

Phil Norrey
Chief Executive



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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 : 9 June 2020
Please ask for : Fiona Rutley 01392 382305

Email: fiona.rutley@devon.gov.uk

DEVON EDUCATION FORUM

Wednesday, 17th June, 2020

A meeting of the Devon Education Forum is to be held on the above date at 10.00 am to consider the following matters. This will be a virtual meeting, for the joining instructions please contact the Clerk (above) for further details.

P NORREY
Chief Executive

AGENDA

PART I - OPEN COMMITTEE

- 1 Apologies for absence
- 2 Minutes (Pages 3 - 6)
Minutes of the meeting held on 18 March 2020 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/f40
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 7 - 16)
Report of Chief Officer for Children's Services and County Treasurer (DEF/20/04) attached.

a Dedicated Schools Grant - Month 1 2020/21 (Pages 17 - 20)
Report of Chief Officer for Children's Services and County Treasurer (DEF/20/05) attached.

b Financial Intervention Panel Schools (FIPS) - Annual Report 2019/20 (Pages 21 - 26)
Report of Chief Officer for Children's Services and County Treasurer (DEF/20/06) attached.

c Maintained Nursery Schools -De-delegation (Pages 27 - 30)
Report of Chief Officer for Children's Services and County Treasurer (DEF/20/07) attached.

ITEMS FOR DEBATE AND INFORMATION

8 Coronavirus (COVID-19) - Communications and Advice to Schools Update
Head of Education & Learning to report.

9 DEF Proportionality Autumn Term 2020
Following consultation with the Chair and all DEF members on the marginal change to the pupil census data, the number of seats on DEF allocated proportionality to reflect pupil numbers would remain the same across phases, apart from the primary phase to be a total of 5 maintained:3 academy members (instead of 6:2), with elections being held accordingly.

STANDARD AGENDA ITEMS

ITEMS FOR DEBATE AND INFORMATION

10 Standing (and other) Groups (Pages 31 - 36)
To review action for the Forum from its groups and to receive minutes:-

(a) Schools' Finance Group

Minutes of the meeting held on 3 June 2020, 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

(no meeting).

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

11 Correspondence

12 Dates of Future Meetings

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

Wednesday 18 November 2020

Wednesday 20 January 2021

Wednesday 17 March 2021.

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

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PUBLIC AND PRESS

13 Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information namely, information relating to the financial or business affairs of a third party and of the County Council (as the authority holding that information) and by virtue of the fact that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14 Learner Services to Schools Contract Re-Commissioning Update

Head of Education & Learning to report.

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 Membership

Schools and Academies Members (20) (minimum 2/3 membership)

Primary Headteachers (Devon Association of Primary Headteachers (DAPH))

Schools Members (3)

Mr A Dobson (Marwood), Mr J Stone (Denbury), Mr M Boxall (Exeter Children's Federation)
(*Substitute: Mr C Butler, Otter Valley Federation*)

Primary Academy Member (1)

Mr P Walker, First Federation Trust
(*Substitute: Ms R Shaw (S Dartmoor MAT)*).

Primary Governors (Devon Association of Governors (DAG))

Schools Members (3)

Mrs A Blewett (Kings Nympton), Mr M Dobbins (Exmouth, Marpool),
Mrs M Wallis (Whimble).
(*Substitute: Mr L Cottrell, Tavistock Primary*).

Primary Academy Member (1)

Mr A Hines (Education SW, Rydon Primary)
(*Substitute: vacancy*).

Secondary Headteachers (Devon Association of Secondary Heads (DASH))

Schools Members (1)

Mrs J Phelan (Cullompton CC)
(*Substitute: Mrs S Crook, Federation for Tiverton High Schools*)

Secondary Academy Members (3)

Mr R Haring (Ivybridge CC), Ms M Marder (The Ted Wragg Multi Academy Trust),
Ms A Mitchell (The Ted Wragg Multi Academy Trust).
(*Substitute Secondary Academy Members:*
Mr M Shanks (Education South West). And Ms L Heath (Uffculme Academy Trust)).

Secondary School Governors (Devon Association of Governors (DAG))

Schools Members (1)

Mr T Sturtivant (Tiverton High) (*Substitute: Ms F Wood, Tiverton Federation*).

