

Phil Norrey
Chief Executive

To: The Chair and Members of the
Devon Education Forum

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 11 June 2019
Please ask for : Fiona Rutley 01392 382305

Email: fiona.rutley@devon.gov.uk

DEVON EDUCATION FORUM

Wednesday, 19th June, 2019

A meeting of the Devon Education Forum is to be held on the above date at 10.00 am in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

*The meeting will be followed by a light buffet lunch.
It would be helpful if members were to confirm their attendance*

A G E N D A

PART I - OPEN COMMITTEE

- 1 Apologies for absence
- 2 Minutes (Pages 1 - 8)
Minutes of the meeting held on 20 March 2019 attached.
- 3 Items Requiring Urgent Attention
Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.
- 4 Matters Arising from the Last Meeting and Report back on Issues Raised with Cabinet
To consider any matters arising from the last meeting where no otherwise covered on this agenda and to report on items considered at the Cabinet.

5 Membership

6 Head of Education & Learning Update
Head of Education & Learning to report.

SPECIFIC AGENDA ITEMS

ITEMS FOR DECISION

7 Finance Update (Pages 9 - 22)
Joint report of Chief Officer for Children's Services and County Treasurer (DEF/19/06) attached.

ITEMS FOR DEBATE AND INFORMATION

8 Dedicated Schools Grant Monitoring Month 1 (Pages 23 - 30)
Joint report of the Chief Officer for Children's Services and County Treasurer (DEF/19/07) attached.

9 FIPS (Financial Intervention Panel, Schools) Annual Report (Pages 31 - 36)
Joint report of the Chief Officer for Children's Services and County Treasurer (DEF/19/08) attached.

10 DEF Proportionality 2019
To note arrangements following consultation with members, based on 2019 pupil census data predicted to 2019/20 academic year, ie:-

The 8 DEF primary phase seats allocation will move towards 5 maintained:3 academy (instead of the current 6 maintained: 2 academy).

STANDARD AGENDA ITEMS

ITEMS FOR DEBATE AND INFORMATION

11 Standing (and other) Groups (Pages 37 - 42)
To review action for the Forum from its groups and to receive minutes:-

(a) Schools' Finance Group

Minutes of the meeting held on 5 June 2019, attached.

Also available at

<https://new.devon.gov.uk/educationandfamilies/school-information/devon-education-forum/schools-finance-group>

(b) School Organisation, Capital and Admissions Forum

Minutes of the meeting held on 11 June 2019, **to follow**.

Also available at

<https://new.devon.gov.uk/educationandfamilies/school-information/devon-education-forum/school-organisation-capital-and-admissions-group-soca>

12 Correspondence

13 Dates of Future Meetings

Meetings to be held at County Hall, Exeter, at 10am (unless otherwise specified):-

Wed 20 November 2019

Wed 22 January 2020

Wed 18 March 2020.

<https://democracy.devon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>

VOTING (see below)

FAILED AMENDMENTS AND VOTING FIGURES MAY BE RECORDED WHERE REQUESTED BY AN ASSOCIATION OR SINGLE MEMBER REPRESENTATIVE (for contentious issues)

Voting Representatives are Schools, Academies and Non-Schools Members, excepting Regulations restrict the voting arrangements by only allowing Schools and Academy members and the PVI private, voluntary and independent sector early years to vote on the funding formula. Additionally for de-delegation matters only the relevant maintained schools members may vote (primary and secondary, vote by phase). In relation to the scheme for financing schools all maintained schools members may vote (all phases).

Coloured voting cards for restricted voting:-
Schools members (maintained) primary - gold
Schools members (maintained) secondary - beige
Academies (mainstream and alternative provision) - blue
Special Schools, Nursery Schools – pink
PVI - orange

FORMAL OBSERVERS, ATTENDEES AND ANY SUBSTITUTE MEMBER ATTENDING IN ADDITION TO THEIR RESPECTIVE FULL MEMBER ARE EXEMPT FROM VOTING

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

The Devon Education Forum web is www.devon.gov.uk/schoolsforum
The proceedings of this meeting may be recorded for broadcasting live on the internet via the Devon Education Forum's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public.

For information on travelling to County Hall please see <http://www.devon.gov.uk/travelling-to-countyhall.htm>

DEVON EDUCATION FORUM

20 March 2019

Present:-

Schools Members

Primary School Headteachers

Mr M Boxall
Mr A Dobson
Mr J Stone
Mr P Walker

Exeter Children's Federation
Marwood Primary
Denbury Primary
First Federation Trust (*Academy Member*)

Primary School Governors

Mr M Dobbins
Mr A Walmsley

Exmouth Marpool Primary
First Federation (*Academy Member*)

Secondary School Headteachers

Mr R Haring
Ms M Marder
Ms A Mitchell

Ivybridge CC (*Academy Member*)
The Ted Wragg Multi Academy Trust (*Academy Member*)
The Ted Wragg Multi Academy Trust (*Academy Member*)

Secondary School Governors

Ms J Elson
Mrs J Larcombe
Mrs T Sturtivant

Exmouth CC (*Academy Member*)
Uffculme Academy Trust (*Academy Member*)
Tiverton High

Nursery School

Mrs S Baker

Westexe

Special School Headteacher

Ms S Pickering

Millwater School

Special School Governor

Mrs F Butler

Marland School (**Chair**)

Non-Schools Members

Mrs L Wright
Mr B Blythe

Early Yrs Private, Voluntary & Independent (*Substitute Member*)
16-19 West England School & College

Observer

Councillor J McInnes

Cabinet Member – Children's Services and Skills

Apologies

Mrs B Alderson
Mrs A Blewett
Mr M Gurney
Mr T Newman
Mrs J Phelan
Mr J Searson
Mrs M Wallis

Teachers Consultative Committee (*Substitute Member*)
Kings Nympton Primary
Teachers Consultative Committee
Chulmleigh Academy Trust (*Academy Member*)
Cullompton CC
Exeter Diocesan Board of Education
Whimble School

103 Minutes

DECISION:

That the minutes of the meeting held on 23 January 2019 be signed as a correct record.

104 Matters Arising from the Last Meeting and Report back on Issues Raised with Cabinet

DISCUSSION:

The Cabinet Member - Children, Schools & Skills reported on the f40 group's Fairer Funding campaign developments. School case studies were being worked upon both nationally and in Devon to evidence and highlight the effect of underfunding in education. It was intended to use these studies at an MPs briefing, Westminster on 14 May 2019. Three short films were being made which included involvement of Devon schools for an MPs debate at Westminster Hall. The NEU had recently organised a well supported petition and the Cabinet Member had written to the Secretary of State in his role as Chair of f40.

105 Membership

DISCUSSION:

The Chairman welcomed Ms Dianne Roberts, substitute member for the Early Years Private Voluntary and Independent (EYPVI) sector, appointed by the LA since the last meeting to the meeting.

*NB: Other LA appointments since the last meeting:-
Ms L Wright - EY PVI full member (former substitute member)
Mrs B Alderson - Teachers Consultative Committee
substitute member (former full member).*

106 Head of Education & Learning Update

DISCUSSION:

The Head of Education & Learning reported on:-

(a) Tier 4 NHS beds for children and young people with severe and complex mental health needs, as well as other medical needs impacting on social interaction and behaviour were regulated by the Care Quality Commission (CQC). These services were aimed at keeping children safe and were monitored by CQC and the Clinical Commissioning Group. Restrictions around external visitors meant it was not always possible to use the usual quality assurance methods for education and therefore the Local Authority was seeking to improve information sharing and monitoring between agencies. Whilst Devon County Council funded education for the under 16 year olds, clarity had to be sought on an individual basis for over 16s. Whilst this provision was generally for a shorter term, occasionally a child required an extended period of time. The Child in Care criteria was applicable for these children. It was noted in the SEN Ofsted inspection report that the out of county monitoring was routinely monitored and the LA was well informed on the quality of education and whether young people were learning, safe and well looked after. Members wished to see quality education with funding from all appropriate providers. It was confirmed that the County Council only paid the education element of these placements.

(b) School funding consultation review briefing had been requested by school bursars prior to the formal Devon consultation with schools, to help bursars to understand the process. This meeting would be attended by the Head of Education & Learning and the Head Accountant – Education & Learning. It was noted there were also regular bursar briefings attended by the finance team and arranged by Babcock.

107

Finance Update

DISCUSSION:

The Forum considered the report of the Chief Officer for Children's Services and County Treasurer (DEF/19/02).

The Forum also noted the respective minutes of the Schools Finance Group (SFG) of 6 March 2019.

The report (DEF/19/02) covered:-

-2018/19 Budget Monitoring Month 10 – Dedicated Schools Grant (DSG), section 1 of the report; and

-2018/19 Advanced notice of planned carry forwards, section 2 of the report.

Member comments and point clarified included:-

-in section 1, concerns as discussed at SFG at the High Needs Block (HNB) overall increase of £418,000 due to a reduction in the contribution for Adult joint funded along with increases in other placements. The Head of Education & Learning would be meeting with the Head of Adult Care to resolve the issue of contributions as soon as possible;

-table 2 in section 1, could indicate independent school fees more clearly;

-that the deficit budget carry forward (table 3) was £2.4m HNB to be met from management actions believed to be achievable in 2019/20 and was not anticipated to increase before year end;

-that in relation to table 4 in section 2, of the £112k, approval was sought for the traded income balance for 2018/19 of £15k (as £97k was surplus income c/fwd prior to 2018/19);

-that in relation to table 5 in section 2, the use of underspend in a strategic way/invest to save to maximise improved outcomes for pupils;

-how the FE sector could expand its HNB offer as an alternative to the independent sector.

DECISION:

(a) that month 10 DSG monitoring position as set out in section 1 of report (DEF/19/02) be noted;

(b) that with regard to the allocation of the current known estimated deficit and surplus carry forward from 2018/19 as set out in section 2 of report (DEF/19/02):-

(i) the deficit budgets carry forwards to 2019/20 as set out in Table 3 for Growth Fund and High Needs Block be approved;

-Table 3: Deficit budgets carry forward requests

Budget Line	Amount £'000	Notes	Decision
Growth Fund	109	Deficit Balance – recognised to be offset in 2019/20	2.1.1 approved
High Needs Block	2,473	Deficit Balance – recognised Management Actions in 2019/20	2.1.1 approved
Total Deficit requests	2,582		

(Vote: Schools, Academies and PVI members)

(ii) the surplus budget carry forwards to 2019/20 as set out in Table 4 for De-delegated and High Needs budgets be noted;

(iii) the surplus budget carry forwards to 2019/20 as set out in Table 4 for Phase Associations be approved;

-Table 4: Surplus budget carry forward requests

Budget Line	Amount £'000	Notes	Decision
Maternity	590	Rolled forward 2018/19 underspend to fund ongoing maternity cover	2.1.2 noted
Schools and DSG Contingency	1,067	Rolled forward to fund contingency agreements in 2019/20 onwards	2.1.2 noted
Total De-delegated budgets	1,657		
Hospital Education	49	Rolled forward 2018/19 underspend to fund ongoing Medical AP students	2.1.2 noted
Mainstream SEN	17	Post 16 SEN – ESFA Funding that relates to summer term	2.1.2 noted
Total High Needs	66		
Phase Associations	112	Traded income balance for 18/19 (£15k). Surplus income c/fwd prior to 18/19 (£97k)	2.1.3 approved
Total Central Provisions budgets	112		
Total Carry forward requested	1,835		

(Vote: Schools, Academies and PVI members)

(iv) that the surplus budget carry forward 2019/20 in Table 5 to use for HNB projects (such as invest to save) be approved, subject to the Schools Finance Group working with the Head of Education & Learning to manage the £68,000 budget underspends.

