LONDON BOROUGH OF SUTTON

SUTTON SCHOOLS FORUM:
THE FUNDING CONSULTATIVE GROUP

Minutes of the Meeting held on Thursday 9 February 2017
at Cheam High School at 6.30pm

Members:
(Voting)
Brenda Morley (Chair) (BM) Academy Secondary Governor
Bec Allott (BA) Academy Secondary Headteacher
*Mal Fjord-Roberts (MF-R) Academy Special School Headteacher
(substitute: Rob Watkins (RM))
Phillip Hedger (PH) Academy Primary Headteacher
(substitute: Kay Ritchie (KR))
Gordon Ironside (GI) Academy Secondary Headteacher
Viv Jones (VJ) Academy Secondary Headteacher
Emma Hart-Dyke (EHD) Maintained Primary Headteacher
Danielle Scrase (DS) Maintained Primary Headteacher
(substitute: Elisabeth Broers (EBr))
Jan Allen (JA) Maintained Nursery Headteacher
Emma Bradshaw (EB) Alternative Education Provider
Carole Cook (CC) Maintained Primary Governor
Jenny Sims (JS) Maintained Primary Governor
Dr Mary Howard (MH) Maintained Second ary Governor
Mavis Peart (MP) Maintained Special School Governor
*Muriel McIntosh (MM) Early Years Provider
(Non-Voting)
*Janet Smith (JS) 14-19 Provider
Andrew Theobald (AT) Archdiocese of Southwark
Brian Stevens (Vice Chair) (BS) Diocese of Southwark
*Sue Smith (SS) Sutton Teachers Committee
(substitute: Alison Morgan) (AM)

Observers
*Cllr Wendy Mathys (WM) Chair of Children Family and Education Committee
Cllr Arthur Hookway (AH) Vice-Chair of Children Family and Education Committee
Cllr Jane Pascoe (JP) Opposition Spokesperson for Children Family and Education

Also Present:
Kieran Holliday (KH) Head of Pupil Based Commissioning (LBS)
Sue Holmes (SH) Business Advice and Support Manager (LBS)
Phil Butlin (PB) Executive Head of Finance (LBS)
Richard Nash (RN) Executive Head of Safeguarding (LBS)
Adrian Williams (AW) Interim Head of Education/Strategic Lead for SEN (LBS)
William Clapp (WC) Interim Managing Director (SES Ltd)
Neil Moore (NM) Operations Director (SES Ltd)
Moira Alexander (MA) Independent Minutewriter

5 members of the public
1 APOLOGIES FOR ABSENCE

a) Everyone was welcomed to the meeting; introductions were made.

b) Apologies for absence were received from Mrs M McIntosh, Cllr W Mathys, Ms J Smith and Mrs S Smith.

RESOLUTION: a and b were noted

2 DECLARATION OF INTERESTS

The Chair reminded those present to declare any business interests, pecuniary or otherwise, as and when they occurred.

RESOLUTION: agreed

3 MINUTES

The Minutes of the meeting held on 8 December 2016 were agreed as a correct record subject to the following amendment:

Minute 9 (c): "about 10 years ago there were 10 children in wheelchairs and in 2016 15 out of 78 pupils were in wheelchairs.

RESOLUTION: agreed

4 MATTERS ARISING

a) KH provided an update on matters arising from the previous meeting:

i) Minute 5 k (i): AW was welcomed to the authority as the Interim Head of Education. His post was being funded through a grant received from Government to undertake reviews of High Needs spend.

ii) Minute 5 k (ii): AW would be considering this and would bring a scoping document on this and about how to involve schools to the next FRG in March. The suggestion that governors could contribute to this work at no cost was noted.

iii) Minute 5 k (iii): the organogram had been circulated.

iv) Minute 6 f (i) and (ii): these were in hand.

v) Minute 7c (ii): the figure that had been reported had referred to the transfer to academy status of 3 primary schools, Brookfield, Tweeddale and Cheam Fields – not just Brookfield.

vi) Minute 8 w (iii): a meeting between EB and SH was scheduled to consider the issue about recoupment. The development of a PRU funding formula remained outstanding.

vii) Minute 9 d (i): Colin Hagreen / AW / KH were meeting with Sherwood Park to take forward the addition of a fourth band at Sherwood Park/Sherwood Hill from September 2017.
viii) Minute 9 d (ii): the staff ratio had been confirmed as 1:6 in line with BATOD guidance.

