

**Questions to Children & Education Select Committee – 31 July 2013**

1. In view of the fact that if existing Surrey schools opt to become Academies, or if new 'Free Schools' are established, this has a negative impact on finances and complicates Surrey's role in providing sufficient school places, what measures is the County taking to counter such moves?
2. How many Surrey parents have appealed against the school places allocated for their child next year? What measures are the County considering to reduce pressures and the consequent numbers of appeals in future?
3. At the committee's last meeting in March 2013, members expressed concern at two areas of major underspend in the budget, namely £3.5 million on the DSG (dedicated schools grant) and £2.4 million on early years. What measures have been taken in the last quarter to ensure that these education funds are actually spent on children and education - not keep in reserves?

Robert Evans (Stanwell and Stanwell Moor)

**Response**

1. The council's funding is reduced from two different sources as schools convert to academy status:
  - a. Surrey County Council (SCC) receives an annual grant from central government to provide support services to schools - the Education Services Grant (ESG). When a school converts to an academy, this grant is reduced by £116 per pupil. Hence should a school with 1000 pupils convert, then the authority loses £116,000 in ESG and the funding is transferred to the academy. ESG is reduced during the year as further schools convert to academies.
  - b. Schools are funded by Dedicated Schools Grant (DSG). There are also some support services funded by DSG which the Local Authority (LA) may provide centrally for maintained schools (if the Schools Forum agrees) but for which funding must be delegated to academies. Such services include behaviour support and specific licenses. In 2013/14 Surrey retained £2.8m from DSG to provide these services on behalf of maintained schools and the 31 academies in existence at 31 March 2013 received £268,000 for these services. The position will change during the year as more schools convert to academies.

Surrey has 33 existing academies and 20 in the process of conversion before the end of 2013. The council and Babcock 4S can trade with academies and have a brochure of services. Most academies purchase some services. However, there is often a mismatch between funding and need. For example, 'Good' or 'Outstanding' schools are unlikely to have been eligible for school improvement funding from the council, as this is targeted to schools based on need. Despite this, they will receive a share of the council's school improvement budget on conversion (via ESG), but are unlikely to purchase this service. If a good or outstanding school opts to transfer to academy status the Local Authority (LA) is not able to prevent this where the Secretary of State (SoS) has approved an Academy Order

In the case of a school that is in an Ofsted category of concern, the SoS can intervene and issue an order for the school to be a sponsored academy as a measure to improve performance. Surrey County Council has been working with the larger successful academies for them to carry the function of sponsoring academy in order to keep an in house solution to school improvement.

Where the council is aware of prospective free school promoters, it is communicating with them to try and manage the provision of school places efficiently. The council may make representations -- as necessary - - to the DfE, if it does not consider there to be a basic need requirement where a free school is proposed to be located.

SCC continues to manage the positive relationships with schools that have already converted to academy status and factor them in to the overall management of school places. If the LA does need to increase the capacity at an academy, it will fall to SCC to provide funding for these additional places via the basic need programme identified in the 5-year Medium Term Financial Plan (MTFP).

2. Please note that these statistics are in the process of being validated. The council's Schools Appeals Services is set up to organise appeals for all community and voluntary controlled schools across Surrey. They also provide this service to a number of own admission authority schools (trust, foundation, voluntary aided and academies) throughout Surrey. However, a number of these schools organise their own appeals

September 2013 entry

	Lodged	Heard
Community & VC	403	243
Own AA schools	283	184

The appeal figures for schools that are their own admission authorities and organise their appeals (based on figures received to date) are as follows:

	Lodged	Heard
Own AA schools	87	66
<b>Total:</b>	<b>773</b>	<b>493</b>

The Directorate is enabling expansion at a large number of Surrey schools to increase the places available, and therefore hope to improve the percentages of parents receiving their choice of school. When increasing provision at schools we always have regard to school popularity and standards, and, where possible, expand schools that are both popular and highly rated by Ofsted. This is evidenced by our recent success in securing additional basic need funding.

It should also be noted that Surrey is experiencing a significant increase in the primary age population, this has reduced the number of vacant spaces available and as a consequence the ability to have choices between school places has reduced. An increase in appeal rates would be anticipated as a result. It is imperative, therefore, that the provision of additional school places continues to be a priority.

3. Both the DSG and Early Years underspends include provisions we are required to make for 2 and 3 year olds to claim free entitlement to nursery education during the year. This is a growing initiative as the DfE is gradually increasing the percentage of 2 year olds gaining entitlement. This is the point at which children enter the education system and therefore numbers cannot be accurately projected. Also, take-up is dependent on parental choice and is not compulsory. Take-up is monitored and in January 2013, the likely underspend to be carried forward from 2012/13 was built into the 2013/14 budget. This freed up DSG Funding for Early Years in 2013/14 which could be transferred to support SEN pupils. The other main cause of underspending was from temporary vacancies resulting from the restructure of Schools & Learning services, which are not expected to recur.

**Dr Zully Grant-Duff**  
**Chairman – Children & Education Select Committee**

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