-Table 5: Surplus budget no carry forward identified

Budget Line	Amount £'000	Notes
Licence and subscriptions	35	Accumulated savings no recognised demand in 2019/20
Trade Unions	33	Accumulated savings no recognised demand in 2019/20
Budget Underspends	68	

(Vote: Schools, Academies and PVI members)

ACTION:

County Treasurer (Adrian Fox)

108

Local Area Special Educational Needs and Disabilities (SEND) Inspection Update

DISCUSSION:

The Forum considered the report of the Head of Education & Learning (DEF/19/04) on the joint Ofsted and Care Quality Commission inspection (December 2018) of the local area of Devon (rather than the individual Local Authority). This Forum was a key stakeholder in the process.

The report listed the three key areas the inspection focused upon. The inspection identified and recognised the strengths in outcomes for children with the most complex needs, strong commitment and dedication from staff, appropriate strategies and plans, together with robust and accurate self-assessment.

Her Majesty's Chief Inspector (HCMI) had determined that a Written Statement of Action (WSOA) was required to address four areas of weakness identified by Ofsted and CQC, to be jointly submitted by 10 May 2019 by the local authority and clinical commissioning group on behalf of the Devon Children and Families Partnership. The draft WSOA would be shared with parents, schools and other stakeholders.

The CQC/Ofsted inspection letter 28 January 2019 was available at:

<https://files.api.ofsted.gov.uk/v1/file/50054047>

The Head of Education & Learning expanded upon governance, wider areas for development, dissemination of information, together with a detailed analysis and progress of action "C" i.e. the time it took to issue Education Health Care Plans and the variable quality of these plans.

The Cabinet Member for Children's Services acknowledged the strengths and contributions made by childrens' centre, early help, school and SENCO staff and commended the hard work of all staff involved (notwithstanding that collectively the local area of Devon had weaknesses as identified to address).

Forum members also commented upon:-

- greater cohesion between 0-25 years and Inclusion teams;
- consistent messages to parents and carers;
- signposting and having one key contact to assist help parents and carers at an early stage;
- need for health to be included within the SEND graduated response to help prevent the hold up of other support services;
- the importance of early years work in identifying and supporting vulnerable/SEN children and families and the impact of reduction in early years services;
- special school outreach support, investing early with early intervention for children and families;
- consideration of using some of the budget underspend (see Forum Finance Update minute 107 above) to commission special school outreach and early years sector provision.

DECISION: that members forward any further comments to the Head of Education & Learning.

ACTION: Head of Education & Learning (Dawn Stabb)

109

Children with Special Educational Needs - Education Annual Report 2017/18

The Forum received the report of the Head of Education & Learning (DEF/19/05) regarding Part A: children and young people with a statutory Education Health and Care Plan (EHCP) maintained by Devon LA, in and out of county; and Part B: those attending Devon schools regardless of which local authority maintained the EHCP.

It was encouraging that the number of permanent school exclusions had significantly reduced for students with ECHPs.

The report also highlighted:-

- Part A pupils with an EHCP had increased to 5162 (+26%) on the previous year;
- the number of pupils with EHCPs moving out of mainstream schools had reduced significantly in 2017, particularly secondary;
- SEN appeals had decreased from 13.8% to 6.3%, on % plans issued.

-Elective Home Education had risen over the academic year although those with an EHCP remained stable at 4.5%.

A member also requested an update on the review undertaken on the reasons for the change of attainment of all pupils overall.

DECISION: that an update on the review undertaken on the reasons for the change of attainment of all pupils be made to the next meeting.

ACTION: Head of Education & Learning (Dawn Stabb)

110

Post 16 Offer and Activity

The Head of Education & Learning presented an overview of the County Council's post 16 strategy. Devon's objective and statutory duty was to ensure as many young people as possible were encouraged to remain in education or training, post 16.

Devon currently had a cross provider and cross sector approach, but was increasingly mindful of delivery challenges across the sector, including funding and resilience of post 16 options in FE and sixth form sectors. A national FE review of the process however had not resolved these issues as originally envisaged. The national approach continued to strongly emphasise open market, choice based competition but had not looked at structure, deployment parity and fairness of funding. Devon County Council and its wider partners therefore had role and viability considerations regarding some sixth forms, given the strength of its core FE providers.

Devon was therefore holding a Heads of post 16 provision in school 6th forms in the near future to look at innovative solutions. It was then anticipated to have a wider dialogue to include other Devon FE providers.

Alongside competition, the Devon population aged 16-18 had fallen since 2015 by 6.7% and post 16 destination routes were also changing, with the shift and growth across apprenticeships and employment with training. The NEET rate remained unchanged (5% approx below the UK average). It was important the students were able to make informed choice decisions, with a priority for Devon to ensure that quality, coordinated careers advice and guidance was available across all of the county.

The Learning and Enterprise Partnership (LEP) now had County Council rather than contracted staff involved to develop a more strategic approach. LEP representation was currently under review, working with Somerset, Plymouth and Torbay. The FE convening role had been taken forward by the Association of Colleges and the shared representative, currently the Principal of PETROC College.

Members' comments and discussion included:-

- early quality careers advice for students choosing GCSE options at year 9;
- need for improved link up between business and secondary schools to offer appropriate skills;
- employment and skills board link between education and employers to encourage engagement, particularly around STEM led skills.
- better mathematics/information technology skills for adults available in 6th forms;
- FE sector engagement of all schools to help the transition process and examples of regular dialogue with schools in parts of the county.
- FE model was lower participation, typically 2.5 to 3 days per week to recognise travel difficulties for some post 16 students and their part time job/work experience commitments;
- personalised learning programme for vulnerable pupils or those requiring more support;
- support for schools delivering post 16 and INSET support for staff.
- the narrower key stage 4 curriculum compared with the previous decade.

111 Headteacher Associations' (DASH & DAPH) formation of Devon Schools Leadership Services Charitable Incorporated Organisation

DISCUSSION:

The Forum received the report of the Devon Association of Secondary Heads (DASH) and Devon Association of Primary Heads (DAPH) (DEF/19/03) regarding the present position on implementing the associations' formation of a Charitable Incorporated Organisation (CIO), instead of developing the former proposal to form a Community Interest Company. The CIO would represent school leaders and to work in a strengthened partnership with Devon County Council.

The outcome of the application to register the CIO was awaited (estimated 12 weeks). It was anticipated Devon School Leadership Services CIO would commence trading from 1 September 2019, shadowing DAPH and DASH until 31 March 2020. Once fully established DAPH and DASH association would be wound up.

The opportunity to streamline and improve responsiveness was welcomed and DAG also supported the proposed joint CIO.

112 Standing (and other) Groups

DISCUSSION:

The Forum received the following minutes of its standing groups:-

(a) Schools' Finance Group (SFG)

Minutes of the meeting held on 6 March 2019 (considered under Finance Update minute above).

(b) School Organisation, Capital and Admissions (SOCA)

Minutes of the meeting held on 26 February 2019.

113 Dates of Future Meetings

Meetings to be held at County Hall, Exeter, at 10am (unless otherwise specified):-

Wed 19 June 2019

Wed 20 November 2019

Wed 22 January 2020

Wed 18 March 2020.

<https://democracy.devon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>

The Meeting started at 10.00 am and finished at 11.55 am

The Schools Forum web is www.devon.gov.uk/schoolsforum

Agenda Item 2

FINANCE UPDATE

REPORT OF THE COUNTY TREASURER AND CHIEF OFFICER FOR CHILDREN'S SERVICES

RECOMMENDED that DEF:

- a) Notes the DSG Draft Outturn position (subject to Statement of Accounts sign off) as set out in Section 1.
- b) Allocation of the carry forwards from 2018/19 as set out in Section 2.
- c) Approve the proposed changes to the Growth Fund as set out in section 3
- d) Notes the year-end Mutual Fund position as set out in Section 4

1. DSG and Schools Funding Outturn 2018/19

1.1 DSG 2018/19 Overview

The outturn position for Dedicated Schools Grant (DSG) is an overspend of £2.8millions, however this is after taking account of surplus balances of £18.9millions and the agreed deficit carry forward of £2.4millions for High Needs Block.

Table 1: Dedicated Schools Grant and Schools Funding DRAFT 2018/19 Outturn
Brackets in the budget and spend columns represent income; brackets in the net variance column represent an under spend.

	Final Approved Net Budget £'000	Net Spend £'000	Variations (under) / over £'000	Grants c/fwds in 2018/19 £'000	Final Outturn Variance £'000
DSG	(276,302)	(276,596)	(294)	0	(294)
Pupil Premium	(13,233)	(13,233)	0	0	0
Early Years – Disadvantaged 2 year olds	(4,648)	(4,721)	(73)	0	(73)
Other Schools Grants	(10,072)	(10,072)	0	0	0
Post 16 Funding (mainstream)	(2,524)	(2,524)	0	0	0
Total Schools Grant Funding	(306,779)	(307,146)	(367)	0	(367)
Schools delegated budget, including maintained nursery units	210,778	196,908	(13,870)	13,872	2
De-delegated budgets	6,337	3,842	(2,495)	2,495	0
Central Provision within School's block	5,102	5,252	150	(85)	65
High Needs block, including maintained special schools	65,407	69,558	4,151	(105)	4,046
Early Years block	38,435	37,188	(1,247)	291	(956)
Overall Net DSG and School Funding	19,280	5,602	(13,678)	16,468	2,790

1.2 Schools

The 2018/19 DSG schools block budget is based upon pupil numbers as at the October 2017 census, and is adjusted in year for existing and convertor Academies as well as deductions for

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high needs places that are directly funded by the ESFA (to academies and non-maintained special schools).