Secondary Academy Members (3)

J Elson (Exmouth CC), Mrs J Larcombe (Uffculme Academy Trust),
Mr A Walmsley (First Federation)
(*Substitute: vacancy*).

Nursery Schools (1)

Mrs S Baker

Special School Headteacher (1)

Ms S Pickering, Millwater (*Substitute: vacancy*)

Special School Governor (1) (Devon Association of Governors (DAG))

Mrs F Butler (Marland School) (*Substitute: Mrs M Carter, Millwater*)

Alternative Provision (1)

Mr R Gasson (Wave MAT) (*Substitute: Ms C Barden, Wave MAT*)

Non-Schools Members (4) (maximum 1/3 membership)

Exeter Diocesan Board of Education

Mr J Searson

Teachers Consultative Committee

Mr M Gurney, (*Substitute: Mrs B Alderson*)

Early Years Private, Voluntary and Independent

Ms L Wright, (*Substitute: Ms D Roberts*)

16-19

Mr B Blythe (PETROC), (*Substitute: vacancy*)

Observers & Attendees (non-voting)

Education Funding Agency

Devon County Council

Councillor J McInnes (Cabinet Member – Children's Services & Schools)

Chief Officer for Children's Services

Head of Education & Learning (other LA Officers as required)

DEVON EDUCATION FORUM

18 March 2020

Present-

Schools Members

Primary School Head teachers

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

Ms M Wallis

Exmouth Marpool Primary

Whimble School

Secondary School Head teachers

Mr R Haring

Ms M Marder

Mr M Shanks

Ivybridge CC (*Academy Member*)

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

Education South West (*Academy Member*)

Secondary School Governors

Mrs J Larcombe

Uffculme Academy Trust (*Academy Member*)

Special School HeadTeacher

Ms S Pickering

Millwater School

Special School Governor

Mrs F Butler

Marland School (CHAIR)

Alternative Provision

Mr R Gasson

WAVE Multi Academy Trust (*Academy Member*)

Non-Schools Members

Mrs L Wright

Early Years Private, Voluntary & Independent

Observer

Councillor J McInnes

Cabinet Member – Children's Services and Skills

Apologies

All other Forum Members.

141 Minutes

DECISION:

That the minutes of the meeting held on 22 January 2020 be signed as a correct record.

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

This item was withdrawn.

Agenda Item 2

DEVON EDUCATION FORUM
18/03/20

143 Membership

This agenda item was withdrawn.

144 Head of Education & Learning Update

This agenda item was withdrawn.

145 Finance Update

DISCUSSION:

The Forum considered the report of the Chief Officer for Children's Services and County Treasurer (DEF/20/03).

The Forum also noted the respective minutes of the Schools Finance Group (SFG) of 4 March 2020.

The report (DEF/20/03) covered:-

- Dedicated Schools Grant (DSG) (month 10) 2019/20 forecast and major variations; and
- Advance notice of planned carry forwards 2019/20.

The County Treasurer reported that the total DSG overspend as at month 10 is £21m after allowing for the requested carry forwards. The reduction in shortfall from Month 9 of £506,000 predominately related to the High Needs Block.

Section 2, Table 3 of Report (DEF/20/03) below set out all current known (estimated) carry forward requests, these would be confirmed and finalised during the closedown process. Maintained School balances and Special School balances would automatically carry forward to 2020/21 in individual budgets. The values of these would not be known until year end accruals have been undertaken.

DECISION:

(a) that the Dedicated Schools Grant (month 10) 2019/20 monitoring position as set out in Section 1 of Report (DEF/20/03) be noted;

(b) that in respect of the allocation of surplus carry forwards from 2019/20 as set out in Section 2, Table 3 of Report (DEF/20/03) below:-

- (i) the Central Provisions be approved;
(Vote: Schools, Academies and PVI members)
- (ii) the De-Delegated budgets be noted; and
- (iii) the High Needs budgets be noted.

Section 2, Table 3 of Report (DEF/20/03) - Surplus budget carry forward requests:

(Note: all current known (estimated) carry forward requests as per Report (DEF/20/03)).