RESOLUTION: noted

b) It was agreed that all other matters arising were covered on the agenda.

RESOLUTION: agreed

5 REVENUE REPORT MONTH 9/REVIEW OF DSG SAVINGS PROPOSALS

Revenue Report

a) The Revenue Report, which had been circulated with the agenda in advance of the meeting, was taken as read. SH went through the report and highlighted:

i) There was currently a variation of £1.63m for 2016/17; £1.3m of this was SEN and a breakdown of that was attached in Appendix 5b.

ii) In addition to the above, a further pressure on the 2016/17 budget had been identified relating to the provision of Speech and Language Therapy (SaLT) and Occupational Therapy (OT). This was because of late invoicing and incorrect accruing of costs; this was currently being investigated. If the invoices were correct there would likely be a total unplanned variation on this contract of £216k in 2015/16 and £225k in 2016/17 ie £441k in total. The budget for SaLT and OT had remained at the same level since 2011/12 – and was still set at this level for 2017/18.

b) During discussion the Schools Forum agreed that it was extremely concerning to learn about the variation on the SaLT and OT budget. It was suggested that an external audit of SEN finance might be appropriate.

Mr Theobald arrived

c) KH commented that the local authority had the same concerns as the Schools Forum about the unexpected variation and, whilst the late invoicing by the CCG, and sparse information on the invoices, did not help, the local authority should have been aware of the variation through its financial and contract management processes. AW was now picking this up and would be working with NM to ensure better oversight in future. NM agreed that a review was needed to ensure the systems were robust and that there was capacity to deliver strong financial and contract management but did not think it necessary to employ an external agency to do this.

d) PB commented that if the SaLT and OT overspends were as predicted then it related to 2016/17 and 2017/18.

e) Clarification was sought about the underspends and overspends shown in the shaded area of the budget which related to SES Ltd. SH explained that these were reported to SES Ltd in November 2016 when the company had been formed. SH would work with AW and NM to go through these figures. It seemed as if there would be an underspend in the order of £136k.

SH/AW/NM
f) SES Ltd was reminded that a more effective way to monitor expenditure and performance was needed.  

WC/NM

g) With regards to Appendix B – SEN Funding 2016-17, RW asked a series of questions including:

i) Were the figures given correct as they did not seem right to him?
ii) Why were the special schools in Sutton having to make savings when they were not overspent?
iii) £729k was spent on 47 out of borough students; Carew Academy had 142 students at a cost of £892k. Why wasn’t there a move to reduce the number of out-of borough students?

h) Whilst it was agreed that for many years there had been a drive to reduce the number of out-of-borough placements the effectiveness of the process was important. There needed to be accurate information about a child’s needs. There were anecdotal reports about information being out of date when decisions were being made about whether needs could be met. This could lead to the incorrect placement of children.

i) It was reiterated that reducing the SEN top-up rate could be a false economy as a likely consequence of it could be more children placed out-of-borough.

j) SH reported that the forecast expenditure shown in the Appendix was done in a detailed and methodical way; she believed it to be accurate. She asked RW to provide her with specific queries and she / C Hagreen / NM would investigate.

RW/SH

k) SH was asked to add a commentary alongside the EY funding line in the draft budget to explain its growth. Further commentary should be provided for all budget lines in future where appropriate information was pertinent.

l) The Schools Forum noted the following:

i) the latest position on the DSG for 2016/17, as at month 9;
ii) the SEN Funding position for 2016/17, as at month 9.

