

SCHOOLS FINANCE GROUP
Notes of meeting
on 8 November 2017 at Larkbeare House

		Attendance		
		8/11/17	12/7/17	24/5/17
DCC				
Adrian Fox (Chair)	Head Accountant (Education & Learning)	✓	✓	✓
Heidi Watson-Jones	Executive Personal Assistant	✓	✓	✓
Olivia Mitchell	Apprentice Personal Assistant	✓		
DAPH – PRIMARY HEADS				
Jonathan Bishop	Broadclyst Primary	✓	Apologies	Apologies
Alun Dobson	Marwood Primary	✓	✓	✓
Jamie Stone	Denbury Primary	✓	✓	✓
Paul Walker	First Federation	✓	✓	✓
DASH – SECONDARY HEADS				
Daryll Chapman	Okehampton College	✓	Apologies	✓
Lorraine Heath	Uffculme College	✓	Apologies	
Gareth Roscoe	The Park Community School	✓		Apologies
Matthew Shanks	Education South West	✓	✓	Apologies
SHAD – SENIORITY (SPECIAL SCHOOLS)				
Keith Bennett	Marland School	✓	Apologies	Apologies
Jacqui Warne	Learn to Live Federation	✓	Apologies	✓
DAG – GOVERNORS				
Faith Butler	Special	✓	Apologies	✓
Malcolm Dobbins	Primary	✓	✓	✓
Jill Larcombe	Secondary		Apologies	✓
Alex Walmsley	Secondary	✓	✓	
EARLY YEARS PROVIDERS				
Gemma Rolstone	Early Years – NDNA for PVI providers		✓	✓
Sandra Barnett	Early Years / for PVI providers	✓		
In Attendance:				
Julia Foster	DCC - SEN Strategy Manager	✓	✓	
Katrina Callcutt	DCC – Finance	✓		
Dawn Stabb	Head of Education & Learning	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 12 July 2017	
Discussion:	
<ul style="list-style-type: none"> • Congratulations to Adrian Fox on his appointment to Head Accountant, Education & Learning • AF outlined criteria for extended Early Years entitlement for working families. 	
Key Decision/ Issues for DEF:	Minutes were agreed as an accurate record.
Action:	
2. Item/Focus: Growth Fund	

Discussion:

- Secondary Growth criteria discussed at previous meeting. Additional pressures on Growth Fund as a result of use of DSG balances to address High Needs Block deficit.
- Reiterated that Secondary Growth payable only if 80% of incoming year 7 pupils are from within catchment (except Exeter, Barnstaple and Newton Abbot due to ease of migration).
- Considered pressures and additional contributions required for 2019/2020.
- If agreed, proposed new policy would come into effect from April 2018.
- AF confirmed that Growth Fund was not included within the recent consultation as the timing was not appropriate given uncertainties around the NFF, and outlined that this would be a Schools Forum decision and did not need to go to all schools.
- DfE guidance indicates that uncommitted DSG surpluses, including de-delegated budgets, are directed to cover any deficit. Growth Fund is a topslice from within Schools Block. Growth allocation is paid to the LA as historic planned spend in 2018-19, but looking at guidance suggests a lagged basis, according to published growth criteria and agreed future plan.
- Understood that a Devon Academy school had recently been allocated growth funding directly from the DfE as DCC growth criteria had not been met. SFG interested to learn what route was taken to achieve this.
- The group discussed the criteria relating to year 7 joiners and year 11 leavers.
- **Phase Associations** to discuss with their membership to gauge how effectively the revised criteria may be implemented, given specific cases have recently been raised at SFG and FIPS.
- The group considered growth in growing schools which doesn't fall within the stated 3-year period (e.g. due to delayed or long-term development projects). Noted that a new school is still deemed to be 'growing' until all year groups are at capacity, and will attract termly payments until either 70% capacity met, or, 3 years after all year groups are full. **AF** to confirm position.
- Noted that newly-built schools do not immediately have a recognised catchment area.