Budget Line	Amount £'000	Notes
Growth Fund	731	Rolled forward 2019/20 underspend to fund ongoing growth fund
Phase Associations	38	Rolled forward to fund phase association agreements in 2020/21 onwards
Total Central Provision	769	
Maternity	750	Rolled forward 2019/20 underspend to fund ongoing maternity cover
Schools and DSG Contingency	1,413	Rolled forward to fund contingency agreements in 2020/21 onwards
Invest to save projects	96	Rolled forward for payments linked to projects in 2020/21
Total De-delegated budgets	2,259	
Hospital Education	113	Rolled forward 2019/20 underspend to fund ongoing Medical AP students
Total High Needs	113	
Total Carry forward requested	3,141	

ACTION: County Treasurer (Adrian Fox).

146 Standing (and other) Groups

The Forum received the following minutes of its standing groups, including matters brought to DEF's attention:-

(a) Schools' Finance Group (SFG)

(i) Minutes of the meeting held on 4 March 2020 (considered under Finance Update minute above) and;

(ii) In relation to Data Transfer System Licences (AnyComms+1):-

A report had been considered by SFG seeking agreement from SFG for Devon to obtain the data transfer system licences (Anycomms+) centrally for all Devon schools (maintained and academy) at the lower rate of £90 per school per year compared to individual purchasing at £175.

DECISION:

That the licences being purchased for all Devon maintained and academy schools be approved.

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

Minutes of the meeting held on 3 March 2020.

147 Dates of Future Meetings

Meetings to be held at 10am (unless otherwise specified):

Wednesday 17 June 2020
 Wednesday 18 November 2020
 Wednesday 20 January 2021
 Wednesday 17 March 2021.

Agenda Item 2

DEVON EDUCATION FORUM
18/03/20

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

DECISION:

That Members be requested to keep the above scheduled dates in diaries (arrangements for meetings to be confirmed in light of Covid-19).

148 Coronavirus (COVID-19) - Communications and Advice to Schools

DISCUSSION:

The Head of Education & Learning gave a brief outline on the latest position for schools and responded to Members discussion points including:-

-Regular Education & Learning Updates to Headteachers (also available to governors only) and clear messages to avoid any misperceptions of the unprecedented challenge faced (eg this was *not* like the snowdays policy, but school staff would continue supporting their own school in different ways as and when necessary);

-discussions with school nursing and public health;

-the role of Schools supporting pupils, Free School Meals and the wide community;

-identifying vulnerable pupils;

-definition of key workers in the community to be developed (eg health staff, fire, police, adult social care workers, social workers) and the support key workers may need from schools;

-the daily difficulties schools were already facing due to absence and lack of supply cover;

-communications and flexibility to respond to rapidly changing directives/guidelines, different ways of teaching and different expectations on schools;

-national DBS checks changes;

-dissemination of information to parents;

-changes to staff/governor meetings within school;

-support to keep the Early Years sector operating;

-role of communities groups in the possible extension of holiday clubs and activities.

DECISION: that the Head of Education & Learning progress the above.

ACTION: Head of Education & Learning (Dawn Stabb)

The Meeting started at 10.00 am and finished at 10.50 am

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

FINANCE UPDATE

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

RECOMMENDATIONS

It is recommended that DEF:

- Notes the DSG Draft Outturn position (subject to Statement of Accounts sign off) as set out in section 1.
- Allocation of the carry forwards from 2019/20 as set out in Section 2.
- Notes the year-end Mutual Fund position as set out in Section 3.

1. Dedicated Schools Grant and Schools Funding Outturn Report (2019/20)

1.1. DSG 2019/20 Overview

The outturn position for the Dedicated Schools Grant (DSG) is a £19.8 millions overspend after adjusting for ringfenced balances of £19.7 millions including school balances, growth fund, de-delegated funds and Early Years. This overspend relates to the High Needs Block shortfall and will be transferred to a deficit reserve per government guidance.

