

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

Key Items for DEF to note:

Item 2 – Safety Valve Update

- Devon has been invited to participate in new discussions for Tranche 4 of DfE Safety Valve Intervention Programme. This will provide an opportunity to refresh the workstreams within the service to develop a new 5-year plan.

Item 2 – Dedicated Schools Grant Outturn 2022/23

- Draft outturn position is an overspend of £11.5m. This includes school balances of £20.8m, ringfenced balances of £6.7m and deficit transfer to DSG Adjustment Account of almost £39m.

Item 3 – Carry Forwards from 2022/23

- Early Years service has proposed the allocation of £552k Early Years block underspend to better manage outcomes for children with SEN through provision of specialist support for children transitioning into reception classes and mitigate the trend for EHCP requests. This is intended to complement the SEND Improvement action plan delivery.

Item 5 – Funding for Homes for Ukraine & Afghan Bridging Hotel

- No further government funding will be made available following the 2022/23 financial year to support Afghan pupils or through the Homes for Ukraine scheme.
- There is no government funding scheme to support asylum seeking children in Cranbrook and Ilfracombe. The LA is unable to use ringfenced funding for Afghan children and H4U. DCC Communities team is continually pressing government (Home Office) for support to recognise the increased costs to health and education providers and local communities.

Item 6 – FIPS

- A more robust process will be put in place for dealing with maintained schools with deficit budgets. This will provide clarity and will help to engage governors in the process.

ATTENDANCE

DCC

Mat Thorpe - **Apologies**
Adrian Fox -(chair)
Jackie Ross
Heidi Watson-Jones

Deputy Director of Finance and Public Value
Head Accountant (Education & Learning)
Interim Deputy and SEND Strategic Director
Safety Valve Project Officer

Devon Schools Leadership Services

Primary:

Jamie Stone
Paul Walker
Penny Hammett
Christopher Tribble - **Apologies**

Denbury Primary
First Federation Trust
FORT Federation
Honiton Primary

Secondary:

Sammy Crook
Alan Blackburn
Fay Bowler

Tiverton Federation
Uffculme School
Braunton Academy

Alternative Provision:

Rob Gasson

Wave Multi Academy Trust

Special Schools

Keith Bennett
Sarah Pickering - **Apologies**

Marland School
Mill Water School

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

DAG

Faith Butler
Alex Walmsley - **Apologies**
Adrian Hines

Special School Governors
Secondary Governors
Primary Governors

Early Years Providers

Gemma Rolstone - **Apologies**

Puffins Childcare

Other DCC Officers

Karlien Bond
Katrina Harverson
Simon Niles
Sam Chapman
Marie Stone

Senior Accountant (Schools)
Principal Accountant – Education & Learning
Children's Services Strategic Planning
Early Years & Childcare Service Lead
Accountant, Early Years & Childcare

SCHOOLS FINANCE GROUP

1. Minutes of Previous Meeting – 8 March 2023

- Early Years have sourced an online reading resource and £5K has been earmarked (from notional contingency) towards 500 licences. Early Years providers have been asked to trial the software and can request it if they feel it would be beneficial for their EAL children. If there is a high demand the service will prioritise settings that have a higher percentage of English as an Additional Language children.
- Growth Funding for bulge years – have been testing modelling with colleagues – some other LAs are providing ghost funding for bulge years, which Devon does not provide this. Growth Fund currently under financial pressure.
- Discussed SEND QPRM process and agreed to change July SFG date
- All other actions complete.
- Minutes agreed as an accurate record.

ACTION

- **SN** to provide report to next SFG on growth fund allocations to schools experiencing 'bulge year' of admissions.
- **HWJ** - July meeting to be changed to Thursday 13 July am (from 10th)

2. DSG Outturn 2022/23

Safety Valve Update

- Donna Manson and Angie Sinclair have met with Dept for Levelling Up, Housing & Communities which confirmed that no borrowing by any council can take place to cover their element of the deficit within Safety Valve. Devon has been invited to participate in new discussions for Tranche 4 of Safety Valve Intervention Programme. This will provide an opportunity to refresh the projects and workstreams which is being discussed with the service to develop a new Safety Valve plan (up to 5 years).
- Next discussions with DfE expected mid – late June
- £125m cumulative deficit, which was £3m adrift from the management plan.

