



Education and Skills Board
24 November 2016

Surrey Education in Partnership – update

Purpose of the report: Policy Development

To highlight key themes emerging from the Surrey Education in Partnership programme.

Introduction

1. National education policy and funding changes are transforming education, making Surrey's current education system unsustainable.
2. The council is therefore working with its partners to co-design a sustainable schools-led education system so that Surrey's children and young people continue to have access to high quality and inclusive education and training.
3. With 93% of schools good or outstanding, Surrey has an excellent foundation upon which to build and the council will provide schools the support they need to make the transition to a schools-led system.
4. The engagement currently taking place under the Education in Partnership (EiP) programme is the first phase of this process, through which schools and other stakeholders are being invited to identify and discuss key issues. These conversations will generate a body of knowledge that will support the subsequent co-design phase.
5. This paper highlights the key themes that have emerged from conversations to date, identifies the key corresponding risks and, where possible, sets out mitigating actions.

Key themes

6. EiP engagement has been taking place since the start of the autumn term, with earlier meetings providing an opportunity to discuss system-wide issues. The

programme team is now in the process of engaging with individual schools, local groups and other stakeholders to ensure all stakeholders are able to take part in and contribute to this process.

7. The following summarises emerging themes, each of which will be incorporated into subsequent planning.

8. School improvement

- 8.1. The Educational Excellence Everywhere white paper proposed to remove local authorities' responsibility for school improvement from September 2017, with Regional Schools Commissioners taking on responsibility for overall standards in education.
- 8.2. In line with this policy position, the Government also announced that local authorities would cease to be funded for school improvement from September 2017.
- 8.3. Since then, the Secretary of State for Education, Justine Greening, confirmed in a written parliamentary statement on Technical & Further Education (27 October) that the Government will not be taking the white paper forward into legislation:

“Our ambition remains that all schools should benefit from the freedom and autonomy that academy status brings. Our focus, however, is on building capacity in the system and encouraging schools to convert voluntarily. No changes to legislation are required for these purposes and therefore we do not require wider education legislation in this session to make progress on our ambitious education agenda.”
- 8.4. Despite the decision not to introduce new legislation, which would have removed certain responsibilities from local authorities, the Government is planning to proceed with changes to the Education Services Grant (ESG), which would leave local authorities' existing responsibilities in place while significantly reducing funding. In light of these decisions, Surrey's current school improvement arrangements are unsustainable.
- 8.5. EiP conversations with schools have highlighted the effective peer-to-peer support that is already taking place across Surrey, which has played a key role in driving up the number of good and outstanding schools. This existing work provides a platform upon which to build a sustainable partnership school improvement model, developing and utilising capacity within a schools-led education system.
- 8.6. It is not yet clear how the Government intends to support delivery of school improvement in a schools-led system, although the white paper indicated that Teaching Schools would have a key role. A partnership approach would enable leaders across the education system would be able to share their knowledge and expertise with peers.

- 8.7. If schools requiring assistance are not able to access the right support at the right time, there is clearly a risk to standards in education, which in turn would be likely to have an impact on educational outcomes for children and young people.
- 8.8. In addition, local authorities would face a reputational risk given that they will retain responsibility for educational standards in maintained schools, despite the cessation of their school improvement funding.
- 8.9. A further financial risk to local authorities is posed by sponsored conversions of maintained schools requiring improvement or those deemed to be 'coasting'. In such cases, the council would be liable to retain any budgetary deficit held by the school at the point of conversion.
- 8.10. The council is working with schools to explore sustainable partnership school improvement arrangements, options for which will be drawn up in early 2017.

9. Education Funding

- 9.1. The Government is currently part-way through consultations on changes to funding for Early Years, Schools and High Needs. The introduction of a Schools National Funding Formula (NFF) and changes to High Needs funding have been deferred to April 2018, with the Department for Education (DfE) planning to issue the next stage of both consultations this autumn. Until this stage of the consultations is published, local authorities and schools will not know how they will be affected individually by the introduction of the NFF.
- 9.2. On the basis of current DfE proposals (which may yet change), from April 2018 the total amount of funding available to schools in an authority area will be determined by the NFF, and in 2018/2019 and 2019/2020 that funding will be allocated to local authorities to distribute, allowing an opportunity to introduce an interim local formula to mitigate the effects of any significant changes to individual budgets. From April 2020, funding allocations for individual schools will be directly determined by the Education Funding Agency (EFA).
- 9.3. In 2017/18, the Government's intention is to separate functions currently funded by the ESG into retained services, where the council has responsibilities to maintained schools and academies (e.g. education welfare, basic need capital, whole service management), and general services, where the council has specific responsibilities to maintained schools only (e.g. HR, financial monitoring of schools, new redundancy costs). Academies currently receive an element of ESG funding for general services directly from the EFA.
- 9.4. The assumption is that the Government will proceed with plans to remove ESG funding for general services from both local authorities

and academies; a budget of £600m nationally. The current estimate is that Surrey County Council will receive £7m of general ESG funding and £2.3m of retained ESG funding in 2016/17, i.e. a total £9.3m.