Table 1: Summary of Outturn forecast position and significant variations

Dedicated schools Grant	Net spend		Ring fenced		Variance	Movement from Previous Mth
	Net Budget	Outturn	C/fwd	Outturn		
	£'000	£'000	£'000	£'000		
Schools delegated budget	197,019	183,525	13,492	197,017	(2)	(2)
DSG and School funding	(296,784)	(296,776)	(0)	296,776	8	8
Total DSG	(99,765)	(113,251)	13,492	99,759	6	6
De-delegated budgets	6,317	4,075	2,242	6,317	0	1
Central Provision (Schools)	5,896	5,250	646	5,896	(0)	0
High Needs Funding	65,663	82,798	(17,133)	65,665	2	(20,679)
Early Years & Childcare Services	38,357	37,608	740	38,349	(8)	72
Total DSG central budgets	116,233	129,731	(13,504)	116,227	(6)	(20,606)
Overall Net DSG budget	16,468	16,480	(12)	16,468	0	(20,600)

1.2. Dedicated Schools Grant

The 2019/20 DSG schools block budget is based upon pupil numbers as at the October 2018 census, and is adjusted in year for existing and convertor Academies as well as deductions for 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 for 2019/20 is £511.7millions before recoupment of direct funded of places by the ESFA. The final budget of £268.6millions is after in year adjustments for existing and convertor Academies and Early Years census. Pupil Premium Grant is £11.7millions; School Sixth Form Post 16 funding £1.6millions and other Schools Grant £14.8millions.

The variance of £8,000 relates to the difference between the Early Years Spring 19 forecast when compared to the actual received in July 2019.

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The schools carry forward balances of £16.1 millions

- £13.6millions maintained mainstream schools (Schools block)
- £2.5millions special schools (High Needs Block).
- £151,000 Hospital School (High Needs Block)

Table 2: Schools carry forward balances adjusted for comparison to 2018/19 (including Hospital school)

	2019/20		2018/19	
		£		£
B/fwd Balances		16,126,754		18,142,167
Schools converted to Academies	13	(262,855)	33	(3,707,628)
Schools that have closed / merged	0	0	0	0
Schools with Decreasing Balances	70	(3,982,931)	56	(2,382,788)
	48.3%		35.7%	
Schools with Increasing Balances	75	4,251,848	101	4,075,003
	51.7%		64.3%	
Carry Forward Balances		16,132,816		16,126,754

1.3. De-delegated budget

De-delegated budgets are forecasting an underspend of £2.2millions due to savings against a range of services; £1.48millions Schools contingency and exceptional events, £743,000 Surplus on the Maternity fund. 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

Phase Associations have underspent by £42,000 which has been ring fenced for carry forward.

The Growth budget for 2019/20 was £2.6millions (including 2019/20 deficit budget of £93,000) leaving an underspend of £632,000.

During 2019/20 8 schools received a total of £820,000 for growth within their Schools Budget Shares and 35 schools received a total of £1.2millions from the growth fund. This was in relation to falling roll £235,000; one-off classroom £257,000; new schools and growing schools £97,000 and general growth £565,000

Table 3: Summary of High Needs 2019/20

High Needs	Budget	Outturn	Carry forward requests	Revised Outturn	Variance	Movement Previous Mth	Notes
	£'000	£'000	£'000	£'000	£'000	£'000	
Alternative Provision	2,756	2,831	0	2,831	75	(66)	1.5.1
Children in Care and Exclusions	1,343	1,343	0	1,343	0	0	
Closing the Gap	1,500	1,501	0	1,501	1	1	
Inclusion	334	335	0	335	1	1	
Nursery Plus	1,164	1,100	0	1,100	(64)	(5)	1.5.2
Safeguarding Every Learner	144	145	0	145	1	1	
SEN Mainstream	9,322	12,036	0	12,036	2,714	(171)	1.5.3
FE Colleges	1,534	2,231	0	2,231	697	(32)	1.5.4
SEN Services	924	720	0	720	(204)	(12)	1.5.5
Maintained Special Schools	31,747	30,048	2,488	32,537	790	16	1.5.6
Hospital Education Services	370	219	151	370	0	0	1.5.7
Recoupment	486	1,248	0	1,248	762	362	1.5.8
Independent Special School Fees	12,754	27,690	0	27,690	14,936	(972)	1.5.9
Support Centre Funding	1,285	1,348	0	1,348	63	(30)	1.5.10
TOTAL	65,663	82,798	2,639	85,437	19,774	(907)	

1.5. High Needs

1.5.1. Alternative Provision

The budget includes the main AP contract for 160 planned places, actual average number of top ups paid was 134, saving £326,000. Offset by payments of £62,000 for AP plus and £9,000 other. Savings in top up are offset by an overspend on the cost of placements with other AP providers of £497,000.