RESOLUTION: a to l were noted

SEN Funding rates

m) The paper, SEN Funding Rates Enclosure 5b (additional paper), was taken as read. It was noted that the MFG operated differently in special schools than in mainstream schools and that representations had been received about the Schools Forum’s proposals to reduce the funding for SEN Top up rates. These representations included a letter from The Limes College dated 25 January 2017; a letter from Carew Academy dated 23 January 2017 and a letter from Wandle Valley School received on 9 February 2017 which had been shared with KH and AW.

RESOLUTION: noted
n) It was agreed that for the purpose of the 2017/18 budget, the £500k savings identified in SEN should remain in place despite the pressures identified by the MFG effect on special school budgets. The local authority, in conjunction with SES Ltd, would seek to identify the savings required to achieve the shortfalls created by the MFG impacts. It was noted that the local authority would contribute up to £256k should the £500k SEN savings in the proposed budget not be achieved. In addition, if those savings were identified, the LA would contribute to any overspends relating to the OT and SLT pressures identified in paragraph 5.d.

RESOLUTION: agreed

DSG contribution to children’s services

o) The paper, *DSG Contribution to Children’s Services*, was taken as read. RN commented that the £272k contribution from the DSG funded key posts (the lead on Child Sexual Exploitation, a data analyst, 4 posts in the MASH and some administrative support) and that this support to vulnerable children benefited all Sutton schools.

p) Whilst there was no question that the work undertaken was valuable it was queried why this contribution needed to be made by the education budget to the social care budget. It was suggested that the DSG was supposed to fund the core education provision for mainstream children – not fund this type of social services support. It was reported that the funding cuts to schools meant that posts that supported vulnerable children and families were likely to be the first redundancies made by schools – and this contribution could be used by schools to help protect those posts.

q) RN commented that in the past he had had feedback from the Schools Forum that social workers had not turned up to meetings in school. At the time he had asked for specific examples from schools and had only been given one. He had followed this up. He asked that any school that believed that social workers were not doing their jobs appropriately should let him know but that this feedback had not been forthcoming in the past for whatever reasons.

RESOLUTION: o to q were noted

r) It was recognised that some of the work supported by the DSG contribution to children’s services was specialist. It was agreed that the £227k contribution should be included in the budget for 2017/18. This would be reviewed annually in advance of the budget preparation.

RESOLUTION: agreed

Mr Nash left the meeting

Education Services Grant

s) The paper, *Education Services Grant*, was taken as read with PB summarising the position; there would be no net effect on the DSG, at this time, from the DfE removing the Education Services Grant (ESG).
It was suggested that academies would be given some protection from the changes, but mainstream schools wouldn’t. In the case of a Sutton secondary school it would effectively mean another cut to the budget of about £70k on top of the 0.5% cut faced by all schools. In return the mainstream schools had some services – but not to the tune of £77 per child.

RESOLUTION: s to t were noted

Following discussion it was agreed that the retained duties element of the ESG (£510k) would be transferred into the schools block for 2017/18 but retained by the Local Authority for the delivery of statutory functions which the Council discharged in relation to all pupils in the Borough.

RESOLUTION: agreed

It was noted that the general duties element of the ESG would end from September 2017 with a transitional grant of £474k being paid to cover the period April to August 2017. If the Council wanted to continue to fund these services centrally from September 2017 maintained schools would need to agree to de-delegate a proportion of their budget to cover costs. At the moment the Council was not intending to do this. Services would cease or would be funded from general fund resources, or if the services were provided by SES Ltd, schools would be charged for their use.