Outturn

- Draft DSG outturn position is overspend of £11.5m prior to transfers to the DSG Adjustment Account and ringfenced balances

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

- The net carry forward balances for Individual Schools' Budgets have reduced to £20.8m (compared to £24.4m in 21/22). Finance modelling is taking place to forecast projected position going forward to illustrate whether ongoing financial pressures will be reflected in reducing carry forwards. Of 120 maintained schools 12 maintained have a deficit budget position totalling £750k.
- Noted impact of continued demand on the high needs funding. EHCP numbers were lower than budgeted for, however shortfall funding saw an increased demand and the AEN formula savings for academies not being realised until September 2022. Also interim payments for EHCPs not issued within 20 weeks. Management action had achieved approximately £5m of savings (of a revised projection of £10m).
- A new commissioning group has been convened with Procurement colleagues to review independent special school fees to ensure that the LA receives good value for money. Increased scrutiny through new Placement Panel has reduced the number of placements into independent settings.
- SFG sought assurance that the current budget set is more achievable than has been in previous years. Mindful that there was slippage through the previous financial year however movement has generally been positive and projection of management action savings now better understood. Caution was given due to the budget being set on the old Safety Valve plan and changes may occur in the coming months as the revised plan is drawn up.
Monthly QPRM discussions will also better inform financial projections against regular performance monitoring.
- Considered deficit budget projections.
- SFG felt that there should be further reporting on how stakeholder engagement with schools is being strengthened.
- Report noted.

3. Carry Forwards from 2022/23

Early Years

- Early Years service proposing allocation of £552k Early Years block underspend to better manage outcomes for children with SEN through provision of specialist support for children transitioning into reception classes and mitigate trend for EHCP requests. This is intended to complement the SEND Improvement action plan delivery.
- Concerns were raised about the similarity of proposed support funding level to that of EHCP funding, and it was suggested that language could be amended to reduce reference to EHCPs.
- Will need to build in evaluation of the impact on reducing EHCP requests and increasing universal inclusion, alongside the SEND Improvement Plan.
- Discussed how workforce training and upskilling can be achieved.
- Early Years Nursery Plus and Complex Needs budgets to be reviewed in light of JE changes to practitioners. Will need to be mindful of potential disparity across mainstream resource base specialist staff.
- Early Years Pupil Premium £124k – ongoing underspend proposed to commission Action for Children to support speech and language development.
- Seeking to improve outcomes for all children on EYPP (over 50% of whom are in reception year). Coaching and mentoring for teaching staff in targeted schools.
- Early Learning Goal – funding proposed to be allocated to training
- **SFG recommended to DEF that Early Years carry forward be approved to fund projects outlined.**

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

DSG

- The total DSG is an overspend of £11.5 million. This is made up of ringfenced carry forwards of £6.7 million, Individual school balances of £20.8 million, and the DSG Deficit in year of just over £38.9 million.
- SFG requested a report to DEF to explain shift in carry forward position from that previously reported.
- Noted that DSG contingency (FIPS) is supporting a diminishing number of maintained schools.
- Report noted

ACTION:

- **AF** to report to DEF on shift in schools' carry forward position from previous year.

4. Early Years – Teachers' Pay and Pensions Grant (TPPG)

- TPPG for Early Years has been moved into funding base rate from April 2023, and it is proposed that there is a phased approach to building this into funding to settings with a qualified teacher or equivalent through a quality supplement, eventually being rolled into the hourly rate.
- Communications have been shared with those schools affected by the change.
- Discussed value added by area SENCO roles within the local authority Early Years team.

5. Homes for Ukraine funding - update

Afghan Bridging Hotel

- Previous agreement that Growth Fund would pick up funding pending government grant being received re. Afghan bridging hotels. No further funding will be made available following the 2022/23 financial year.
- Majority of the funding received is to be passported to the 4 schools (£141k) with children on roll, with a centrally held contingency of £30k in the short term, to be reviewed after the 2023 autumn and distributed to the schools if unspent.
- Recognised that schools have worked very hard to support this cohort of children.
- **SFG agreed to the allocation of DfE funding to support Afghan pupils as discussed**

Asylum Seeking children

- SFG noted that there is no government funding scheme to support asylum seeking children in Cranbrook and Ilfracombe. The LA is unable to use ringfenced funding for Afghan children and H4U. Growth fund is ringfenced for Govt initiatives. DCC Communities team is continually pressing government (Home Office) for support to recognise the increased costs to health and education providers and local communities.
- Additional children on roll in local schools have been admitted via Fair Access Protocol rather than through a strategic request to create additional classes.
- Growth Fund Criteria could see the school receive funding based on October 22 – October 23 census. Schools affected could review numbers
- Review of growth fund could consider this scenario but SN highlighted Growth Fund is under pressures

Homes for Ukraine

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

- SFG noted the current expenditure and commitments against the government H4U grant funding received. No further funding will be made available following the 2022/23 financial year.
- Considered instances where additional provision has been put in place to support children with identified special educational needs.
- Schools have worked very well to ensure that Ukrainian pupils on roll are well supported.
- **SFG agreed that a further half-termly payment is made for 2nd half of summer term with a refresh for the autumn term to review funding allocations, particularly transition to reception and Y7 and associated transport costs until end of 23/24 financial year.**
- Considered that census funding (AWPU) will be paid where children were on roll in October 2022. Some schools may also qualify for growth funding if the exceptional growth was due to incoming Ukrainian pupils.
- There has been a general levelling-off of incoming children. There were some concerns around funding for schools receiving children re-locating during the school year although it was felt this was not common across the county. Full review of numbers planned for September.
- Discussed possibility of continuing to hold a central contingency into 2024/25 financial year; KB to check guidance for any spend deadline.