Planned additional AP Medical commissioning was not carried out through the main contract, £50,000 instead was commissioned from the Hospital school saving £135,000 on this budget. In addition, the AP Medical budget for Post 16 was £15,000 under spent.

Reintegration costs has not been paid in 2019/20 resulting in savings of £75,000 to the AP budget and £30,000 for Diabetes funding in schools is a pressure within the High Needs Block. Whilst additional places have been commissioned from September for Year 10 and 11 students currently in AP provision with SEN and currently 4 students are costing a part year of £28,000. This would likely cost more in the long term if they had entered an Independent Special School provision.

Variance from month 11 of £66,000 favourable relates to lower than expected top up, AP Plus payments and Post 16 Medical.

1.5.2. Nursery Plus

Reduction in staffing costs and THRIVE training has seen an underspend of £64,000.

1.5.3. SEN Mainstream

SEN Mainstream covers personalised education packages and EHCPs for Pre and Post 16 students in mainstream settings as well as the central SLAs which support them.

There are currently 2,348 EHCPs with an average cost of £3,218. The overspend totals £774,000. Volume variance £379,000 and price variance £395,000. 238 Students are on Plus Packages with an average cost of £9,724. This overspend totals £303,000. Volume variance (£9,000) and price variance £312,000.

Prior year costs have added £90,000 to the overspend along with unbudgeted lump sums totalling £195,000. Element 2 saw an adverse variance of £150,000, Post 16 mainstream (not FE) overspend of £25,000 and other overspends of £72,000.

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£31,000 savings for High Needs Contingency, this was being used to fund the digitalisation of records for the new EHCP assessment system. A system has now been purchased through IDOX Software Ltd for a 2-year EHC hub service with licence. The total cost of the system including licences is £108,000, this is now being funded through Reserves.

SEN Therapies -The Multi-Sensory Impairment (MSI) contract has come back in house to DCC from Virgin Care and support has been commissioned from Babcock, there has been a review of the SLA and number of hours of support being provided, the hours have increased through the contract resulting in a further funding pressure of £264,000, however not all hours have been delivered in 19/20. The hourly rate has also reduced from October 19 by £2 per hour, this has resulted in a saving of £137,000 to the contract price, therefore the net pressure for MSI totals £127,000.

Personalised budgets and Tutoring specialist support were both previously charged to SEN Therapy budget, in 2019/20 these costs are now being charged to their own budget lines so spend can be analysed and scrutinised. No budget transferred with these costs due to the demand on SEN Therapy budget. Total spend forecast including growth and pressure for both budgets are; Personalised budget £608,000 this is based on actual of 78 pupils being supported and Tutoring Specialist Support £420,000 supporting 59 pupils. £15,000 under spend on additional resources.

The £171,000 favourable variance since month 11 relates to £137,000 overpayment of MSI contract now corrected and various costs not realised across personalised budgets and specialist tutoring.

1.5.4. FE Colleges

FE Colleges is reporting to overspend by £535,000 PLUS a further £162,000 as a result of the adverse budget virement for Devon following the ESFAs adjustment to reflect our exports of FE college students to other Local Authorities. This is an improvement of £32,000 from month 11.

1.5.5. SEN Services

Staffing underspend for the Early Years Complex Needs Service, Admin Support post not appointed plus general vacancies during the year, recharges that have been confirmed have not been as high as budgeted. Currently reviewing the structure of this service and what staff are being paid, majority of staff on 'special' pay scale rather than NJC. This is favourable variance since month 11 of £12,000.

1.5.6. Maintained Special Schools

Surplus balances of £2.48millions will be carried forward. The average number on roll was 1,237 compared to 1,216 budgeted creating an adverse volume variance of £237,000.

Top up funding has seen a £108,000 adverse price variance as the average price is higher than budgeted (£87.60 per place above budgeted level). In addition to the above, guaranteed top up payments prior year top up payments have also been issued totalling £191,000. Excess place funding has seen a £266,000 adverse variance which covered 27 placements (£10,000 per place FTE).

Lump sums and Plus Packages are supporting payments going into Maintained Special Schools to support young people with additional needs to stay in a setting. These were not built into the budget and have cost £265,000. These are often cheaper than the cost of an alternative placement in the Independent sector.

