



# Surrey Schools Forum Minutes of Meeting

**Tuesday 10 January 2023 12.30pm Virtual Meeting on TEAMS**

Approved by members at their meeting on 12 May 2023.

## **Present**

### **Chair**

Rhona Barnfield                      Howard of Effingham School                      Academy member

### **Joint Vice-Chairs**

Kate Keane                              Ewell Grove Primary                              Primary Head\*

Justin Price                              Freemantles School                              Special school head

### **Other school and academy members:**

Donna Harwood-Duffy                      Dorking Nursery school                              Maintained nursery sch rep

Katie Aldred                              Bagshot Infant School                              Primary Head

Clare McConnell                              Bisley Primary School                              Primary Head

Zoe Johnson-Walker                              The Winston Churchill School                              Secondary Head

Paul Jackson                              NW secondary PRU                              PRU representative

Geoffrey Hackett                              Burpham Primary                              Primary governor

Steph Neale                              St Pauls Catholic Primary                              Primary governor

Fred Greaves                              Oakwood School                              Secondary governor

Lisa Kent                              Manor Mead and Walton Leigh Schools (special governor)

Sir Andrew Carter                              South Farnham Educ Trust                              Academy member

Elaine Cooper                              SWAN academy trust                              Academy member\*

Jo Hastings                              Ottershaw Infant and Junior                              Academy member

Sarah Kober                              Darley Dene Primary School                              Academy member

Jack Mayhew                              Learning partners MAT                              Academy member

Kerry Oakley                              Carrington School                              Academy member

Susan Wardlow                              Reigate School                              Academy member

Neil Miller                              Bramley Oak Academy                              Special academy member

David Euridge                              Reigate Valley/Wey Valley                              AP academy member

### **Non-school members**

Sarah Porter                              Private, voluntary and independent nurseries

Tamsin Honeybourne                              Unions: Education Joint Committee

Folasadi Afolabi                              Unions: Education Joint Committee

Matthew Rixson Guildford Diocese (Church of England)

Joe Dunne Arundel and Brighton Diocese (RC)

\*not present for items 1-3

### **Local Authority Officers**

Liz Mills (LM) Director–Education and Lifelong Learning

Jane Edwards Assistant Director-Education

Eamonn Gilbert Assistant Director-Commissioning

Daniel Peattie Strategic Finance Business Partner

Sarah Bryan Deputy Strategic Finance Business Partner

David Green (DG) Senior Finance Business Partner (Schools Funding)

Paul Smith and Emma Lucas of HR attended to present item 3.

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

Apologies had been received from:

Karyn Hing Westfield School Academy member

Christine Ricketts Post 16 provider

Claire Poole Family Voice Surrey

## **2 Declarations of interest for this meeting and register**

The Chair reminded members that “Members of schools forum should take a strategic view (and) consider the needs of the whole of the educational community, rather than using their position on a schools forum to advance their own sectional or specific interests” and that members were here to consider the interests of all Surrey children.

The Chair thanked those members who had completed the register of interests.

Jack Mayhew declared an interest in item 6 (growth fund). Justin Price declared an interest in the early intervention fund issue in item 5, as his school received funding from the early intervention fund for providing the STEPS programme to early years providers.

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## **3 Surrey support staff pay proposals 2023/24.**

LM noted that the Forum was seeing the paper before Corporate Leadership Team had considered the proposals (which they were doing later that afternoon).

Paul Smith advised that unions had submitted a pay claim for a 12% increase, plus other benefits. Affordability would be a key issue. However, in order to meet the Real Living Wage, an increase of 7-8% was needed on grades PS1/2, and some adjustments to PS3-4 (where most school support staff were) would be necessary to maintain some differentials between grades. The council was committed to matching

the Real Living Wage. Some other issues were also being discussed, including increased leave and paid leave for staff who were carers.

Three options were being presented to CLT, but the need to match the real living wage for the lowest grade would mean narrowing differentials between grades unless a flat rate pay increase or a standard percentage increase was applied. This might mean deleting some scale points. The gap between PS1/2 and PS3 was important in Twelve-Fifteen, where there were staff on both and merging the two would affect promotion prospects. Paul hoped for a first meeting with unions on 19 January, and anticipated that negotiations would continue through February, with implementation from 1 April (though the increase might have to be paid from May and backdated).