Representations from schools regarding Schools Forum’s proposed growth funding arrangements (agreed at the meeting on 8 December 2016)

The paper, Representations from schools regarding Schools Forum’s proposed growth funding arrangements (agreed at the meeting on 8 December 2016), was taken as read. The Chair reported that these representations had been thoroughly discussed at the recent meeting of the FRG. It was noted that the FRG had recommended that there was no change to the decisions made by the December Schools Forum.

RESOLUTION: v and w were noted

Forum resolved that for the purposes of growth funding the first year of expansion would be defined as the date of the ‘Prescribed Alteration’ to the school (legally when the PAN for the school increased).

KH reported that the current growth funding proposals would not work for new school provision (Hackbridge included) and he suggested that he should bring a paper to the next meeting about funding for new schools and the funding impact of the development of a Free School on the Sutton Hospital / Rosehill sites.

RESOLUTION: x and y were agreed

Consideration of the draft 2017/18 budget

In the light of the preceding discussions the draft budget for 2017/18 was considered and reluctantly, in order to achieve a balanced budget, agreed subject to:
Reducing the *Education administration* charge by £89,800 as a grant had been received that would offset this (see Minute 4 a (i)). This would leave a surplus of £108,500 which should be put against the SaLT and OT budget pressure.

The following being reviewed annually in the autumn: the contribution to the social care budget, the support for the Targeted Youth Support Service and funding for the Wandle Valley Assessment Unit.

**RESOLUTION:** agreed

### 6 EARLY YEARS NATIONAL FUNDING FORMULA RECOMMENDATIONS

a) The paper, *Early Years National Funding Formula Recommendations*, was taken as read and KH explained what the local authority had done to consult the sector on the proposed funding formula and the responses received to the consultation.

b) The letter from MM (the Early Years Providers representative), dated 2 February 2017, was noted.

c) JA commented that mainstream nurseries would lose a lot of funding and would be unlikely to be viable in the future. She asked whether the local authority had asked for disapplication for nursery schools and she was told that it hadn’t. It was noted that JA and KH were meeting on 10 February 2017 and that this issue would be discussed further then.

**RESOLUTION:** a to c were noted

d) The Schools Forum agreed the Early Years Funding Formula as set out in the paper and agreed to increase SEN funding to £150k.

**RESOLUTION:** agreed

### 7 CAPITAL REPORT

a) The paper, *Capital Funding Arrangements for Schools*, was taken as read.

b) The following were noted:

(i) The updates on the deployment of Basic Need and Capital Maintenance Grant funding.


(iii) The summary of developments in respect of the Primary Expansion Programme.

(iv) The allocation of £688 306 capital grant funding to support Early Years provision.

c) It was noted that when schools clustered to become a Trust as maintained schools they could still put in bids to the Asset Management Group. The land and buildings transferred to the Trust, for the purposes of the Trust, and came off the Council’s asset register.

**RESOLUTION:** a to c were noted
8 CONFIDENTIALITY

It was agreed that none of the Minutes should be deemed as confidential.

RESOLUTION: agreed

9 ANY OTHER BUSINESS

There were no items raised as any other business.

RESOLUTION: agreed

10 DATES OF NEXT MEETINGS

a) Schools Forum: ALL
   i) Wednesday 17 May 2017 at 6.30 pm at Cheam High School.
   ii) Tuesday 11 July 2017 at 6.30 pm at Cheam High School.
   iii) Wednesday 4 October 2017 at 6.30 pm at Cheam High School.
   iv) Wednesday 6 December 2017 6.30 pm at Cheam High School.

b) Formula Review Group:
   i) Tuesday 28th March 2017 at 4.30 pm at Cheam High School.
   ii) Monday 19 June 2017, time and venue to be confirmed.
   iii) Monday 11 September 2017, time and venue to be confirmed.
   iv) Wednesday 8 November 2017, time and venue to be confirmed.

c) It was noted that the next meetings of the Children, Family and Education Committee would be 23 March 2017 and 15 June 2017.

RESOLUTION: a to c were noted

The meeting ended at 8.30 pm