Joint funded residential placements have seen an increase in income of £47,000. One off savings for new Special School in Tiverton of £386,000 due to double count in the budget and start-up costs being funded from the growth fund plus ESFA adjusting our settlement to refund planned places in the new Academy Special School.

Devon received a £162,000 adverse adjustment to our High Needs Settlement for maintained special schools (increase in Exports of students with EHCPs to other Local Authorities MSS).

Since Month 11 there has been an adverse variance of £15,000. This reflects the £204,000 increase to the budget for the Academy free school places from the ESFA less the guarantee top up and prior year payments not previously forecast and other growth of £29,000.

1.5.7. Hospital School

Surplus balances of £151,000 will be carried forward.

1.5.8. Recoupment

£601,000 adverse variance represents an increase in net exports to out of County Special and Hospital Schools. With £138,000 in year virement reflecting Element 2 funding (net) for our exports and had not been considered when setting the budget, along with £25,000 of prior year costs.

£362,000 adverse variance since Month 11, includes £170,000 additional recoupment from Somerset for student not previously identified and backdated to 2018. Reduced income as disputes resolved and increased Spring term exports.

1.5.9. Other Independent Special Schools

The independent budget is reporting a funding shortfall of £14.9millions, part of the funding gap relates to the known pressure at budget prep of £5.1millions. At outturn the report shows £1.9millions of savings will not be achieved of the £2.5millions management actions and has been written out as unachievable. £528,000 savings included in forecast.

There are currently 670 placements in Independent sector, the average placement numbers, for 2019/20 was 133 above budgeted level resulting in £5.3millions volume variance and £3.6millions price variance.

Children's Joint funded placements (included in the above price/volume analysis) are 14 lower than originally budgeted. During budget prep numbers were based on known data at that time, however these placements have not materialised resulting in an underspend of £676,000. There has also been £280,000 income agreed for residential CIC placements and a £54,000 budget reduction in our settlement to fund the element 2 for our net exports to other Local Authorities Non-Maintained Special Schools.

Adult joint funded placements (included in the above price/volume analysis) are reporting an overspend of £481,000, this is due to the level of income expected from adults being lower than originally budgeted, increase of 2 average placements since budget prep and placements continuing for a further academic year.

A task and finish group has been set up to review Independent Schools and Colleges to ensure commissioning is happening effectively and efficiently. Procurement and Finance are sitting on this group and Terms of Reference have been approved, tasks and actions have been compiled. A sub task group will look at the core offer for Independent Schools.

Since Month 11 there has been Increase of 1 in average pupil numbers, growth for Sole funded did not fully materialise which was built in for month 12, further credit notes and VAT adjustments received resulting in overall volume variance of £33,000 and price variance saving £308,000. £415,000 creditors raised in 2018/19 which did not materialise in 2019/20, additional grant income of £113,000 Pupil Premium and £10,000 UIFSM income received in month 12, a further £138,000 Health income received for Adult placement at National Star and overall net unreconcilable £20,000 finest to ISP spreadsheet.

1.5.10. Support Centres

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There has been a net increase in support centre of £69,000 with the change in the number of centres and locations. Other adverse variances include £9,000 Element 1 base funding payable (net), £17,000 backdated payment to QE and £19,000 for additional 'extra' top up payments, Offset by £20,000 saving in direct commissioning, £3,000 exceeded places and £28,000 on Language centre commissioning

Since Month 11 there was been a favourable variance of £30,000, removal of the £28,000 for the Language centre commissioning and other minor adjustments.

1.6. Early Years

The initial DSG allocation for Early Years is based on January 2018 census notified to us at the end of 2018. An adjustment to the DSG settlement was made in July 2019 to take account of actual hours in the January 2019 Census for the full year. A further adjustment in July 2020 will be made using the January 2020 CENSUS to cover any change in FTE's and calculated for the September 2019 to March 2020 period.

Overall the Early Years under spend is £313,000 after adjustments for ring fenced surplus funds of Early Years grants for PVI settings £237,000, Disability Access fund £191,000 and income adjustment for Spring term 2019.

The £313,000 surplus underspend has been requested as carry forward to form a one-off financial support for providers in the form of a retrospective increase in the rate payable. The increased payment rate would be paid out in summer term 2020 and would be paid pro rata and based on take up for the previous year take up per setting if approved. This approach has been taken by other Local Authorities.