Key Decision/ Issues for DEF:

- Report noted

Actions:

- **AF** to clarify DfE position on lagged payment of growth allocations, to gauge how DCC growth criteria are benchmarked against national expectations,
- **AF to clarify** issues around funding timeframe for growing schools in areas of development.
AF to seek clarity from Simon Niles on points 11 and 12. **N.B.** SN has confirmed that the 80% relates to the Year 7 cohort admitted to the school.
- **Phase Associations** to discuss proposal with their schools for further discussion at next SFG

3. Item/Focus: SEND/High Needs Update (Julia Foster)**Discussion:**

- Noted that a new contract for Specialist Units (CAIRBs) has been signed by all but one provider, and alternative arrangements are being made to re-locate that provision.
- Communications have been sent to schools around non-statutory Element 3 funding, clarifying timeframes around funding and reviews.
- High Needs Block Spending profile (at month 5) recently discussed at SFG task group. Key issues were: Independent placements, alternative provision and maintaining SEN children in mainstream schools.
- Exceptional increase in number of requests for EHCP assessment. Noted legal threshold for undertaking an assessment is now lower, and has led to an increase in assessment requests. Wider age range, increased volume of assessment requests, and static HNB funding envelope all leading to acute difficulties in managing the HNB resources.
- Noted very high parental request rate compared to neighbouring LAs, often with no reference to or advice from schools. Need to raise parental confidence in schools' ability to manage SEN without a statutory plan.
- JF tabled information outlining HNB spending profile across school sectors from 2014/15 to 2017 actual position.
- Devon had flagged with the DfE difficulties in managing SEN within the available budget. Non-

statutory funding allocations being phased out as a result of that discussion, to better demonstrate the difficulties to meet statutory local need.

- SEN Strategic review to be completed by April 2018; Simon Niles leading. Will include a parental survey and mapping of provision and need. Capital funding available but unlikely to be sufficient to meet demand.
- Pleased that a recent Tribunal found in favour of LA decision thanks to robust evidence, provided by headteachers on behalf of DCC, that needs could be met within a mainstream school.
- Considered level of spend on school transport provision for SEN children; some maintained special schools now providing their own transport which can be more cost effective.
- The group discussed concerns around the disparity of costings across maintained schools to meet SEN needs.
- Heads suggested that the LA should carefully identify and evidence costs associated with effective delivery of each EHCP and broker a placement amongst 'preferred provider' schools within the child's locality. **Julia Foster** to investigate possible progress towards this.
- Heads sought reassurance that Health and Care contributions are being made. Noted that health and care funding is most often realised where independent placements are needed. Discussed how some health assessments are described as an education need within the Code.
- Noted that Dawn Stabb has already raised issues with Public Health and CCGs around provision of care assistants rather than teaching assistants to support a child to remain in the school environment. Public Health Nursing recommissioning (which includes school nursing) should specify that health care plans should have public health nurse sign-off therefore opening up further funding streams.
- JF outlined targeting selected providers with costed plans, and understand that a review of funding for maintained special schools is currently ongoing. £740k built into this year's budget, although not yet passed on to schools.
- JF has met with FE Sector providers to discuss implications for ongoing funding of SEND pupils aged 16-25 remaining in education or training.
- Schools to be updated on strategic management action for SEND.

**Key Decision/
Issues for DEF:**

Action:

JF to investigate possible progress towards brokerage process for identifying SEN placements across a range of schools, on the basis of a costed EHCP.
JF/DS to look into provision of funded care plans for children requiring care assistance and intimate care within school.