Based on final pupil numbers and High Needs Place adjustments, the total initial DSG allocation including 2-year-old funding for Devon 2018/19 is £499.1millions. The final budget of £276.3millions is after in year adjustments for existing and convertor academies and Early Years census. Pupil Premium Grant is £13.2millions; School Sixth Form Post 16 funding £2.5millions and other Schools Grant £10.1millions.

The variance of £367,000 relates to the difference between the Early Years Spring 18 forecast when compared to the actual received in July 2018.

The schools carry forward balances of £16.1millions (£13.8millions maintained mainstream schools and £2.3millions special schools included as part of the High Needs Block) compares with £14.3millions on a like for like basis.

Table 2: Schools carry forward balances

	2018/19		2017/18	
		£		£
Brought Forward Balances		18,142,167		18,389,149
Schools converted to Academies	33	(3,707,648)	7	(310,154)
Schools that have closed / merged	0	0	3	0
Schools with Decreasing Balances	56	(2,382,697)	97	(4,147,092)
	35.7%		52.2%	
Schools with Increasing Balances	101	4,074,945	88	4,069,066
	64.3%		47.3%	
New School with Increasing Balances			1	141,198
Carry Forward Balances		16,126,766		18,142,167

1.3 De-delegated budgets

De-delegated budgets have shown underspends totalling £2.5millions which will be carried forward to 2019/20 as agreed by Schools Forum to meet the slipped commitments with contingency, exceptional events and surplus maternity fund for maintained schools of £2.3millions.

Carry forwards have also been agreed for the underspends within Subscriptions and Trade Unions at Schools Forum to use for HNB projects (such as invest to save), subject to the Schools Finance Group working with the SEN manager and Head of Education & Learning to manage the budget £68,000. This has now risen to £173,000 as part of Outturn.

Budgets are subject to change during the years as schools convert to academies, expenditure commitments made for redundancies often are lower than expected once claimed for and costs regularly slip into the follow financial year.

1.4 Central Provision within Schools

Central Provision within Schools have an overspend of £65,000.

Surplus Properties overspent by £55,000 mainly due to management costs for Charlton Lodge site and Access for Disabled saw £16,000 overspend due to adaptations at Petroc.

Phase Associations have underspent by £8,000 within DASH which has been ring fenced for carry forward into 2019/20.

The Growth Fund has overspent by £93,000 as a result of the surplus funds in 2016/17 being used to offset the High Needs Block overspend at outturn.

During 2018/19 a total of £1.2millions from the growth fund was given to 32 schools received. This was in relation to falling roll £16,000; one-off classrooms £125,000; growth general £540,000; new and growing schools £514,000.

1.4 High Needs

The overspend of £ 4.0millions is after adjusting for carry forwards relating to Maintained Special schools and Hospital school surplus balances of £2.3millions and the High Needs overspend of £2.4millions.

Table 3: High Needs Budget Position for 2018/19

	Final Approved Budget £'000	Net Spend £'000	Variations (under) / over £'000	Grants c/fwds in 2018/19 £'000	Final Outturn Variance £'000
Alternative Provision inc. Hospital school	2,657	3,009	352	78	430
Inclusion & Safeguarding	3,456	3,405	(51)	0	(51)
Nursery Plus	1,164	1,154	(10)	0	(10)
SEN Mainstream	10,821	10,822	1	35	36
SEN Services	924	924	0	0	0
Independent Special Schools & Recoupment	15,397	21,165	5,768	(2,473)	3,295
Maintained Special Schools	29,624	27,736	(1,888)	2,255	367
Support Centres and PSP's	1,364	1,343	(21)	0	(21)
TOTAL	65,407	69,558	4,151	(105)	4,046

1.4.1 Alternative Provision

The original budget for learners that have been permanently excluded was based on an average of 113 FTE placements but actuals averaged out at 141 FTE with the top up at £12,650 per annum. In addition, due to significant issues at the previous Trust, resulting in re-brokerage, £105,000 (based on the minimum funding of 140 places) has been paid to ensure the new provider is able to address the significant safeguarding and performance issues. There will however be a final reconciliation in the summer term which should see this amount reduce.

This cost has been offset by the commissioned outcomes funding not payable in the Summer term to the old provider and removed from the contract for the new provider £378,000 there has also been a reduction of 10 Medical Placements from September 2018 resulting in savings of £108,000. However, due to increasing need for Alternative and Medical places including those with EHCP plans, an estimated 76 learners have had to be placed outside of the main contract, additional cost of £447,000.

1.4.2 Inclusion & Safeguarding

Inclusion and Safeguarding saw an underspend of £51,000. Pupil premium was used for specific projects within the Children in Care element of the Babcock contract. The incidental costs budget did not see any demand which saved £35,000 and the Employment and Skills budget saved £15,000.

1.4.3 Nursery Plus

The Nursery Plus Units are now funded on actual spend for each support centre which has resulted in a budget saving of £10,000.

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1.4.4 SEN Mainstream

There is underspend of £24,000 for 2018/19. This budget has seen significant in year management action implemented to bring it back to this level. Non-statutory plans are being phased out and banding for statutory EHCPs introduced to cap expenditure this resulted in a budget saving of £1.1millions and the cessation of commissioning SEN R placements with an AP provider of £207,000.

These savings have been offset by an increase of £815,000 in FE College placements to avoid more costly ISP placements, £380,000 SEN therapy's and an increase in Multi-sensory Impairment (MSI) and Nurture Unit costs of £169,000

1.4.5 Independent Special Schools

Independent special schools have seen an increase of 93 placements over the budgeted level of 322 as well as rising placement costs. This has seen an overspend of £2.8millions after considering the £2.5millions deficit carry forward to be recovered over 2019/20 and 2020/21.

Recoupment has seen an overspend of £475,000 which reflects the increased cost of exported pupils and reduced import income along with the increased cost in tier 4 beds.

1.4.6 Maintained Special Schools

Maintained special schools surplus balances total £2.3millions. With this in mind the outturn position shows an overspend of £367,000 which is predominantly due to additional place funding of £220,000, base funding for additional places at two special schools of £263,000 and £662,000 for the actual top-up day places averaging 1,135 compared to the budgeted 1,087.

This has been offset by additional joint funded income from Social Care of £235,000 a review of residential placements and the merging of Oakland and Ratcliffe £381,000 and the delay in the opening of Charlton Lodge until September 2019 £218,000 and other savings of £31,000.

1.4.7 Support Centres

Support Centre funding saw additional top ups and lump sum totalling £100,000, which were offset by recoupment of £46,000 base funding and a further saving of £78,000 in Direct Commissioning.

1.5 Early Years

The initial DSG allocation for Early Years is based on January 2017 census notified to us at the end of 2017. An adjustment to the DSG settlement is made in July 2018 to take account of actual hours in the January 2018 Census for the full year. A further adjustment in July 2019 is made using the January 2019 CENSUS to cover any change in FTE's and calculated for the September 2018 to March 2019 period.

Overall the Early Years under spend is £956,000 after adjustments for ring fenced surplus funds of Pupil premium for PVI settings £206,000 and Disability Access fund £85,000.

£940,000 underspend on External PVI settings is due to difference in income (as per census) for 3 & 4 year olds in compared with actual take up, the take up of FTE's for 18/19 being 96.63% for the financial year where we previously budgeted at 98%. External PVI payments for 2-year-old has an overspend of £39,000.

1.6 Summary

The DSG continues to overspend due to the demand within the High Needs block. More complex needs, rising costs, stronger regulatory checks and the declining market are driving up costs.

1.7 Recommendation

That DEF notes the DSG Draft Outturn position (subject to Statement of Accounts sign off) as set out in Section 1.

All to Note

2. Allocation of carry forward from 2018/19

2.1 The current outturn is subject to the Council's Statement of Accounts being signed off by Full Council. The Schools and Early Years Finance Regulations do not allow for in-year distributions to schools. Any redistribution of funding must go through the school funding formula in the following funding period (in this case 2020/21 financial year), whereby the LA may request through the Secretary of State that this additional funding is excluded from the MFG calculation. The LA must consult with the Schools Forum regarding any such proposal and has responsibility for the final decision.

The carry forward that Schools Forum agreed in principle have been amended to actuals for early allocation in 2019/20. It is requested that the carry forward requests of £16.5millions in Table 5 are noted or approved.

Table 5: Carry Forward from 2018/19

Budget Line	Amount £'000	Notes	Recommendation
Mainstream School balances	13,872	Automatically carried forward in Individual School budgets	2.2 All to note
Total School balances	13,872		
Maternity	662	Balance to fund ongoing maternity cover	2.3 All to note
Schools and DSG Contingency	1,660	Balance to fund contingency agreements in 2019/20 onwards	2.3 All to note
Phase Associations	8	DASH balance to carry forward to 2019/20	2.3 All to note
Trade Unions and Subscriptions	173	Costs lower than expected, Invest to save project for High Needs agreed by DEF	2.3 All to note
Growth Fund	(93)	Deficit Balance – agreed to be carried forward by DEF	2.3 All to note
Total De-delegated and Central Provisions budgets	2,410		
Special School Balances	2,255	Automatically carried forward as Individual School budgets	2.4 All to note
Hospital Education	78	Automatically carried forward as Individual School budgets	2.4 All to note
Mainstream SEN	35	Digitalisation of EHCP records – purchase of new system delayed to 2019/20 £31k and £4k Post 16 Element 2	2.5 All to note
Other Special Schools	(2,473)	Deficit Balance – agreed to be carried forward by DEF	2.6 All to note
Total High Needs	(105)		
Early Years Other Early Years Grants	206	PVI Pupil Premium and Teachers Pay Grant arrangements in 2019/20	2.7 All to vote
Early Years	85	Disability Access Fund	2.8 All to vote
Total Early Years	291		
Total Carry forward requested	16,468		

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3. Growth Fund

3.1 The new Growth Fund criteria (Appendix A) has been amended to reflect the following amendments from April 2019.

3.2 The inclusion of paragraph 7 to highlight where the LA no longer needs to seek approval of pupil variations

7. Local authorities are no longer expected to request approval to vary the pupil numbers in the funding formula (School Budget Share) for schools where

- There is a planned reorganisation;*
- A school has changed, or is going to change, it's age range either by adding or losing year groups*

3.3 Further clarity has been given in order to recognise support for Secondary growth in paragraphs 13 - 15 have been amended in the new Growth Fund criteria (Appendix B) accordingly

13. Secondary Exceptional Growth –

This is based on the difference between the year 7 cohort intake (current October Census) and the year 11 leavers (previous October Census). Schools will be expected to fund a certain number of places before triggering the growth fund as detailed in the Table above.