£437,000 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 19/20 being 97.3% for the financial year where we previously budgeted at 98%. External PVI payments for 2-year-old has an underspend of £116,000.

Increased demand on the Early years inclusion budget for SEN resulted in an overspend of £352,000.

The variance since month 11 is as a result of the January 2020 census data checks being completed in March which inform the provider funding for the period September 2019 to March 2020 (7/12th of the income).

1.7. Summary

The DSG has overspent for the fourth year in a row due to the growing demand within the High Needs Block. More complex needs, rising costs, stronger regulatory checks and the declining market are driving up costs.

The current outturn is a draft position and includes proposals for ringfenced carry forwards not yet finalised. The forecast overspend will be carried forward into 2020/21 with a recovery plan required.

Schools have rejected the SFG's proposed movement of 0.5% funding from the Schools Block to High Needs Block in 2020/21 to fund investment to save opportunities for High Needs pupils. They have however agreed to transfer £100,000 to engage a consultant to work up a proposal to look at specialist SEND support.

1.8. Recommendation

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

2. Allocation of Carry Forward from 2019/20

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 2021/22 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 2020/21. It is requested that the carry forward requests of £19.7millions in Table 4 are noted or approved.

Table 4: Carry Forward from 2019/20

Budget Line	Amount £'000	Notes	Recommendation
Mainstream School balances	13,492	Automatically carried forward in Individual School budgets	2.2 All to note
Growth Fund	632	Rolled forward 2019/20 underspend to fund ongoing growth fund	2.2 All to note
Total Schools	14,124		
Maternity	743	Rolled forward 2019/20 underspend to fund ongoing maternity cover	2.3 All to note
Schools and DSG Contingency	1,403	Rolled forward to fund contingency agreements in 2020/21 onwards	2.3 All to note
Invest to save projects	96	Rolled forward for payments linked to projects in 2020/21	2.3 All to note
Total De-delegated	2,242		
Phase Associations	42	Rolled forward to fund phase association agreements in 2020/21 onwards	2.3 All to note
Other DSG Services	(28)	Rolled forward to be offset by MFEP arrangements in 2020/21	2.3 All to note
Total Central Provision (Schools)	14		
Special School Balances	2,488	Automatically carried forward as Individual School budgets	2.4 All to note
Hospital Education	151	Automatically carried forward as Individual School budgets	2.4 All to note
Total High Needs	2,639		
Early Years Other Early Years Grants	236	PVI Pupil Premium and Teachers Pay Grant arrangements in 2020/21	2.5 All to vote
Early Years	191	Disability Access Fund	2.6 All to vote
Early Years	313	Rolled forward 2019/20 underspend to review one-off Summer Term financial support	2.7 All to vote
Total Early Years	740		
Total Carry forward requested	19,760		

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HNB Deficit Reserve	(19,772)	Deficit Balance of HNB funding pressure to be allocated to Deficit Reserve per Government guidance	2.8 All to vote
Total High Needs Deficit Reserve	(19,772)		

3. Mutual Fund

3.1. 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.

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

3.3. The Mutual Fund Board at their meeting of 8 January 2020 agreed the following: -

- i) That premiums have been reduced from 2019/20 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 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.

3.4. At the end of the 2019/20 financial year, the value of premiums collected exceeded the value of the claims paid out by £587,500.

3.5. Recommendation

That DEF note the Mutual Fund update set out in Section 3.

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

2.0 Carry Forwards

Appendix A shows a breakdown of the £19.76millions requested carry forward and £19.77millions to HNB Deficit reserve.

3.0 Summary

The DSG has overspent for the fourth year in a row due to the growing demand within the High Needs Block. More complex needs, rising costs, stronger regulatory checks and the declining market are driving up costs.

The current outturn is a draft position and includes proposals for ringfenced carry forwards not yet finalised.

The forecast overspend will be carried forward into 2020/21 with a recovery plan required.

Schools have rejected the SFG's proposed movement of 0.5% funding from the Schools Block to High Needs Block in 2020/21 to fund investment to save opportunities for High Needs pupils. They have however agreed to transfer £100,000 to engage a consultant to work up a proposal to look at specialist SEND support.

