
SCHOOLS FORUM

MINUTES OF THE MEETING HELD ON 22 November 2023

<u>In attendance</u>	
<u>Chair and Vice Chair</u>	
John Draper	Headteacher – Swaythling Primary
<u>Primary Schools</u>	
Peter Howard	Headteacher – Fairisle Junior
<u>Secondary Schools</u>	
Jim Henderson	Headteacher Woodlands Community College
Roger Peplow	Governor St Georges
<u>Academy</u>	
<u>Special Schools</u>	
Debbie McKenzie	Headteacher – Compass School
<u>Nursery</u>	
<u>Non-Schools</u>	
Rob Sanders	Diocese of Winchester
<u>Guest Speakers</u>	
Jason Ashley	Head, Redbridge Community School
<u>Observers</u>	
Councillor Winning	Cabinet Member for Children and Learning
<u>SCC Officers</u>	
Derek Wiles	Head of Education and Learning– Education
Steve Wade	Finance Business Partner
Clodagh Freeston	Service Manager - Education Strategy, Planning and Improvement
Tammy Marks	Service Manager - Special Educational Needs and Disability
Jo Swabey	Contract Manager, Southampton City Council
<u>Apologies</u>	
Harry Kutty	Headteacher – Cantell
Robert Henderson	Southampton City Council
Sean Preston	Hamwic Trust
Mike Adams	Headteacher – Bitterne Manor Primary School
Amanda Talbot-Jones	Headteacher – St Denys Primary

11. **MINUTES OF PREVIOUS MEETING**

RESOLVED: that the Minutes of the meeting held on 20th September 2023 be noted and approved as a correct record.

12. **STANDING ITEM: LA UPDATE ON DFE/ESFA FUNDING ANNOUNCEMENTS**

The Forum considered the briefing paper giving an update on DFE/ESFA funding announcements.

The Forum noted that due to previous errors made by the DFE there was a 1% decrease in funding equating to approximately £47 per pupil for primary and £61 for secondary.

The Forum noted a small change to the to the funding allocated through premises factors. Whilst national non-domestic rates and the PFI factor remained unchanged from announcements made in July, split sites funding had lower factor values.

The Forum was advised that revised APT would be received in December 2023 but provisional modelling using APT using the October census figures indicated that the NFF rate for all factors would be affordable and provide a surplus of £575,000. A further update would be provided to the next meeting of the Forum in January 2024.

The Forum noted that the Council had been awarded one off additional funding of £559,332 to support maintained schools in financial difficulty. It was anticipated that any in year surplus could be carried forward. A further update about plans for utilising these funds would be provided to the next meeting of the Forum in January 2024, potentially including purchasing additional places at Compass School and working constructively to ensure all children received teaching of the curriculum. The ESFA supported academies separately.

The Forum noted that no funding was available for the additional 3% of the teachers' pay award of 6.5%.

The Forum noted that modelling of preliminary census data suggested that there would be no funding for falling rolls.

13. **PFI UPDATE**

Jason Ashley, Head of Redbridge Community School addressed the Forum with the consent of the Chair and summarised some of the issues of PFI contracts experienced by the schools in question:

- The PFI contracts are very complex, set out the liabilities of each party and include mechanisms for cost increases. The three parties are the Council, the three schools together and the SPV (Special Purpose Vehicle) mortgage company.
- Southampton gained from the creation of three new schools with fantastic facilities but in exchange entered into contracts with a duration of thirty years, and things were different now. Since inception of the PFI contract there has been unforeseen events which had not been anticipated in 2001.
- The DFE bonus did not cover the costs for the schools.
- The school operated a delegated budget of £1.2 million annually for soft services under the PFI contract.
- The PFI contracts used the higher RPI rate to calculate inflation when calculating cost increases whilst no additional services were provided. In April 2023 the schools were advised that costs would increase by 13% which later reduced to 6.7%.
- The Council remained liable for mortgage payments, giving rise to an affordability gap.

- The Council remained liable for the shortfall for any other additional liabilities after benchmarking, such as portorage.
- Utility costs had also increased sharply within the contract
- There was a risk that the Council and schools could be bankrupted.
- It was hoped to avoid the need for top slicing, which would not go to the schools in question, but it might be unavoidable.
- The Council seemed to lack the expertise needed to manage these complex contracts as the officers who had entered into them no longer worked at the Council, although there were officers such as Jo Swabey who sought to support the schools. By contrast the SPV and Mitie ran sophisticated operations.
- The RFI contracts were managed by Mitie. There were no problems with the Mitie staff within the schools, who were first class. The three schools in question had obtained joint legal advice to commence legal proceedings as they were not receiving value for money under the contracts. Whilst at the end of the contracts the schools should be returned in the same good condition they were in at the start, the schools feared that this would not be the case. It was felt that as Mitie was a private company its focus was to maximise profits. The SPV made £1 million profit from the schools.
- Seven hundred work jobs had been submitted to the Mitie helpdesk which were not rectified in time and so the schools received a penalty payment.
- They could not instruct the caretaker direct over a minor issue in the school, such as vomit in a hallway. They had instead to call Cantell School helpdesk who would call the caretaker. They were not authorised to do minor tasks for themselves.
- There were ongoing catering issues.
- Legal fees had to be considered when seeking to negotiate contract changes with the SPV.
- The perception of the schools was that they had very little control and that things were done to them under the contract.