- 9.5. To enable local authorities to discharge their responsibilities following the removal of general ESG funding, the Government is proposing to allow local authorities to levy a charge on maintained schools. While this would help to mitigate the financial risk to the council, it could create additional pressures for schools. In time, the NFF might mitigate the impact on schools, but this will not be the case in 2017/18 as the NFF is not due to be introduced until the following year. The Government has not yet produced a definitive list of activities deemed to be retained or general, as a result of which the council is not yet able to estimate the levy it may seek to introduce.
- 9.6. Schools have highlighted funding pressures as a key issue, as a result of which the recruitment and retention of sufficient high quality staff is becoming increasingly difficult. Such difficulties clearly present a risk to the quality of teaching and learning and therefore to outcomes for pupils.
- 9.7. Schools have also raised concerns that, in addition to the effect on educational outcomes, staffing difficulties may in turn create additional demand for support at a time when school improvement arrangements are going through a period of transition.
- 9.8. The perception of schools is that budget pressures are exacerbated by the disparity between funding received by schools in Surrey and those inside the greater London area.
- 9.9. The council is continuing to work with the Government to secure fair funding arrangements for all schools in Surrey and to secure appropriate funding for the council to discharge its responsibilities.

10. Governance and accountability

- 10.1. In light of increasing pressure on budgets, sharing expertise and resources effectively through sustainable partnerships will become increasingly important and will help to ensure capacity within a schools-led education system. Surrey's children and young people already benefit from cross-sector collaboration and recent conversations have reaffirmed schools' commitment to move forward in partnership.
- 10.2. The council will continue to support this process and will provide the support schools need to build on their strengths and make the transition to a sustainable schools-led system.
- 10.3. The council will also continue to protect and promote the principle of choice, supporting schools to reach the right local decisions for their children and young people, including decisions around status.

- 10.4. Reflecting conversations with their colleagues in schools, governors have highlighted the following key themes:
- i. a desire for greater clarity regarding school improvement changes;
 - ii. ensuring the long-term sustainability of services;
 - iii. maintaining local accountability within the academy model;
 - iv. resolving on-going challenges of recruitment and retention; and
 - v. identifying opportunities for cross-sector and cross-boundary partnership working.

11. Service to schools

- 11.1. As has been recognised above, changes to funding, roles and responsibilities mean that services to schools are no longer sustainable in their current form. The journey to a schools-led system will therefore see the shape of services to schools change, including the council's own service offer and other forms of support it currently provides.
- 11.2. The knowledge gained through EiP conversations will help to inform this process by identifying which services schools value most and the support required by a schools-led system. Options for sustainable future service delivery models, including the council's future service offer, will be shaped by these factors and of course the funding available under future arrangements.

12. Next steps

- 12.1. The council will continue to work with schools and other stakeholders to achieve a collective understanding of the key issues facing Surrey's education community and the support required to make the transition to a sustainable schools-led system.
- 12.2. In order to ensure every school has the opportunity to contribute to this process, whether individually or as part of a group, all schools have received an invitation to take part in EiP conversations.
- 12.3. The council will continue to protect and promote the principle of choice, supporting schools to reach the right local decisions for their children and young people.
- 12.4. The current EiP engagement phase will continue until January 2017 and will produce a body of knowledge to inform the subsequent work to co-design sustainable options.

- 12.5. The council will continue to represent the best interests of Surrey's communities as the Government considers how to proceed with funding changes and other changes to the education system.

Conclusions:

13. EiP engagement is providing a forum in which schools and other stakeholders can identify and discuss key issues, providing a valuable body of knowledge.
14. This work is also highlighting a continuing commitment to work together; to identify opportunities, strengthen partnerships and resolve emerging issues.
15. At this stage, some themes are more developed than others – e.g. school improvement and education funding – as a result of work that had already been underway at the start of the process. Other areas will be developed further in due course.
16. The EiP programme must help Surrey to maintain its focus on ensuring that all children and young people continue to have access to high quality, inclusive and sustainable education and training, including those with special educational needs and disabilities.

Suggested recommendations:

17. That the Education & Skills Board:
- a) note and comment on feedback received through Education in Partnership engagement to date, including risks identified;
 - b) identify areas in which the Board and its members can support the Education in Partnership programme and work to co-design a sustainable education system for Surrey.

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Sources/background papers: None