Paul saw this as the start of broader work on pay reform, including a review of job families. He proposed to work with a small group of school representatives on this.

The 2022/23 pay settlement had included a commitment to honour any increase in the real living wage during the year. Hourly rates had exceeded the real living wage in April 2022, but the lowest hourly rates were now below the real living wage following the November increase in the real living wage. An interim one off pay increase in 2022/23 for grades PS1-3 had been agreed to make up the shortfall between November and March. Paul estimated the cost of the interim payment at 69p/hr for PS3 (pro rated for part time staff). The LA had also paid a one off lump sum to staff undertaking significant business mileage.

Members expressed concern at additional pay costs being advised in January which schools had not budgeted for. LM commented that the commitment to the real living wage had been in the joint statement on the 2022/23 pay settlement, but that it could not have been costed at the time because the scale of the real living wage increase had not been decided. There was no additional funding for the increases.

Members suggested that local authorities should apply pressure for the real living wage to be set in April rather than November.

Members noted that family centre staff and PRU outreach staff might incur significant mileage costs and thus be eligible for the business mileage lump sum.

Paul Smith suggested that the one off payment for school staff might be made in February. Schools may need to provide details of mileage claimed. Action: Emma Lucas and finance colleagues to follow up.

The Chair noted that the increases were necessary given the increases in the cost of living. She asked that schools should be advised of the costs before the increases were paid.

Members asked whether there was a risk of a recurrence in 2023/24 if there was a large increase in the real living wage again. LM advised that further planning guidance would be given once the LA had a clearer idea of inflation pressures. The increase was right for staff, but she recognised that it was helpful to avoid unexpected cost increases.

The Forum supported establishment of a reference group to work with the LA on future pay developments. Surrey Pay covered more than schools, but it was important that schools were involved in discussions. Volunteers to advise DG of their interest. Terms of reference to be brought to the next meeting of the Forum. LM was happy for business managers to be represented on that group rather than

headteachers alone. It was also important that different categories of schools were represented.

Academies which had agreed to mirror Surrey pay would be affected by the real living wage increase. One member noted that all academies were hiring in the same market place, and suggested that few academies paid less than Surrey Pay. The member also asked what proportion of Surrey pay staff were in schools.

#### **4 Minutes of previous meeting (8 December 2022)**

##### **Accuracy**

The minutes of the previous meeting were agreed as accurate.

##### **Matters arising (not covered elsewhere on the agenda)**

Training offer for headteachers who were not Schools Forum members:  
This was still work in progress

Chair to consult co-Chairs of secondary phase council over how to raise interest in the annual funding consultation:  
The Chair had asked for views and was awaiting a response.

Mainstream SEN banding consultation:  
This should be live by the end of the week. There had been no significant changes to proposals since the December meeting,

#### **5 Update on final 2023/24 DSG settlement including high needs block update and CSSB funding**

DFE had issued the final DSG settlement for 2023/24 on 16 December 2022.

##### **Schools block**

This had been updated for pupil numbers, plus a £1m increase in growth fund based on updated pupil numbers. Detailed proposals for the schools block were covered in items 6 and 7.

There would also be a mainstream schools additional grant which would be worth around £27m to Surrey mainstream schools, and which would distribute the additional funding from the autumn statement. DFE will set allocations for individual schools. The grant would not cover nursery provision or sixth forms. The former schools supplementary grant had only covered health and social care levy costs for state nursery providers and sixth forms, and these costs were no longer being incurred.

##### **Central schools services block**

There was an increase of £0.064m due to increased pupil numbers.

£17,000 of the increase was needed to cover copyright licensing costs increasing by more than expected. It was proposed that the remaining £47,000 was spent on EYES system support and increased funding for inclusion officers, adding to the additional £191,000 allocated thus at the December meeting.

### **High needs block**

£8.7m additional funding had been allocated from the autumn statement, plus an additional £0.9m for pupil numbers, which are always updated at this point.