4. Item/Focus: DSG Month 6 Monitoring (Adrian Fox)

Discussion:

- Forecast net overspend of £2.036m, of which High Needs accounts for £2.145m (increase of £757k from mth 2).
- Carry Forwards (£20.555m) from 16/17 now approved by Cabinet.
- Group discussed which budget lines constituted 'uncommitted balances' which could be used against the deficit. Committed funding may be rolled forward, uncommitted surpluses will be used to offset overspend or allocated to other lines.
- Heads requested clarity in advance of DEF of which budget lines might be subject to a ring-fenced carry forward (e.g. maternity and FIPS contingency).
- Clarity requested around surplus balances within Phase Association budgets. AF to investigate further to accurately identify traded income which should remain ring-fenced. **Clare Coates** to provide evidence around DAPH income generation. Discussed importance of clearly presenting and processing year-end adjustments.
- De-delegated budget currently forecasting £762k underspend.
- High Needs budget profiles circulated, which Heads found helpful. Noted placement numbers are currently slightly above expected. Heads requested that month 8 profile be circulated electronically.
- Noted Secretary of State statement outlining that the local authority should use surpluses in the DSG prior to requesting a carry forward. Consideration of forecast year end position, and which elements would be included in a ring-fence will be at March DEF. Confirmation of carry

forward position to be considered at June DEF. Heads requested as early notification as possible during the Spring Term.

- AF reiterated expected process for carry forward of current year's budgets. Should DSG underspends not cover expected HNB deficit, LA will then seek in principle agreement by DEF to carry forward outstanding deficit, assuming that the budget will be brought back into balance during the coming financial years.
- SFG discussed consulting with schools on a possible one-year transfer of up to 0.5% of DSG funds from Schools Block to High Needs Block for 2018/19. According to national guidance, this must be consulted on separately. Should additional funding into HNB be required, the LA would not be able to action any transfer to alleviate ongoing HNB pressures without the prior agreement of Schools Forum. Any transferred amount would be reinstated to the schools' block at 2019/20.
- SFG were concerned that such a significant question might be perceived as being 'via the back door'. The group anticipated that Headteachers would request evidence of how the £33 AWPU transfer had already impacted positively on the High Needs position.
- AF explained that time constraints were such that full evidence was not available prior to the consultation period. The disapplication process dictates that any additional consultation should be completed by 30 November. Sufficient dedicated time will be required at DEF to allow members to properly consider the implications.
- Heads suggested that the schools budget calculator be set up to illustrate possible impact on individual school budgets of a further AWPU reduction of up to 0.5%.
- Should schools vote against the proposal, the issue would be referred to the County Treasurer to determine further recourse to Secretary of State.
- **Post meeting note:** Following discussion with the County Treasurer and the Leader of the Council, Dawn Stabb and Adrian Fox have confirmed that schools will not be asked to transfer funds from the Schools Block to support the High Needs Block in 2018/19. The Local Authority will however be requesting that the Schools Forum make an in-principle agreement to allow the transfer of any residual deficit balance to be carried forward to 2018/19, and offset by possible increased high needs funding, alongside the continuance of a management action plan to control spending.

Key Decision/ Issues for DEF:	<ul style="list-style-type: none"> • SFG agreed that additional consultation question be circulated to all schools by email prior to DEF if necessary.
Action:	<ul style="list-style-type: none"> • DAPH (Clare Coates) to provide evidence of traded income into DAPH and commitments against the 2016-17 year-end surplus balance. • Finance to separately identify ringfenced carry forwards within the DSG monitoring statements. • Finance to circulate month 8 HNB spend profile electronically when available. • DS / Finance to circulate additional consultation question to all schools regarding an in-principle agreement to transfer up to 0.5% from Schools block to High Needs block for 2018/19. Post meeting note: Following discussion with the County Treasurer, the need for a further consultation question to schools has now been removed.