14. *Secondary Growth funding will only be paid if at least 80% of year 7 pupils allocated at the October Census are within the catchment area of the school.*

15. *The following applies in areas where there is more than one secondary school within an area (ie Exeter, Barnstaple and Newton Abbot),*

- the 80% criteria will be dropped when there is less than 5% surplus places when comparing actual year 7 numbers to total planned admission numbers. For example, at the time of writing, there is a combined PAN in Newton Abbot of 450, therefore the 80% in catchment trigger for growth will be removed for year 7 admissions exceeding 427 pupils (95%).*
- if a secondary school decides to increase their pan/intake during outside of a formal admissions consultation round, growth will only be paid on the consulted pan unless there is no spare capacity in the other local school(s) in the area and it has been specifically requested by DCC Strategic Planning Team.*

3.4 Additional class/form one off lump sum payment has been updated to clarify the funding given to schools that are maintained or academy under paragraphs 17 – 18

17. *When the Authority specifically requests a school to increase its place numbers and agrees that an additional class/form of entry or equivalent is required, and there has been no variation to pupil numbers on the authority pro-forma tool (see paragraph 7) the school shall receive a one off lump sum payment to cover the incremental cost of the additional class. This is based on the annual cost:*

Primary

<i>Salary plus on-costs (main 6)**</i>	<i>£47,200</i>
<i>Initial equipping and set up costs £75 x 30</i>	<i>£ 2,250</i>
<i>Total</i>	<i><u>£49,450</u></i>

Secondary

Salary plus on-costs (Upper 2)**	£51,200
Initial equipping and set up costs £150 x 24=	£ 3,600
Total	<u>£54,800</u>

*** Maintained schools will receive 7/12th funding (September to March)*

18. *Growth Funding for schools will be awarded at the greater of an increase in pupil numbers or one-off additional form entry.*

3.5 Amendment has been made to the guaranteed minimum funding for pupils in years 2 and 3 of a new primary school as identified in paragraph 30.

30. *The initial budget will be calculated (pro-rata from date of opening) as per the local formula based on one full year group:*

Primary	1 form entry	30 places (Year 1) 60 places (Year 2) 90 places (Year 3)
Secondary	5 form entry	120 places

3.6 Clarification is to be sought with the ESFA regarding the exceptional growth funding provided for pupils based on the Basic Entitlement (AWPU) within the National Funding Formula as it is felt by academies that they are not being treated fair and equitably with the proper funding not being received until the following September. Similarly, any additional funding given to academies would be seen by maintained schools as double counting as this is all on a lagged process.

3.7 The outcome of this decision will be made to paragraph 16 of the criteria if necessary.

3.8 Recommendations

That DEF is asked to approve the revised Growth Fund criteria (Appendix A) to be implemented from April 2019 with a revision made, if the ESFA deem necessary, to paragraph 16.

All to vote

4. Mutual Fund Update

4.1 The Schools Mutual Fund is a scheme that provides cover for absence for subscribing schools for teaching and support staff. The Fund is administered by a Board comprising the members of Schools Finance Group whose schools are members of the fund, to include representatives from DAPH, DASH and SHAD, together with an officer from Devon Finance Services. The Board meets at least twice a year (usually to coincide with a normal Schools Finance Group meeting) to review the financial status of the Fund, to set premiums and establish the Fund's protocols for the following financial year.

4.2 The Fund will continue to operate only if the numbers are considered sufficient to justify the continued operation of the fund.

4.3 The Mutual Fund Board at their meeting of 9 January 2019 agreed the following: -

- i) That premiums have been reduced from 2018/19 for teaching staff by 20% and support staff by 10%.
- ii) That any school(s) or academy within Devon's authority or linked to a school in Devon's authority is allowed to join the scheme. New schools wishing to join the

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scheme will incur a one off joining fee of 7% on top of the cost of their premium. There will be no joining fee for those schools that are currently members of the fund.

- iii) That claims are paid at 50% of the total amount at the time of submission
- iv) That the balance of claims is not released until the end of the financial year when the full costs are known. If the value of claims exceeds the value of the premiums collected, the claims will be abated pro-rata to ensure financial balance is achieved. If the value of the claims is significantly less than the premium collected, the Board will consider if a rebate shall be made.

4.4 At the end of the 2017/18 financial year, the value of premiums collected exceeded the value of the claims paid out by £462,500.

4.5 Recommendation

That DEF note the Mutual Fund update set out in Section 4.

All to Note

MARY DAVIS
County Treasurer

JO OLSSON
Chief Officer for Children's Services

Please ask for: Adrian Fox
Adrian.fox@devon.gov.uk

Growth Fund (April 2019)

1. Growth Funding is within local authorities' schools block National Funding Formula allocations. As it is within the schools block, a movement of funding within the schools block is not treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.
2. The Growth Fund supports schools required to provide extra places to meet basic need within the authority, including pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty.
3. The growth fund can only be used to:
 - support growth in pre-16 pupil numbers meeting basic need,
 - support additional classes in growing schools
 - support demographic change
 - meet the costs of necessary new schools, including lead-in costs, pre and post start-up and diseconomy of scale costs.
4. The fund will be for the benefit of both maintained schools and academies. The Schools and Early Years Financial Regulations 2013 had been updated allowing local authorities to carry forward unspent funds to future years.
5. The Growth Fund covers the following areas of growth
 - Increase in school places in existing schools required to meet localised demand (demographics, housing developments) – known as “basic need”
 - New schools required to meet localised demand (demographics, housing developments) – known as “basic need”
6. Where a school is experiencing financial pressures due to an exceptional in-year increase in pupil numbers not related to basic need, a maintained school may apply to the LA for contingency funding. Academies would need to apply to the ESFA.
7. Local authorities are no longer expected to request approval to vary the pupil numbers in the funding formula (School Budget Share) for schools where
 - There is a planned reorganisation;
 - A school has changed, or is going to change, its age range either by adding or losing year groups
8. Local authorities are expected to request approval to vary the pupil number in the funding formula (School Budget Share) where
 - A new school (including free schools) is opening
 - A school (including free schools and academies) has opened in the previous seven years and are still adding year group
 - The growth fund (a suitable route for short term increases in pupil numbers and bulge classes) may not be suitable because the scale of change in pupil

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numbers is sufficiently great that it should be applied to all factors in the formula.

- Pupil numbers have been adjusted and included in the individual school budget calculations, the growth fund will only fund pupils over and above that estimate. When the local authority specifically requests a school to increase its place numbers and agrees that an additional class is required resulting in the varying of the pupil numbers on the authority pro-forma tool (APT), there will be no additional lump sum payment from the growth fund.
- Estimates are adjusted to take account of the actual pupil numbers in the previous funding period.

9. The Growth Fund criteria has been approved through the School Finance Group and Devon Education Forum

Criteria

Existing Schools - Exceptional in year growth - basic need

10. Funding is made available to schools and academies for exceptional growth due to basic need
11. Funding methodology

Schools are expected to support a level of growth from within existing resources. The table below details the thresholds for qualification of funding.

Primary Schools	Increase in pupil number threshold must be greater than:
Schools with 200 pupils or fewer	10 pupils
Schools with more than 200 pupils: either	10 pupils or 5% of number on roll*, whichever is the greater
or	Where growth is greater than 15 pupils, all pupils above 15 will be funded, irrespective of %age growth
Secondary Schools	
Schools with 600 pupils or fewer	30 pupils
Schools with more than 600 pupils: either	30 pupils or 5% of number on roll*, whichever is the greater
or	Where growth is greater than 45 pupils, all pupils above 45 will be funded, irrespective of %age growth

*As per the previous October Census excluding 6th form pupils

12. **Primary Exceptional Growth –**
This is based on the increase in the school roll comparing the current and previous October Census. If the growth at any school exceeds the pupil numbers we would expect the school to fund in the table above, colleagues in the Strategic Planning Team will be asked to consider whether the growth has been due to 'basic need', in assessing this, officers will consider:

- Is there sustained pressure on school places due to rising early years numbers;
- Has there been sustained housing development which is leading to increased in-year numbers;
- Have increases been due to lack of capacity at neighbouring schools.

The Growth Fund will not fund changes in parental preference.

13. **Secondary Exceptional Growth –**

This is based on the difference between the year 7 cohort intake (current October Census) and the year 11 leavers (previous October Census). Schools will be expected to fund a certain number of places before triggering the growth fund as detailed in the Table above.

14. Secondary Growth funding will only be paid if at least 80% of year 7 pupils allocated at the October Census are within the catchment area of the school.
15. The following applies in areas where there is more than one secondary school within an area (ie Exeter, Barnstaple and Newton Abbot),
 - the 80% criteria will be dropped when there is less than 5% surplus places when comparing actual year 7 numbers to total planned admission numbers. For example, at the time of writing, there is a combined PAN in Newton Abbot of 450, therefore the 80% in catchment trigger for growth will be removed for year 7 admissions exceeding 427 pupils (95%).
 - if a secondary school decides to increase their pan/intake during outside of a formal admissions consultation round, growth will only be paid on the consulted pan unless there is no spare capacity in the other local school(s) in the area and it has been specifically requested by DCC Strategic Planning Team.
16. Exceptional Growth Funding will be provided for pupils based on the Basic Entitlement (AWPU) within the National Funding Formula

Primary	£2,747
Secondary KS3	£3,863

Maintained schools will receive funding for the period September to March (7/12ths) and academies will receive funding for the full academic year. Maintained schools being funded on the additional pupil numbers in the October Census from the following April, whereas Academies are only funded from the following September.

17. **Additional class/form one off lump sum payment**

When the Authority specifically requests a school to increase its place numbers and agrees that an additional class/form of entry or equivalent is required, and there has been no variation to pupil numbers on the authority pro-forma tool (see paragraph 7) the school shall receive a one off lump sum payment to cover the incremental cost of the additional class.

This is based on the annual cost:

Primary

Salary plus on-costs (main 6)**	£47,200
Initial equipping and set up costs £75 x 30	£ 2,250
Total	<u>£49,450</u>

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Secondary

Salary plus on-costs (Upper 2)**	£51,200
Initial equipping and set up costs £150 x 24=	<u>£ 3,600</u>
Total	<u>£54,800</u>

** Maintained schools will receive 7/12th funding (September to March)

18. **Growth Funding for schools will be awarded at the greater of an increase in pupil numbers or one-off additional form entry.**

Existing Schools - Exceptional in year growth - housing developments

19. Additional funding will be made available to schools and academies for a significant increase in admissions, to meet demand from new housing developments at the request of the Council. This is predominately in New Towns/Communities
20. The growth characteristics for an existing school situated within a major new town development are different to the criteria outlined in paragraph 5 in that the rate and scale of in-year growth is significant – for example rising from a roll of less than 50 to a roll of over 300 in 3 years.
21. Funding will be provided termly in advance (pro-rata) for estimated pupil numbers to enable planning for additional classes and resources. Actual pupil numbers are reviewed at each census date (October, January and May) and funding will be adjusted on a termly basis, avoiding over or under funding.
22. Funding will be provided at the Basic Entitlement (AWPU) rate, pro-rata to the funding period that the pupils are not included in the school budget share calculation.
23. Pupil growth will be capped at 70% capacity.