Within the High Needs block in 2023/24 LAs are required to allocate additional sums to special schools and PRUs at 3.4% of average 2022/23 (top up and place) funding per place x the number of places. This is separate from place and top up funding. We can apply to disapply in cases of gross anomaly on a school by school basis, and we are looking at that, but we could only apply in case of anomaly or outlier. Officers are still looking at the details.

The special schools MFG continues separately, as previously announced, at an increase of 3% over two years, which means a minimum increase of 0.5% for Surrey, as 2.5% was provided in 2022/23. DfE does not apply the minimum funding guarantee to pupil referral units.

Therefore the LA would need to set inflation increases for special schools at a minimum of 3.9%.

Officers could not confirm whether the 3.4% increase would form part of the base for 2024/25.

Members suggested that the special schools sector started 2023/24 with a shortfall of 2% due to the additional costs of the 2022/23 support staff pay increase being funded only by a one off allocation.

### **Early years block**

The DfE had increased hourly rates to Surrey by 4.87% for 3-4 year olds and by 9.92% for 2 year olds. The increases reflected changes in the national early years funding formula following the DfE's summer consultation, which had been quite beneficial to Surrey. The actual total grant will be updated based on Jan 2023 and Jan 2024 censuses.

The quoted increases were the increases in DfE funding of Surrey. Surrey would need to set its provider rates having regard to affordability.

In October Surrey had proposed to increase the basic hourly rate for three year olds by the DfE increase plus 6p, subject to affordability to be estimated based on the Jan 2023 census data. Officers were now proposing that 3p should instead be used to increase the level of the Early Intervention Fund, where demand was still growing (eg 887 children supported in autumn 2022 compared to 620 in autumn 2021). This would increase the value of the fund by £400,000. Officers proposed a separate mini-consultation with the sector, as the proposal had not been included in the autumn consultation.

The final decision was an LA decision, for the Director, but it was proposed that the Chair and Vice-Chairs of Schools Forum and the early years representatives would be consulted before the decision was made.

Nursery reps urged that the LA should set the hourly rate for providers earlier this year (for 2022/23 it was set on 31 March).

Nursery reps also suggested topslicing funding for the early intervention fund for two year olds from the hourly rate for two year olds (rather than from the centrally retained portion of the three and four year old funding, as now). They noted that there had been a large increase in the DfE two year old rate. DG suggested that this was too major a change to consider now for 2023/24, as use of the two year old funding other than for the hourly rate had not previously been discussed. He would note it as an issue for consultation for 2024/25. **Action for DG to note consultation issue.**

At present it was still proposed to implement a teacher pay and pension supplement for state maintained nursery classes, subject to some clarification from DfE as to what was permitted.

The former teacher pay and pension grant for maintained nursery schools would be allocated to that sector via a increase in the maintained nursery school supplementary funding. Officers proposed an hourly rate for teacher pay and pensions, then funding for rates and split site funding as now, with the balance split equally between the four maintained nursery schools.

### **Data on high needs block costs and use of non-maintained and independent special schools**

Sarah Bryan explained that the data in the annex had been provided in response to a request at the previous meeting for year on year comparisons and for evidence of the impact of the capital programme on the number of independent special school placements used.

Members noted the demand pressures from the continuing increase in EHCP volumes.

Members asked that similar data be provided in future, on a consistent basis.

LM noted that the level of use of the independent sector for in year placements remained a cause for concern, but suggested that overall the proportion of placements was going in the right direction. The LA sought to identify those independent providers which had the best outcomes and were good value and to arrange group placements with them where there was insufficient capacity in the state sector, principally for autism and CSCN.

One member expressed concern over staff terms and conditions in some independent special schools (eg dismissal and re-engagement on inferior terms and conditions) and whether the LA had oversight of conditions in the schools it used. Eamonn responded that the LA had introduced quite robust contract monitoring of providers.

### **The Forum**



- \* noted the updated DSG allocations and the updated high needs block position;
- \* agreed the proposed use of the additional CSSB funding for EYES support and inclusion officers to monitor children missing education (by consensus);
- \* supported the proposals for early years funding (by consensus),
- \* supported consulting the early years sector on a further increase in the Early Intervention Fund, equivalent to 3p of the hourly rate (by consensus).