POST MEETING NOTE

- Funding conditions require all expenditure by the end of 23/24 financial year **ACTION: SN** to seek approval to carry forward post April 2024 and advise SFG at next meeting

ACTIONS:

- **SN** to provide further H4U update to SFG before Christmas
- **KB** to check guidance for deadline for spend of H4U funding by end 23/24 financial year – **complete**
- **POST MEETING: SN** to seek approval to carry forward post April 2024 and advise SFG at next meeting

6. FIPS update and Annual Report

- Schools continue to be challenged financially; falling demographics also affecting budget allocations.
- The number of schools approaching FIPS is reducing as impact of Pandemic diminishes and maintained schools continue to convert academies, however the total spend has increased from the previous year, largely due to increases in redundancy payments.
- It was felt that the LA is not always fully aware of the financial impact of decisions made during Management Partnership arrangements, which can be significant particularly if a school is in a deficit budget position.
- SFG endorsed the FIPS flow chart outlining a more robust process for dealing with schools with deficit budgets. It was felt that the flow chart provided clarity and will help to engage governors in the process. New FIPS templates are being drafted to ensuring that governor sign-off is required at all key points.
- SFG noted the current financial position of the fund.
- Noted the links to educational and financial challenges, which are transferred to MATs where schools are seeking to join an academy trust.
- SFG considered what planning is in place for future models of support and promoting financial resilience. Noted that FIPS processes are being strengthened. Future consideration of linking more closely with school effectiveness support processes.

Schools Finance Group: Notes of meeting on Wednesday 7 June 2023

- RS looking to review process of providing support to schools in financial difficulty, and is exploring options alongside other LAs and will report back, hopefully prior to autumn consultation
- Noted that FIPS can fund school effectiveness support, and SFG were reminded of a commitment to provide schools with communication around ongoing funding of this area of support. Understand Matthew Shanks is developing proposals to be communicated to schools, and Rachel Shaw is exploring possible options for future modelling of school effectiveness services alongside Essex CC.

7. Growth Fund

- Surplus of £2.68m at year end.
- Noted that new schools were no longer the largest area of spend during 2022/23.
- The combination of 0.5% transfer to high needs block (agreed by DEF in January), new schools opening during the coming financial year and impact of incoming refugee and asylum seeking children will have a significant impact on the fund this year.
- Report noted

8. Mutual Fund Board – monitoring and appeals

- £846k paid in claims during the 2022/23 financial year
- Ongoing claims relating to Long Covid and significant, previously undiagnosed conditions.
- Noted that the Mutual Fund no longer has a surplus to provide a buffer, and contribution rate increases of 7.5% will help to ensure that payments will not exceed income.
- Report noted.

9. AOB

Financial Planning

- Noted that DSLS colleagues are raising forward financial planning as an area of concern particularly around unfunded pay awards.
- Concerns that ambitious assumptions may be being made particularly for year 2 and year 3 forecasts.
- Noted that School financial consultants now sit within the Education Finance team enabling direct feedback to schools as new funding guidance is released. It was noted that all schools would appreciate quick communication of information, and finance colleagues will endeavour to share any updates as soon as possible.

Resource Provision

- As discussed at High Needs Funding subgroup, expression of interest document is now ready to share with schools around increasing provision to improve inclusion of children with SEN.
- Submissions to be made before end of summer term with decisions made in September
- Jackie requested school leader volunteers to sit on an evaluation panel.

SEMH projects

- 24 bids have been submitted.
- Donna Manson and Jackie Ross to form a panel to evaluate bids alongside school leaders.

**Schools Finance Group:
Notes of meeting on Wednesday 7 June 2023**

- Every successful project will be expected to feedback termly, with a bi-annual funding committee to monitor spend. It was agreed that this will need to be reported to High Needs funding subgroup and the Safety Valve (SEND Gold Finance) governance.

SEND Report to DEF

- JR and AF to consider content

Future meeting dates:

- **NOTE CHANGE OF DATE - Thursday 13 July 2023** (09.00 – 12.00 – Face to Face – County Hall, Lucombe House 1st floor large meeting room) – **from Mon 10 July – to discuss: Autumn Funding consultation | School Effectiveness funding**
- **Wednesday 13 September** (09.15 – 15.30 – face to face – Venue tbc)
- **Monday 6 November 2023** (14.00 – 17.30) – Teams
- **Friday 12 January 2024** (09.15 – 12.30 – Teams)
- **Wednesday 6 March 2024** (09.15 – 12.30 – Teams)