Jo Swabey, Contract Manager, Southampton City Council summarised some of the issues of working within the PFI contracts for the local authority:

- It is agreed that the PFI contract is very complex.
- Since joining the local authority in April 2023 she had been working more collaboratively with the Commercial Service Manager and the schools.
- Schools required better data so that better programme planning could take place and the SPV could be challenged.
- The Council had a renewed focus on governance, particularly with regard to benchmarking and penalties.
- There were now frequent calls from the Council to Mitie and the SPV about catering problems.
- Senior managers for the SPV and Mitie were often parachuted in which did not promote sustained support within the schools.

14. **GROWTH FUNDING**

The Forum considered the briefing paper and a verbal report from Clodagh Freeston, Service Manager Education Strategy, Planning and Improvement giving an update on eligibility for growth funding.

The Forum noted that it had previously been informed that there had been a forecast of a decline in the primary sector and an increase in the secondary sector. Paragraph 16 of the briefing paper showed the preliminary census data was indicative of a significant increase of 421 pupils in the secondary sector between October 2022 and October 2023, of which 180 had been previously predicted and allocated additional places at St Mark's All Through School. There had been more in-year applications.

It was agreed that a further report would be provided to the Forum at the meeting in January 2024 when final 2023 census data could be used to calculate whether growth funding might be available from the DFE.

The Forum noted that the Council might need to review the Growth Policy to take into account unstructured growth across the City when the final census data from 2023 was available. It was agreed that a further report would be provided to the Forum at the meeting in January 2024 with recommendations for discussion.

15. **HIGH NEEDS BLOCK**

Tammy Marks, Head of SEND Southampton City Council, gave an update on the DSG Management Plan:

- The DSG recovery plan was required as there was an identified deficit which was mainly within the high needs block.
- The Council was working with CIPFA and a DFE consultant to forecast areas of growth and inflation.
- The final DSG Management Plan will be signed off by the Director of Children's Services and the s151 officer in January 2024.
- The deficit brought forward in 2022-2023 was £11.02 million which is forecast to reduce to £9.4 million after surpluses were carried forward.
- Statutory protections prevented the deficit for special needs affecting the Council's General Fund but it was proposed to end this protection in 2026.
- Spend on independent placements in 2022/2023 was £1 million lower than 2021/2021 and £1.6 million lower than 2020-2021 due to increasing local special school places in special and mainstream schools. However, it was likely to rise by £0.2 million in 2023-2024 due to inflation.
- Numbers of EHCPs increase by about 300 per year and were currently 2184.
- The Council was in Tranche 1 as a Delivering Better Value authority as it was forecast that there would be a deficit. Despite the surplus that was being forecast for the year, and acknowledgement that deficits were a national issue, the Council was concerned that a deficit of nearly £10 million was significant for a local authority of this size.
- Within mainstream schools there were increased complexity of need around challenging behaviours, challenges around recruitment and finance, inconsistency in support for SEND for a variety of reasons, a need to understand why the numbers of EHCPs were increasing whilst SEND numbers remained static and the identification of autism and SEMH.

- Final proposals to reconfigure special school provision will go before Cabinet in February 2024. This would require an investment of £40 million providing an extra 150 secondary complex needs places and 26 SEMH primary school places in 2026. Satellite units and resource provisions would also be developed, noting the opportunity of having space in primary schools due to falling rolls.
- Peter Grey was exploring the implementation of a system of funding devolved to and managed by school clusters with the aim of freeing up capacity in services to support complex cases. A fact finding visit to Croydon to investigate how other local authorities had undertaken the process was due to take place. The surplus would be reinvested to enable this. A further report would be provided to the Forum in 2024 once modelling had been completed.
- A grant of £1 million was received from the DFE under the Delivering Better Value programme. This would be used to appoint additional outreach support, autism in schools programme, SEND audit manager post.
- The Southampton Ordinarily Available Provision Guidance was published.
- There will be an outreach review in 2023 using the Portsmouth model.
- There will be a review of AP within schools.
- There would be a high level of involvement with Heads.

16. **ANY OTHER BUSINESS AND CLOSING REMARKS AND DATE OF THE NEXT MEETING**

The Chair thanked the presenters for the depth and clarity of the matters covered.

The next meeting would be on Wednesday 24th January 2024 at 4pm.