Example: A 420 place primary school, pupil number growth above 294 will cease to be funded under this methodology and will revert to the methodology outlined in paragraph 11, with only a single reference point to the October census.

24. Funding will be restricted to a maximum of 3 years or until the school reaches capped capacity, whichever is the sooner.

New Schools

25. Application to the growth fund from a new school may only be made if the local authority has decided that it is needed.
26. There are 3 elements to consider:
 - a. Pre-opening lead in costs – including leadership and administration, recruitment and initial equipment set up – (for example resources and consumables such as books etc. IT, furniture and fittings are expected to be part of the design build specification)
 - b. Initial budget allocation
 - c. Expansion

Pre-opening lead in costs

27. These will vary depending on the size and nature of the school, but as a guide for leadership, management and administration: a one-off lump sum payable two terms before opening as follows:
- | | |
|--------------------|---|
| Primary | £ 75,000 |
| Secondary | £125,000 |
| All-through | £125,000 |
| Initial equipping: | £75 per primary pupil place; and £150 per secondary pupil place payable two terms before opening. |
28. This assumes a school is opening under the “Academy / Free School presumption” and is in receipt of the £25,000 start-up grant paid directly to the Trust by the ESFA. Where a school is opening as a maintained school and is not in receipt of the start-up grant, the Local Authority will mirror the start-up grant of £25,000 for maintained schools.

Initial budget allocation

29. If a school opens in September, estimated pupil numbers will be included in the Authority Pro-forma Tool (APT) generating a 7/12ths budgets share for the September to March period. The Growth Fund will fund the school budget share of new schools in their 1st year. The pupils actually on roll will be included in the October census and this will be used to calculate the School Budget Share from April the following year.
30. The initial budget will be calculated (pro-rata from date of opening) as per the local formula based on one full year group:
- | | | |
|-----------|--------------|--|
| Primary | 1 form entry | 30 places (Year 1)
60 places (Year 2)
90 places (Year 3) |
| Secondary | 5 form entry | 120 places |
31. The budget will fund Basic Entitlement (AWPU) plus Devon’s average allocation for deprivation and low attainment; lump sum (at the secondary rate for an all-through school); rates; split sites and sports hall allowance if applicable. The budget will be based on the prevailing rates in the Devon school budget share formula.

Expansion

32. From the beginning of the financial year following opening, growth would be funded as per the methodology outlined in sections 19 to 24 above, for a maximum period of three years or until the school reaches capped capacity or is full, whichever is the sooner.
33. For a secondary school that has still not reached the equivalent to one full year group of 120 places at the beginning of the financial year following opening, the expectation is that the individual school budget will be topped up to a maximum total of 120 pupils from the central growth fund if the number on roll at the time of the census falls short of that.
34. For a secondary school opening Key Stage 4 classes for the first time, an additional £45,000 will be paid as a lump sum at the start of year 10 and then as the pupils

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progress, a second lump sum be paid at the start of year 11 (ie a total of £90k over two years), to cover the incidental costs of the additional class.

35. The business plan will need to clearly identify pupil growth assumptions, which should be realistic and evidence based. Growth funding will be limited to a maximum of 5 years on the presumption that the sponsor will have a clear plan to operate at PAN, with the expectation that the school will be viable thereafter via the School Budget Share. This will encourage efficient deployment and allocation of resources as the school grows and will protect the growth fund against long term, non-sustainable commitments where demographic change falls short of expectations
36. Leaving aside the start-up grant, at no point will the temporary funding supplied to a new school lift its funding level beyond what it would receive when operating at full capacity.
37. The decision to provide start-up funding and the level of funding allocated will consider the local context and potential impact on other schools' sustainability.

Special School / Alternative Provision Expansion

38. Where the Authority specifically requests a Special School / Additional Provision to increase its place numbers the school shall receive a one off lump sum payment to cover the incremental cost to provide staff appointments.
39. This will be calculated as follows:

Alternative Provision initial equipping and set up costs £150 x 3.75 x no. of places

Special Schools initial equipping and set up costs £150 x 4.25 x no. of places

DEDICATED SCHOOLS GRANT MONITORING MONTH 1

REPORT OF THE COUNTY TREASURER AND CHIEF OFFICER FOR CHILDREN'S SERVICES

RECOMMENDED that DEF:

- a) Note month 1 DSG monitoring position as set out in section 1.

1. Budget Monitoring Report - Month 1 (2019/20) - DSG

- 1.1. The Month 1 forecast for the Dedicated Schools Grant is an overspend of £7.6millions after allowing for £3.5millions from reserves.
- 1.2. The table below shows the overall balanced forecast for the DSG:

	Net Budget	Forecast Outturn	Variance Mth 1
Description	£'000	£'000	£'000
Schools delegated budget	437,527	437,527	0
DSG and School funding	(550,949)	(550,951)	(2)
Total DSG	(113,422)	(113,424)	(2)
De-delegated budgets	3,844	3,859	15
Central Provision (Schools)	5,617	5,571	(46)
High Needs Funding	65,588	76,736	11,148
Early Years & Childcare Services	38,373	38,373	0
Total DSG central budgets	113,422	124,539	11,117
Funding from Reserves	0	(3,500)	(3,500)
Overall Net DSG budget	0	7,615	7,615

Schools

- 1.3. In December the DFE confirmed the revised DSG settlement allocation of £507.2millions including Early Years (before recoupment for academies), based upon pupil numbers as at the October 2018 Schools census and January 2018 Early Years census. The budget is yet to include the 2018/19 schools carry forward of £16.5millions

De-delegated budget

- 1.4. Currently showing an overspend of £15,000 due to copyrights and licences costs greater than budgeted. The Schools Contingency has £1.2millions built into projections to be carried forward into 2020/21.
- 1.5. As per Devon Education Forum (DEF) any surplus will be ring-fenced for the maintained schools and carried forward to 2020/21 to meet future costs/commitments within these budget lines.

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Central Provision within Schools

- 1.6. The budget is projected to underspend by £40,000 due to Money Following Excluded Pupils (MFEP) budget not required in 2019/20 as the costs will be funded from schools contributions from excluded pupils. The underspend will be used to offset the increased pressure within the High Needs block specifically for Alternative Provision.

High Needs

- 1.7. The High Needs Block is under significant pressure and is currently reporting an overspend of £11.1millions. Other Special Schools funding is the main area overspending with a reported overspend with £5.1millions relating to an unfunded budget pressure, since budget prep placement numbers have increased by 85 increasing the budget pressure by a further £4.5millions.
- 1.8. The number of students with EHCP's continues to grow along with the complexity of need of pupils and those not able to attend school due to medical conditions, this is all creating further pressure within the High Needs block and in particular, Special Schools.

	Net Budget	Forecast Outturn	Variance Mth 1
Description	£'000	£'000	£'000
Alternative Provision	2,694	2,925	231
Children in Care and Exclusions	1,451	1,451	0
Closing the Gap	1,500	1,500	0
Inclusion	334	334	0
Nursery Plus	1,164	1,164	0
Safeguarding Every Learner	144	144	0
SEN Mainstream	10,988	12,023	1,035
SEN Services	924	924	0
Maintained Special Schools	29,118	29,221	103
Hospital Education Services	292	292	0
Recoupment	624	759	135
Other Special School Fees	15,050	24,767	9,717
Support Centre Funding	1,305	1,232	(73)
Net HNB Total	65,588	76,736	11,148

- 1.9. The Alternative Provision budget funds the main AP contract with WAVE, we are currently forecasting to spend to budget within the main contract, however some further analysis is required around the number of planned places paid in 18/19 academic year and whether any funding is owed to/from WAVE at the end of the Summer term.
- 1.10. Currently within WAVE there are Year 10 and Year 11 students with SEN who are eligible for FE College but are remaining within WAVE which is preventing excluded students being placed. It's been agreed that these students with SEN eligible for FE College will be paid at a Medical placement rate outside of the main contract to free up places within the main contract for excluded pupils and prevent placement

elsewhere at a higher cost. This is costing an additional £157,000 to the High Needs block (based on 15 pupils from Sept 19), but a cost reduction in comparison.

- 1.11. SEN Mainstream covers personalised education package, Education Health Care Plans (EHCP) and the SLAs which support them. Pre-16 element 3 funding is forecasting to overspend by £510,000 predominantly from the increase in average cost of an EHCP by £118 per plan (£239,000), plus packages increase of £1,436 per package (£146,000) since budget preparation and increases above that budgeted for lump sums, LCHI SEN and prior adjustments totalling £131,000.
- 1.12. Home Education personal budgets and Tutoring specialist support were both previously charged to SEN Therapy budget, in 19/20 these costs are now being charged to their own budget lines so spend can be analysed any scrutinised. No budget transferred with these costs due to the demand on SEN Therapy budget. Total spend forecast and pressure for both budgets are; Home Education Personal budget £189,000 and Tutoring Specialist Support £55,000.
- 1.13. Maintained Special Schools are reporting to overspend by £103,000. Planned Place funding was increased as part of 2019/20 budget prep to guarantee funding into our Maintained Special Schools, alongside this the actual places were also increased with the majority now at full capacity. In September 2019 a new maintained special school is due to open along with an expansion of an existing school giving an additional 50 places in this financial year.
- 1.14. The independent budget is reporting an overspend of £9.7millions, part of the overspend relates to the known budget pressure at budget prep of £5.2millions for which Management Action is currently being looked at across the High Needs block, forecast currently assumes these savings will not be made. Further detail for Independent Special Schools (ISP) is attached in Appendix A.
- 1.15. Since budget prep sole funded average placement numbers have increased by 85 above the budgeted level resulting in £3.7millions volume variance and £1.7millions price variance. This forecast allows for future growth.
- 1.16. There are 15 less children's joint funded placements than originally budgeted resulting in an underspend of £722,000. There has also been £280,000 income agreed for residential CIC placements. Adult joint funding is reporting an overspend of £251,000 due to the level of income expected from adults being lower than originally budgeted.
- 1.17. The forecast includes the £2.5millions deficit c/fwd. from 18/19. For which Management action has been identified, some of which will not be achieved until 2020/21.

DSG Deficit Recovery Plan

- 1.18. Although Devon did not trigger the DSG Deficit Recovery Plan for 2018/19 based on current projections there will be a need to undertake this exercise in 2019/20. The DfE requires a recovery plan from all local authorities that have an overall cumulative DSG deficit of 1% or more at the end of the financial year.

