve proposals for falling rolls funding for secondary schools, as proposed at the Dec 7 meeting. An estimated cost and a corrected version of Annex A were supplied.

DG recommended that falling rolls funding for primary schools should not be introduced in 2018/19 because:

- Falling rolls funding was intended for schools with temporary falls in rolls (ie where pupil numbers were expected to increase shortly) not just for schools with falling rolls, or for schools where planned increases had not been seen. (For example, there was no current evidence that the surplus of places in Runnymede, referred to at the last meeting, was temporary);
- The corresponding arrangements for secondary schools had been subject to consultation with all schools prior to implementation. DG suggested that similar consultation would be appropriate for primary schools too, given the choices involved.

One member noted that army schools could experience sudden large scale pupil losses when army units moved, although another member suggested that the Army had changed its practices and large scale family movements were now much less common, at least in Surrey and Hampshire. DG didn't think the DfE saw service schools as a falling rolls fund issue (service schools had been identified as an issue in earlier DfE consultations) but he was willing to enquire further.

DG explained that under the hard NFF the LA would be given a formula based allocation to cover growing schools and falling rolls costs, and would no longer be able to move funding from NFF into growing schools/falling rolls. This would constrain falling rolls funding in future.

LMcG recalled that the "falling rolls" fund had been intended to avoid the closure of surplus places, in schools which would clearly be required a few years later. PJ Wilkinson (former Surrey Assistant Director) had argued for the facility as Surrey had had a particular problem with vacancies in secondary schools at that time.

The Forum agreed

- That no additional funding should be provided in 2018/19 for primary schools with temporary falls in roll
- The criteria and initial estimated budgets for falling rolls funding for secondary schools for 2018/19 (as set out in the papers for the previous meeting and as amended in the paper for item 8b).

c) Additional SEN funding

DG circulated a table of proposed Notional SEN units of resource, based on the principles supported during the autumn consultation.

DG reminded the Forum that additional SEN funding (for schools with disproportionately high numbers of EHCPs relative to their additional needs funding) limited primary schools' contributions to EHCP costs to 68.4% of their level 2 notional SEN budgets.

Current projections were for an overspend on this budget of around £125,000 in 2017/18 and possibly £400,000 in 2018/19. Containing costs within the budget in 2018/19 would require raising the threshold from 68.4% to 79% Otherwise there would be a further pressure on the high needs budget⁵.

One member argued that this pressure should be considered in the overall high needs budget context. She argued that schools with high incidence of pupils with EHCPs struggled to provide for other children with SEN. For example, some schools had a high proportion of children with SLCN needs because there was no local SLCN centre.

Another member noted that schools could not anticipate the cost of meeting the first £6,000 of additional EHCPs during the year.

The original budget had been set equal to the saving when schools' contribution to statement costs had been raised from £4,400 to £6,000 in 2014/15 and the threshold had been what was affordable at that point⁶.

The Forum agreed to defer consideration of the additional SEN funding threshold until the next meeting to consider it within the context of the wider picture of high needs block pressures

d) Devolved admission appeal funding

DG reminded the Forum that “own admissions authority” schools received devolved funding for the cost of admissions appeals. He proposed to increase the funding rates per appeal stage by 3% for 2018/19 and to reduce the overall budget by £50,000 (see item 5 above). The budget was now part of the central schools services block (not the NFF block). The Forum had the right of approval of the admissions budget (of which this sum was part).

The Forum agreed the proposed increase in devolved funding rates for admissions appeals and the proposed reduction in budget

e) Academy SEN centres

DG reminded the Forum that, in 2018/19, place funding for SEN centres in mainstream schools would be reduced from £10,000 per place to £6,000 but that their pupils would receive mainstream formula funding. The overall effect would generally be small.

For maintained schools the change would be made from April 2018 but for academies the DfE would defer the change until September 2018.

The LA had proposed changes to top up funding rates for SEN centres, which would largely offset the residual impact of the DfE changes. He proposed that the top up rate changes for academies should be deferred until September 2018, so as to take effect at the same time as the DfE changes. The overall

⁵ The actual reason for the increase is more complex than initially thought, and will be explored at the 15 Jan meeting

⁶ The original allocation was £1.672m.in 2014/15. It has been supplemented since then but not as a high needs pressure

cost to the LA would be small but the change would be consistent with the objective of minimising the impact of the DfE changes.

The Forum supported the proposal to defer changes to top up funding rates for academy SEN centres until September 2018.

9 Schools Forum issues

Additional meeting (15 January)

To cover high needs issues (see item 5 above)

Training for new members

LMcG would contact new members to discuss training needs, in the spring, ahead of the meeting on 1 May.

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

There was no other business.

Meeting ended 3.35pm

Dates of next meeting: Monday 15 January 2018, 1pm at High Ashurst
Then Tuesday 1 May 2018 1pm at NASUWT, Send