The Forum did not (and was not asked to) express a view as to whether or not they supported the proposed increase in the early intervention fund.

## **6 Growing schools fund criteria and budget proposals for 2023/24**

DG recalled that, at its last meeting, the Forum had agreed criteria for use of the growing schools fund, but that they had not been asked to agree a budget because the DfE allocation for the purpose was not then known. The DfE allocation for 2023/24 was actually around £1m higher than last year, whereas Surrey's projected growth cost was less. The DfE funding is lagged and also is gross small area growth (i.e. it does not net off losses in areas where pupil numbers fall) -so in effect the DfE funds all area level growth not just PAN/bulge growth but they fund it at a lower rate.

Currently growth funding in 2023/24 was estimated to exceed likely costs by £2m-£3m. A transfer of £2m to support the main funding formula was proposed. The paper showed £1.2m additional contingency after that transfer. It was proposed that that sum was retained in the growth fund because the secondary unplaced pupils/oversubscription meeting had yet to be held (later the same week) and that might identify a need for additional bulge classes. If the growth fund was overspent, that overspend would need to be a call on the following year's growth or formula funding.

DG explained that the estimated £100k cost of a secondary bulge class was based on 7/12 (ie part year) of the average annual pupil led funding per pupil x numbers on roll. He suggested that the equivalent cost for primary schools might be around £70-80k on the same basis.

The Forum agreed the proposed budget, including the additional contingency of £1.2m (by consensus, without a formal vote).

## **7 Proposals for mainstream schools funding formula funding rates for 2023/24, including disapplication update**

### **Background and funding rates proposals**

DG reminded the Forum that proposed 2023/24 formula funding rates now required amendment to ensure affordability, based on Oct 2022 pupil characteristics data. DfE funded Surrey for 2023/24 based on Oct 2022 NOR and Oct 2021 additional needs. Surrey was required to fund schools on Oct 2022 pupil numbers and Oct 2022 additional needs. Proposed funding factors had to be submitted to DfE by 20

January 2023. The proposals assumed that the transfer of 1% of schools block to high needs would be approved by DfE.

The cost of additional needs had increased by £3.1m, due to increased incidence of “EAL3”, increased low prior attainment and some increase in deprivation. This increase was much higher than had been seen in other recent years. Additionally an increase of £0.5m in business rates was estimated due to national revaluation.

The additional costs would be partly mitigated by use of £2m transferred from growth fund. Officers had illustrated two scenarios for the formula and sought the Forum’s views on which to implement:

- 0.88% typical increase in units of resource (as supported by the Forum in October). This would mean an estimated ceiling of 1.53% on per pupil gains;
- A lower increase in units of resource of 0.7% (roughly half of the difference between 0.88% and the MFG of 0.5%) which would mean an estimated ceiling on gains of 1.84%.

DG reminded the Forum that ceiling deductions disproportionately affected small schools.

DG explained that if a school was subject to a ceiling in one year, that formed the baseline for calculation of any ceiling in the following year. Thus a ceiling in one year would mean lower funding in the following year if a ceiling was applied in that following year, though ceilings were not used every year (eg there had not been one in 2021/22).

Members asked for further guidance from officers on the options. DG suggested that the Forum was being asked to consider whether the level of ceiling needed to deliver a 0.88% increase in funding rates (as previously supported) was so low that the level of funding rates should be reviewed in order to mitigate it. He suggested that the Forum should support the 0.88% increase in funding rates preferred in October, unless there were strong reasons for supporting a change now. The alternative option meant a higher ceiling, and hence smaller ceiling deductions from smaller schools. However, schools had undertaken budget planning on the basis of the 0.88% scenario. The Forum might wish to consider this, and previous concerns about small schools, in making their recommendations.

### **Schools, academies and early years reps voted by 17-0 to support the 0.88% increase in funding rates.**

(NB This means that funding rates will largely increase by 1.52% less than DfE NFF rates. They will not actually all increase by 0.88%. The final ceiling %s will vary depending on final data checking).