Management Action

- 1.19. Management Actions totalling £2.4millions were sought as part of the 2018/19 outturn position and to date £1.9millions has been calculated with £944,000 realised in this financial year from the review of students currently in their 3rd – 5th years of post-16

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education and a further £567,000 from 2020/21 relating to the summer term. The remaining recognised actions relate to the block contracts review.

- 1.20. In addition, as part of 2019/20 budget process there was a shortfall of £5.2millions within the High Needs block. There are currently limited options to make further savings given that non-statutory funding has been cut, budgets have been reviewed fully and tightened and the pressures in ISPs are demand led and reflect parental choice in a market which does not offer much ability to cost save.
- 1.21. We have been further advised that the DfE are now in the process of arranging the SEN advisors and working with their team to be in contact with the LA shortly.
- 1.22. **Recommendation**
That DEF note month 1 DSG monitoring position as set out in section 1
All to Note

MARY DAVIS
County Treasurer

JO OLSSON
Chief Officer for Children's Services

Please ask for: Adrian Fox
Adrian.fox@devon.gov.uk

SEN Senior Management Group 14th May 2019

Budget Monitoring Report - Month 1 (2019/20) – Independent Special Schools (ISPs)

Executive Summary

The month 1 forecast for the ISPs is an over spend of £4.5millions. This is largely due to increasing numbers of placements impacted by the lack of capacity within Maintained Special Schools, parental preference, tribunal orders and the needs of these young people being too high for mainstream schools to cope with.

Management Action: Of the £2.4millions management action we are projecting to achieve £1.2millions which is included in the above forecast. Work is also being done on targeting three providers (On-Track; ACE; Oakwood Court) to consult on block contracting for guaranteed places. This could possibly achieve a further £350,000 reduction in costs across a financial year.

1.0 Financial Overview

The forecast includes provision for growth, known leave dates, therapy costs and contributions from Children's and Adult's Social Care budgets as agreed as per last financial year, as well as £5,003 relating to contributions to those placements for Children in Care that do not have EHCPs. Also included in the forecasting are 33 leavers as at July 2019. Therefore, only one term has been included for those learners in below table. This sector has seen the greatest % (56) growth compared to mainstream and special schools over the last three years.

Table 1

Activity description	Base Budget	Forecast	Variance	Movement from prev mth
ISP Sole funded	£17,053,000	£18,388,312	£1,335,312	£0
ISP Children's Joint Funded	£2,808,000	£1,805,562	(£1,002,438)	£0
ISP Adult Joint funded	£474,000	£725,035	£251,035	£0
ISP non-EHCP (Pre-16)	£50,000	£5,003	(£44,997)	£0
Miscellaneous-therapy costs	£0	£200,000	£200,000	£0
Growth	£0	£2,623,000	£2,623,000	£0
Management Action (MA)	£0	£2,473,000	£2,473,000	£0
MA Outstanding	£0	(£1,297,000)	(£1,297,000)	£0
TOTAL	£20,385,000	£24,922,912	£4,537,912	£0
High Needs Block Budget Pressure	(£5,335,000)	(£156,000)	£5,179,000	£0
REVISED TOTAL	£15,050,000	£24,766,912	£9,716,912	£0

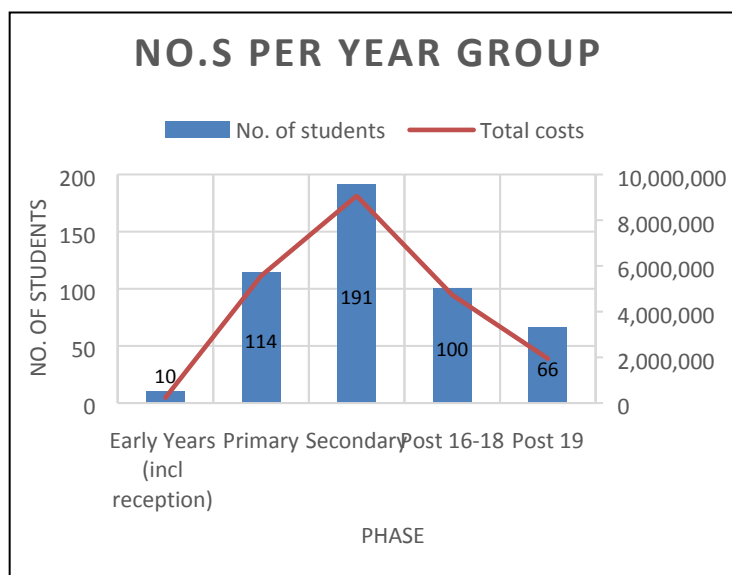
2.0 Growth

The above growth calculation is based on the following estimates:

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- 17 yet to be added to the forecast as they have no actual start dates, have estimated May and September starts with average costs of £50,000
- 36 moving from AP to independent sector as from 1 October 2019 at £27,000 per pupil to free up places
- 30 estimated as growth/new starters into the independent sector across the financial year at average cost of £45,000. There were 173 new learners into the Independent Sector in 2018/19.
- 5 reduced as leavers who drop out at start of academic year at average cost of £45,000

3.0 Trends



As at April 2019 there are 481 students in the Independent Sector at a total cost of £21.6m (not including growth and management action).

Phase	No. of students	Average costs
EYs (inc NCY0)	10	£23,800
Primary	114	£48,796
Secondary	191	£47,464
Post 16-18	100	£47,300
Post 19	66	£29,477
Total	481	£44,786

High Cost Placements (>£100k)

Independent Provider	Placement Type	2017/18 Highest Placement Cost - Education only	2018/19 Highest Placement Cost - Education only	2019/20 Highest Placement Cost - Education only	CIC per annum	Joint Funded per annum
Ferndearle Child Services (Heather House)	Residential	£0	£106,749	£106,749	Yes	Yes
Libra	Residential	£76,124	£73,000	£119,731	No	No
North Hill House (Priory)	Residential	£137,477	£137,477	£137,477	No	No
Hillcrest Park School	Residential	£0	£89,790	£101,014	Yes	Yes
Witherslack Group (Broadbeck Learning Centre)	Residential	£0	£110,084	£110,084	Yes	Yes
New Forest School	Residential	£0	£0	£132,126	No	No
Sunfield Children's Homes Limited	Residential	£0	£0	£102,926	No	No
Hill House School (Cambian Group)	Residential	£104,405	£148,817	£148,817	Yes	Yes
Aurora Boveridge College	Residential	£0	£0	£140,968	No	No
Treloar College	Residential	£129,705	£129,705	£117,143	No	No
National Star College	Residential	£85,848	£109,754	£200,170	No	No

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High cost placements are increasing for residential placements predominantly for Children in Care where Education are joint funding placements 50/50 with Children's services Social Care.

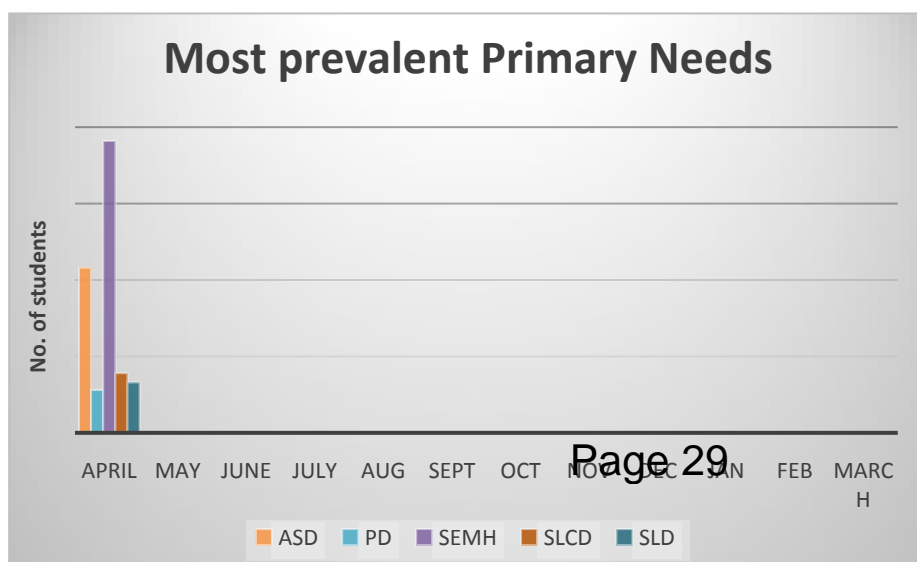
Each placement cost refers to one learner.

For the new starters in April 2019, 10 of the 15 places are high cost placements (over £50,000).

Analysis of Starters	Apr	May	June	July	Aug	Sept	Oct
Mainstream School	9	0					
Maintained Special School	1	0					
Alternative Provision	0	1					
Home Educated	1	1					
College	1	0					
CME (Missing Education)	1	0					
Other Special School	0	0					
Number of Placements	13	2					
Cost to the HNB 19/20	£691,830	£64,620					
Average costs	£53,200	£32,310					

As at April 2019 the Primary Needs across the school phases indicate a growing trend in SEMH particularly in the secondary phase with ASD numbers remaining steady throughout.

Phases	ASD	HI	MLD	MSI	PD	PMLD	SEMH	SLCD	SLD	SpLD	VI	None	Total	Prev mth variance
Early Years (incl reception)	0	0	0	0	0	7	0	1	2	0	0	0	10	0
Primary	33	2	4	3	3	6	51	9	3	0	0	0	114	0
Secondary	35	8	8	0	9	5	99	13	6	1	6	1	191	0
Post 16 - 18	28	4	4	0	6	1	32	13	4	4	4	0	100	0
Post 19	12	1	7	0	10	1	9	3	18	2	3	0	66	0
Total	108	15	23	3	28	20	191	39	33	7	13	1	481	0



The five most prevalent primary needs at the start of the financial year 2019/20 are:

- 191 – SEMH
- 108 - ASD
- 39 - SLCD
- 33 - SLD
- 28 - PD

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Gill Loman
SEN 0-25 Resource and Business Manager

Financial Intervention Panel Annual Report 2018/19

REPORT OF THE COUNTY TREASURER AND CHIEF OFFICER FOR CHILDREN'S SERVICES

RECOMMENDATIONS

It is recommended that DEF:

Notes the Financial Intervention Panel Report as set out below.

1. Introduction

Support for schools in financial difficulty is funded from maintained schools de-delegated contingency, which is subject to annual consultation with maintained schools by phase. The Panel meticulously scrutinises every submission and will only award financial support when it is satisfied that the governing body has taken every action it possibly can to balance the budget. It should be noted that the contingency budget cannot over spend. If the call on it is greater than the funds available, the over spend will be carried forward to the following financial year and maintained schools will be asked to de-delegate more.