5. Item/Focus: Consultation Responses

Discussion:

- 103 schools (29%) responded, accounting for 43% of all Devon pupils. More schools attended consultation events than provided responded.
- SFG considered consultation responses in turn and made recommendations to DEF as outlined below:

Q1. Quick transition to national funding levels

Yes (96%)

Q2. Retain reception uplift calculation

Yes (98%)

Q3. MFG set at 0%

Yes (93%)

Q4. MFG set at plus 0.5%

Yes (80%)

Schools responding 'no' indicated they would rather go with NFF projections than MFG proposals

Q5. Banding:**Option 1: remove plus packages/amending banding rates 2 & 3****Option 2: limited availability of plus packages for 3 years with amended banding rates**

SFG discussed the difference in responses between Primary (option 2 preferred) and Secondary (option 1 preferred). Overall, 58% of schools voted for Option 2.

SFG recommended option 2, as represented the majority of school responses.

Following questions 6-12:**Option 1: de-delegate monies to DCC to commission services****Option 2: monies remain delegated to school budget****Q6. Behaviour Support Services**

De-delegate

Q7. Ethnic Minority Achievement

De-delegate

Q8. Gypsy, Roma & Traveller Achievement

De-delegate

Q9. Copyrights, Licences & Subscriptions

De-delegate

Q10. Trade Union Facilitation

De-delegate

Q11. Jury/Magistrate

De-delegate

Q12. Maternity

De-delegate

Q13. Schools in financial difficulties (FIPS)

De-delegate

Q14. £60k EPWS –**Option 1 - continue to be allocated (EH4MH) (89%)**

Noted that HLG had recently requested additional information regarding ongoing provision of EH4MH services following the end of the current contract on 31 August 2018. Discussions have taken place with Public Health and Safer Devon Partnership exploring potential additional funding opportunities. Current information suggests that schools would support ongoing £60k investment, but further discussion at DEF required prior to making a decision on this area.

Q15. Phase Associations:**Option 1 - maintain a central service**

Yes (92%) – subject to further clarification around carry forward position of self-generated traded income.

Q16. School Admissions:**Option 1 - Maintain central admissions team**

Yes (96%)

**Key Decision/
Issues for DEF:**

SFG recommends that DEF votes as above.

Action:

DS to provide further update on planned ongoing service delivery of EH4MH programme past August 2017.

6. Item/Focus: Mutual Fund Board**Discussion:**

- Fund showing surplus forecast.
- £247k potential rebate at year end to member schools.

**Key Decision/
Issues for DEF:**

Report noted

Action:

7. Item/Focus: Items for DEF on 23 November 2017	
Items for inclusion in the Finance Report to DEF	
<ul style="list-style-type: none"> • DSG month 6 position • Schools funding consultation outcomes (Q5. Adjustment) 	
Key Decision/ Issues for DEF:	
Action:	
8. Item/Focus: Any Other Business	
AnyComms	
<ul style="list-style-type: none"> • Heads had queried with Finance the statutory requirement for the local authority to securely transfer data to schools. Noted the LA's statutory responsibility does not cover the transfer of a detailed breakdown of data, only headline figures. • Schools are expected to purchase access to the secure data transfer system AnyComms. • Noted that DEF had previously agreed that SecureNet would be the preferred method of secure data transfer which has now be superceded, prompted by corporate changes. Egress does not have sufficient capacity. 	
Clawback of school funding following an exclusion	
<ul style="list-style-type: none"> • Principles around funding clawback following an exclusion of a pupil have been explained to a small primary school enquiring about a specific case. SFG had been asked to consider overriding the DCC clawback policy in favour of the school in question. • SFG felt that the lump sum amount should not form part of the calculation, as the effect would be more keenly felt in a small school, however this could not be actioned in advance of the policy change which is to take place from next financial year. • SFG agreed to uphold the current DCC policy. 	

Next meetings:

Wednesday 3 January 2018 from 9.15am – Larkbeare (Exe Room)

Wednesday 7 March 2018 from 9.15am – Larkbeare (Exe Room)

Wednesday 23 May 2018 from 9.15am – Larkbeare (Exe Room)