### **Disapplication update**

DG advised the Forum that the proposed disapplication requests, to cease to fund leaving bulge classes from Sept 2023, and the proposal to adjust funding of a school losing its year 3 PAN through a local reorganisation, had been approved. The proposal to amend funded pupil numbers for schools reducing PAN had been withdrawn, and those schools would now be funded using Oct 2022 census data in the normal way.



DG sought the Forum's support for an additional disapplication request. In previous years, underspent school specific contingency had been recycled to maintained primary schools, and had been excluded from the minimum funding guarantee baseline. In 2023/24 the recycling would no longer occur, but there would be no de-delegation either, and the net impact of the two on most primary schools would be negligible. But if the 2022/23 recycling were not excluded from the baseline, then recycling would effectively continue via MFG. He sought the Forum's support for a request to DFE to exclude the 2022/23 recycled contingency from MFG baseline.

**The Forum supported the proposed disapplication request.**

#### **Notional SEN funding for 2023/24**

A late paper had been circulated, proposing the basis of setting notional SEN rates for 2023/24.

DG explained that the proposed principles were the same as for 2022/23, but that assimilation of schools supplementary grant into NFF had meant quite a large increase in some of the notional SEN rates. The Forum was entitled to be consulted.

**The Forum supported the proposals for setting notional SEN rates.**

#### **High needs block transfer disapplication**

Daniel Peattie advised the Forum that the high needs block transfer disapplications were being handled by a different branch of the DfE (the safety valve) team. In October, the Forum had noted schools' opposition to the proposed transfer. The DFE had asked whether any Forum members had changed their views due to the subsequent announcement of additional funding for schools.

Members recalled that some schools had wanted the LA to renegotiate the safety valve agreement given the increased cost pressures arising from the increased cost of living, which had placed schools in a difficult position. They also noted that schools had been consulted only after the block transfer had already been included in the safety valve agreement. Some members thought the cost of living had made it difficult to support the proposal, others that the cost of living had added to the pressure but that there was opposition to the principle.

LM noted that the block transfer had been mentioned in the autumn consultation She thought schools had understood the need, but that they had felt unable to support it because of the strains on overall school funding.

The Chair recommended that DfE be advised that Forum members would need to know whether schools' views had changed, following the announcement of additional funding for mainstream schools, before considering whether to change their position. The Forum had no means of getting that view.

**The consensus was that the Forum's position had not changed.**

#### **8 Special schools and pupil referral units inflation uplift**

EG noted that the DfE had been much more directive over inflation uplifts for special schools and PRUs for 2023/24. He was confident that an agreement on inflation

funding could be reached by the end of January 2023, but proposals needed to be discussed by the relevant headteacher working groups.

EG recalled that whereas mainstream schools were formula funded for inflation (through ringfencing of NFF and separate grant), the level of inflation for special schools was negotiated locally within the overall high needs block on an annual basis. He thought the DfE requirements would speed up the process.

Justin Price thought an agreement by the end of January would be positive, but asked whether it would be possible to reopen discussions if the impact of the Surrey pay award was higher than expected. The Chair noted that it was unlikely that the cost of the Surrey pay increase would be known by the end of January. LM advised that the issue could be revisited when the cost of the pay increase was known, but no undertaking could be given that any further funding would be made available.

It would be expected that any inflation funding allocated in 2023/24 would form part of the base for the 2024/25 budget.

The special schools minimum funding guarantee applied both to place and top up funding, but would be delivered by an increase in top up. The “additional 3.4%” was neither place funding nor top up.

## **9 Schools Forum business**

Date of next meeting: 16 May 2023, 12.30 start, on TEAMS

To include 2022/23 DSG outturn and items for September consultation.

Members asked that this meeting should include discussion of how to increase schools’ involvement in discussions on the consultation proposals.

Additional workshop meeting: Friday 28 April 2023, 1-3pm, to discuss work of Inclusion Innovation working group and safety valve update.

## **10 Any other business**

None

**Meeting ended 2.30pm**

### **Date of next meeting**

Now amended to Friday 12 May 2023 1pm, venue TEAMS

Plus additional workshop meeting Friday 28 April 2023 1pm on TEAMS