2. Governing Bodies are responsible for:

- i) Taking any remedial actions required to secure an in-year balanced budget
- ii) Having a 3-5 year strategic plan to secure high quality educational provision for children within a balanced budget
- iii) Taking timely remedial action when three-year budget plan does not balance
- iv) Implementing appropriate action wherever possible to prevent redundancy and retain employment
- v) Ensure that plans submitted to FIPS are correct, robust and deliverable
- vi) Implementation of agreed actions following FIPS decisions
- vii) Ensuring the school participates in the Active Redeployment Programme when future budget difficulties are identified. This includes working pro-actively with the HR Direct Redeployment team at an early stage to place staff at risk of redundancy where possible, thereby retaining experienced staff in Devon and minimising the cost of redundancies.

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3. Purpose of Financial Intervention Panel (Schools) (FIPS)

- FIPS is an officer constituted group that has the function of scrutinising budgets and recovery plans of schools at financial risk.
- FIPS will consider Redundancy, Contingency, Compromise Agreement and Ending Fixed Term Contract requests along with Vulnerable Budgets requests to appoint.
- FIPS may signpost schools to appropriate strategies to support them in planning for long-term financial viability.

As part of these responsibilities FIPS may:

- i) Place a school on monthly monitoring or period review.
- ii) Advise Devon County Council to issue a Notice of Concern or a School Financial Warning Notice (SFWN) or to withdraw delegation
- iii) Instigate an Individual School Review (ISR) regarding future sustainability of a school and it's status e.g. Federation/ Closure
- iv) Advise the that the school be placed on the Keys to Success Programme (Excellence for All)
- v) Instigate a formal audit of the school's financial processes and/or a financial review.
- vi) Authorise recovery plans for schools using an "invest to save" model where strategies are sufficiently innovative and necessary to resolve underlying financial pressures for long term viability
- vii) Pass on any significant concerns raised with the authority regarding financial processes around an Academy school in Devon to the Secretary of State.

4. Analysis of submissions to FIPS

4.1 Analysis of cases

There have been 40 submissions during 2018/19 which is an increase of 90% from 2017/18. Submissions for Primary schools has increased 3-fold from 2017/18. The Schools Finance team has continued working with schools to flag potential financial issues early, enabling proactive budget management. The table below shows the breakdown by school type.

	2016/17		2017/18		2018/19	
	No.	%	No.	%	No.	%
Primary Schools	17	41%	9	43%	27	68%
Secondary Schools	17	41%	9	43%	7	18%
Special Schools	5	12%	3	14%	5	13%
Nurseries/Childrens Centres	2	5%	0	0%	1	3%
Total	41	100%	21	100%	40	100%

The table below shows the breakdown by type of submission. The main reason for submissions in 2018/19 has again been around redundancy although a significant increase in the number of licensed deficit requests of over 5 times has occurred.

	2016/17	2017/18	2018/19
Redundancy (Stage 1 & 2)	28	17	22
Contingency	8	1	8
Licensed Deficit	1	3	17
Other	4	0	1
Total	41	21	48

The 22 redundancy submissions came from: 13 Primary, 5 Secondary and 3 Special Schools. Three stage 2 submissions related to previously agreed redundancies made in 2017/18.

4.2 Outcome from cases submitted

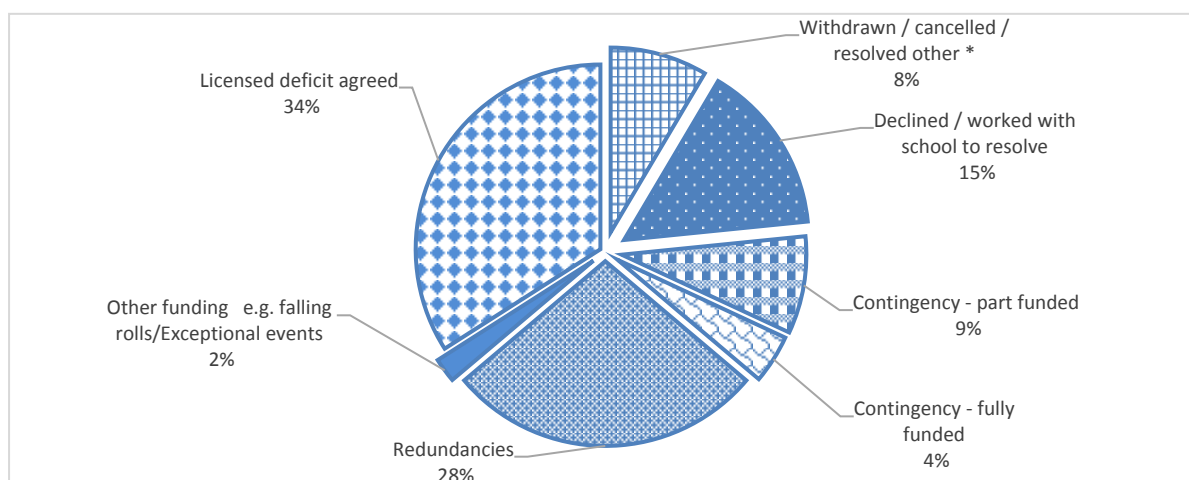
The following table shows the decisions made by the panel and in some cases the decision has resulted in more than one outcome for a particular submission. For example, there may be an agreement to fund redundancies and have a licensed deficit in the first year.

	2016/17	2017/18	2018/19
Withdrawn/cancelled/resolved other *	6	1	4
Declined/worked with school to resolve	9	6	7
Contingency - part funded	2	1	4
Contingency - fully funded	4	1	2
Redundancies	14	9	13
Unknown w/o further investigation	0	1	0
Other funding e.g. falling rolls/Exceptional events	6	0	1
Licensed deficit agreed	10	6	16
Total	51	25	47

* includes subsequent academisation

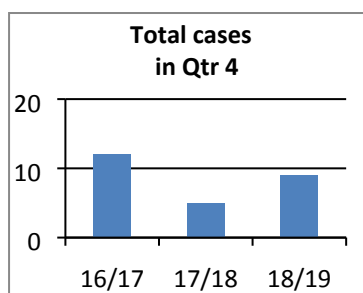
As part of the agreements in 2017/8 there is 1 licensed deficit for 2019/20 and 1 for 2020/21. As part of the agreements in 2018/19 there are 9 licensed deficits for 17/18, 10 for 18/19, 3 for 2019/20 and 1 for 2020/21.

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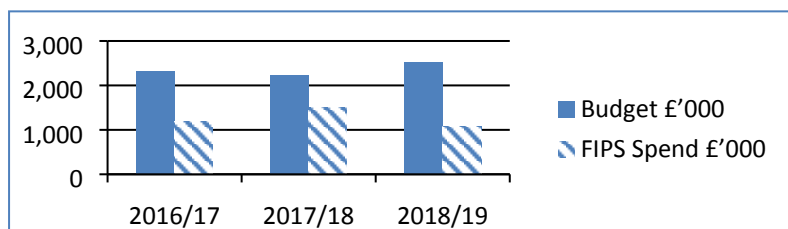
4.3 Comparison of 4th Quarter Submissions

The number of submissions in the 4th quarter has increased in line with the overall increase in FIPS submissions for the year.



	2016/17	2017/18	2018/19
Redundancy (Stage 1 & 2)	9	2	1
Contingency	3	1	0
Licensed Deficit	0	2	2
Growth/Falling Rolls applications	0	0	0
Other	0	0	6
Total cases	12	5	9

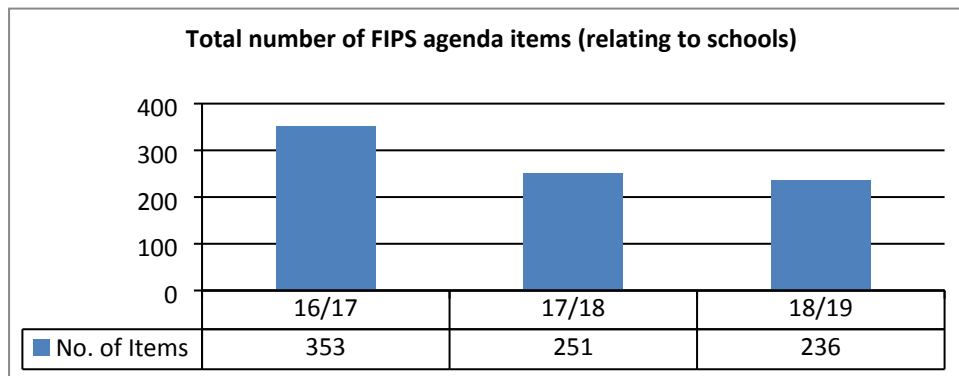
4.4 Budget vs Spend



	2016/17	2017/18	2018/19
Budget £'000	2,039	2,232	2,527
FIPS Spend £'000	1,191	1,507	1,079

Despite a significant increase in the number of FIPS submissions, the total spend has reduced from the previous year, as the Panel look to defer financial support to schools until further clarification regarding Schools funding is made clearer in the Autumn spending review. This year's submissions requested a total amount of funding that exceeded that available from the budget and carry forward for this financial year.

The FIPS budget includes a carry forward of £1.42 million from 2017/18 and of the surplus £1.46 million to be carry forward to 2019/20 there are already redundancy/contingency costs up to £160,000 committed as a result of submissions during 2018/19.



The number of items on the FIPS agenda have reduced in line with overall submissions. The breakdown below shows what actions have been undertaken to resolve the submissions across the year.

	2016/17	2017/18	2018/19
No. of schools on monthly monitor	13	13	11
No. of letters sent from FIPS*	185	112	39
No. of pre-notice of concern/warnings/serious concern letters	0	0	0
No. of FIPS meetings held	22	16	18
Workshops with schools	10	1	3
FRS reports analysed & queried	163	52	52
Budget Plans Analysed & queried	128	155	155

*From 2018/19 letters relating to FIPS cases included. Previously included reminders for budget plans and FRS reports which are not direct FIPS issues.

5. Summary

The Panel continues to provide support when it is satisfied that the governing body has taken every action it possibly can. Where the Panel decides to provide support for a school in financial difficulty, this may not always be of a financial nature (i.e. financial support or the provision of a loan) but could also be in the form of leadership support or licenced deficit.

There remains an element of uncertainty since the introduction of the National Funding Formula; continued challenging fiscal environment and a cash flat DSG settlement, the role of FIPS continues to be pro-active in identifying and engaging with schools with vulnerable budgets at an early stage.

MARY DAVIS
County Treasurer

JO OLSSON
Chief Officer for Children's Services

Please ask for: Adrian Fox
Adrian.fox@devon.gov.uk

SCHOOLS FINANCE GROUP on 5 June 2019 at Okehampton College	
ISSUES FOR DEF ON 19 JUNE 2019	
Item 1	Matters Arising <ul style="list-style-type: none"> DEF to note that reimbursement to DSG from Adult Services regarding health contributions to independent residential SEN placements during 2018/19 is in hand. SFG requested that Education services do not lose sight of this important collaborative agreement.
Item 2	Growth Fund Criteria <ul style="list-style-type: none"> DEF recommended to endorse revised growth fund criteria.
Item 3	DSG Outturn 2018/19 <ul style="list-style-type: none"> SFG acknowledged that the DSG deficit £2.8m had been met corporately by Devon County Council as part of the Outturn process. DEF to note that proposals for SEN Invest to Save projects will be considered and agreed at the next SFG meeting.

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SCHOOLS FINANCE GROUP Notes of meeting on 5 June 2019 at Okehampton College

		Attendance		
		5/6/19	6/3/19	9/1/19
DCC				
Adrian Fox (Chair)	Head Accountant (E&L)	✓	✓	✓
Julia Foster	Senior Manager SEND	✓	✓	✓
Ancilla McKenna	Senior Accountant (Schools)	✓		
Heidi Watson-Jones	Service Support Officer (E&L)	✓	✓	✓
DAPH				
Jonathan Bishop	Cornerstone Academy	✓	✓	✓
Alun Dobson	Marwood Primary	✓	✓	✓
Jamie Stone	Denbury Primary	✓	✓	✓
Paul Walker	First Federation	✓	Apologies	✓
David Barnett	Chudleigh Primary		✓	
DASH				
Daryll Chapman	Dartmoor MAT	✓	✓	✓
Lorraine Heath	Uffculme School	✓	Apologies	✓
Julie Phelan	Cullompton Community College	✓		
Matthew Shanks	Education South West	Apologies	✓	✓
Gareth Roscoe	The Park Community School		✓	✓
SHAD				
Keith Bennett	Marland School	✓	✓	part
Jacqui Warne	Learn to Live Federation	✓	✓	✓
DAG				
Faith Butler	Special	✓	✓	part
Malcolm Dobbins	Primary	✓	✓	✓
Alex Walmsley	Secondary	✓	✓	✓
EY Providers				
Lydia Wright	Early Years – PVI providers	✓	✓	
Sandra Barnett	Early Years – PVI providers			✓
In Attendance				
Simon Niles (item 2)	Education & Learning	✓		
Dawn Stabb (part)	Head of Education & Learning	✓		
Donna Anstiss	Accountant (E&L)	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 6 March 2019

Discussion:

- Discussed Education agreement with Adult services to cover outstanding balances for 2018/19. Dawn outlined confusion around payments made by Health directly to residential providers. Some further investigation to be carried out to reimburse Education budget. DS assured SFG that an arrangement is now in place with Adults services to secure appropriate level of funding for continuing health care going forward.
- AF had contacted ESFA regarding input from a SEN adviser but has received no response, so will follow up again.
- JF looking at data around cost differential across SEN placements in the independent sector. Data to be circulated to SFG along with HNB monitoring when collated.

Key Decision/Issues for DEF: Minutes agreed as an accurate record.

Action:	<ul style="list-style-type: none"> Data on Independent SEN placement costs to be circulated with DSG monitoring reports. AF/HWJ
2. Item/Focus: Growth Fund criteria	
Discussion: <ul style="list-style-type: none"> Noted that the rate of growth in schools largely unchanged since Growth fund criteria were last reviewed. SN has been monitoring growth in Primary sector to ensure that funding is directed to address basic need growth, and not parental preference. One-off payments for additional classes have been processed as previously agreed. Year 7 / Year 11 differentials driving the growth allocations for secondary. Confirmed 80% requirement will be dropped in urban areas where there is less than 5% capacity across secondary schools comparing Year 7 allocations to school PAN. Agreed Growth fund criteria to be reviewed and updated annually, in particular for inflation, and re-circulated. Clarified that Growth fund may only be deployed for Reception – Year 11 provision, not Early Years or Post 16. The growth fund budget is expected to balance over the three-year period assuming continuing level of funding. The group discussed at length the funding lag for academies due to differences in financial year, and whether academies would be disadvantaged by growth payments based on AWPU being paid for 12 months compared to 7 months for maintained schools, following which the normal funding processes resume. It was restated the intention was the Growth Fund would be fair and equitable to all schools. AF to raise this matter with ESFA and seek a steer. Some concerns were raised by Maintained schools around the possible double funding for academies as the lagged funding does come into the budget the following financial year. Noted that model assumes an ongoing budget for 2020/21 continuing at 2019/20 level. Considered demographic models which predict primary numbers declining, and the expected reduced call on the growth fund overall in the future as primary / secondary numbers stabilise. Noted that growth situation in Cranbrook is proceeding as expected. 	
Key Decision/ Issues for DEF:	<ul style="list-style-type: none"> SFG agreed growth fund criteria would be reviewed annually to update figures in line with inflation.
Action:	<ul style="list-style-type: none"> AF to request guidance from ESFA around equitable funding arrangements across maintained and academy schools due to differences in financial year and payments based on AWPU or MFL.
3. Item/Focus: DSG Outturn 2018/19	
Discussion: <ul style="list-style-type: none"> Noted that DSG deficit £2.8m has been met corporately by Devon County Council as part of the Outturn process. £16.1m retained in school balances – an increase across remaining maintained schools since last financial year, predominantly in primary schools. Academy schools' position is not known, but mindful of the ESFA expectation that there is a sufficient balance available to cover emergency contingencies. Discussed complexities around prudent financial planning resulting in year end balances, set against ongoing financial challenges and increasing costs. Discussed the effects of in-year grant fund payments, income generation and how this can impact on local school budgeting decisions and deficit budget projections. Discussed effect of staffing costs pro-rata to pupil numbers on overall school budget positions. Considered funding of special schools and use of revenue budget to support set-up costs for additional places being established. Suggested reviewing special school funding formula. Surplus budget from Subscriptions and TU contingency now at £173k. Previously agreed at DEF that SFG would oversee deployment of this underspend on Invest to Save projects focused on SEN, Speech, Language & Communication and Social & Emotional Health / Inclusion. Possible options had been considered at HLG. JW requested some funding to enable a special school-based project, and an Early Years Speech & Language investment was also proposed. Noted that investigation into key SEN themes within EY currently is being undertaken. 	

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<ul style="list-style-type: none"> SFG agreed that special schools and Early Years would prepare proposals to be considered at July SFG meeting to agree proposals to take forward to DEF. Noted increase in independent sector placements during the year. Noted Early Years year end position and discussed how the final funding notification (based on January census) is received very late in the financial year – Finance seeking an earlier and more reliable forecast of Early Years take-up prior to year-end. Considered risk of closure of Early Years settings and reduction in places available in Devon due to poor levels of EY entitlement funding which is lowest in the region. Noted review of EY funding due in 2020. Noted 82% increase in students with new EHCPs in FE sector. More students are remaining in FE settings rather than moving to independent provision. JF to provide information around FE SEN placements for consideration at July meeting. 	
Key Decision/Issues for DEF:	<ul style="list-style-type: none"> Update noted Agreed to consider proposals for Invest to Save SEN projects at July SFG meeting.
Action:	<ul style="list-style-type: none"> AM to prepare report analysing school balances – committed (capital or revenue projects) and uncommitted for consideration at July meeting. AM to prepare report outlining projected budget plans for maintained schools 2019/20 and beyond, and correlation between 17/18 and 18/19 outturns. JW & LW to prepare Invest to Save project proposals for consideration at July meeting. JF to prepare report on FE SEN placements for July meeting.
4. Item/Focus: FIPS Annual Report 2018/19	
Discussion: <ul style="list-style-type: none"> 2018/19 FIPS applications were at similar levels to 2016/17. 2017/18 saw fewer applications than expected. Underspend of £1.4m to be carried forward to 2019/20. Considered de-delegation rates and whether this should be modelled against a lower contribution given the accumulating balance. Noted this would be included in the 2019 Autumn consultation decisions. Currently £23 per pupil. 	
Key Decision/Issues for DEF:	<ul style="list-style-type: none"> Report noted
Action:	<ul style="list-style-type: none"> AM to model lower de-delegation rates for FIPS contingency fund.
5. Item/Focus: High Needs Update	
Discussion: <ul style="list-style-type: none"> JF outlined a 39% increase in children with EHCPs, most of which were processed within the last financial year. 25% of EHCP cohort is post 16. Devon issued third largest number of EHCPs nationally. Greatest percentage of assessment requests continue to come from schools rather than parents. Considered potential increase in EHCP requests from secondary schools which is perceived as good practice where a child is excluded and an appeal considers that statutory assessment may have mitigated the outcome. Approx. 480 students currently placed in independent provision. Maintained special schools are at capacity and expansion is being pursued. LA is in a position where ISPs are only option to provide an educational placement for many complex children. Increase in volume is a key factor. Numbers of requests for initial assessment continue to increase. Discussed the impact on EHCP growth following the ceasing of non-statutory SEN funding, and schools pursuing a formal plan to secure additional funding. SFG requested data to illustrate the volume of children with EHCPs set against the whole school population. Block contract negotiations with ACE, On Track and Oakwood Court are underway to assure and reduce the average level of funding being paid to these providers. Post 16 funding review has shown that 30 FE students have ceased their EHCP through moving 	

<p>to adult care or employment. Recognised that EHCP outcomes need to be carefully detailed to enable a plan to be ceased appropriately at the right time.</p> <ul style="list-style-type: none"> • Anticipating review and amendment of Code of Practice in 2020. • SEN Call for Evidence currently open requesting views from schools and LAs on elements and factors for SEN funding. Schools were requested to submit their responses. • Discussed timeliness of EHCPs, and in particular the time taken to finalise a plan and to agree with schools which setting will be named on the plan. • SFG reiterated request for ESFA SEN adviser input. • Month 1 HNB monitoring and Independent Sector Placements monitoring to be available for inclusion in DEF finance report. 	
Key Decision/ Issues for DEF:	
Action:	<ul style="list-style-type: none"> • Link for DfE Call for Evidence on SEND and AP Funding to be circulated to all schools by Dawn Stabb to encourage responses (see below) https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/ • Link to Ofsted Written Statement of Action: https://www.devon.gov.uk/educationandfamilies/special-educational-needs-and-disability-send-local-offer/send-local-area-inspection
6. Item/Focus: Mutual Fund Board and appeals	
<p>Discussion:</p> <ul style="list-style-type: none"> • £463k surplus has led to contribution rate reduction for 2019/20. • Noted that the number of schools in the fund has reduced, although this now includes more academies remaining in the scheme following conversion. 	
Key Decision/ Issues for DEF:	<ul style="list-style-type: none"> • Report noted
Action:	

Next meeting: Wednesday 17 July 2019 – at Great Moor House – Room M8b