Adrian Fox
Head Accountant, Education and Learning

Agenda Item 7

APPENDIX A

Education and Learning (Children's Services) Schools Finance Group

3 June 2020

Dedicated Schools Grant – 2019/20 Carry forward

The table below sets out the carry forward requests.

Recommendations

1. Agree surplus budget carry forwards to 2020/21 and transfer to Deficit Reserve as set out in Appendix A

17 June 2019

BUDGET MONITORING REPORT – Month 1 (2020/21) - DSG

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

RECOMMENDATIONS

It is recommended that DEF:

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

1. Budget Monitoring Report - Month 1 (2020/21) - DSG

- 1.1. The Month 1 forecast for the Dedicated Schools Grant (DSG) is a funding shortfall of £23.2millions which is a reduction to the DSG budget deficit of £578,000 from budget preparation. The focus has been on the High Needs Block as this is the most volatile area of the budget.
- 1.2. The table below shows the overall balanced forecast for the DSG:

Description	Net Budget £'000	Outturn £'000	Month 1 Variance £'000	Notes
Schools Delegated Budget	445,642	445,642	0	
Academy Grants	31,629	31,629	0	
Schools Funding	(601,463)	(601,463)	0	
Total DSG	(124,192)	(124,192)	0	
De-Delegated Schools Budget	3,681	3,681	0	1.4
Central School Services Block	4,187	4,187	0	1.5 – 1.6
High Needs Budget	101,459	100,881	(578)	1.7 – 1.15
Early Years Budget	38,689	38,689	0	
Total DSG Central Budgets	148,016	147,438	(578)	
DSG Deficit allocation (Recovery Plan)	(23,824)	0	23,824	1.22 – 1.25
Total	0	23,246	23,246	

Schools

- 1.3. In December the DFE confirmed the revised DSG settlement allocation of £539.4millions including Early Years (before recoupment for academies), based upon pupil numbers as at the October 2019 Schools census and January 2019 Early Years census. The budget is yet to include the 2019/20 carry forwards.

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De-delegated Schools Budget

- 1.4. Currently showing as breakeven for 2020/21. As per Devon Education Forum (DEF) any surplus will be ring-fenced for the maintained schools and carried forward to 2021/22 to meet future costs/commitments within these budget lines. Any deficit will be carried forward and met from adjusting the 2021/22 allocations of the maintained schools.

Central School Services Block (CSSB)

- 1.5. The budget is projected to breakeven. The CSSB continues to provide funding for local authorities to carry out central functions on behalf of maintained schools and academies, comprising two distinct elements:
- ongoing responsibilities
 - historic commitments
- 1.6. It should be noted that post allocation of the funding for 2020/21 the DfE announced for those local authorities that receive it, historic commitments funding will be reduced by 20%, with a protection so that no local authority loses an amount equivalent to more than 0.5% of its 2019/20 schools block allocation.

High Needs

- 1.7. The High Needs Block remains under significant pressure and is currently reporting a DSG deficit reserve of £23.2millions for this financial year. This is a reduction of £578,000 from budget preparation.
- 1.8. Additional costs that have occurred within the Maintained and Academy Special Schools and Mainstream SEN are a result of cost avoidance within the Independent Sector.
- 1.9. Alternative Provision
Savings of £108,000 have been identified for Alternative Provision (AP). There is a £150,000 saving within AP top up as a result of current forecasting based on 17 places (full year equivalent) below budgeted along with a £40,000 saving in the main contract on 'Other commissioning'. This has been offset by £82,000 of additional expenditure on Other AP providers, based on the current placements and outturn position of 2019/20.
- 1.10. Maintained & Academy Special Schools
There is additional expenditure of £146,000 which is due to additional plus packages of £116,000, an increase in the core offer costs of £22,000 plus in line with the core offer a 2% uplift to the residential placements of £49,000. This has been offset in part by an increase to Children in Care joint funding of £42,000.
- 1.11. SEN Services
Prior to budget preparation the Employment & Skills contribution was removed of £53,000, however it has since been agreed to be funded again for 2020/21 with a review of the provision for 2021/22.
- 1.12. Mainstream SEN
Overall increase forecast of £747,000 as at month 1. There is projected to be additional shortfall funding within Pre-16 high needs top-up of £350,000, along with £47,000 in Post 16 for additional Element 3. Increases in costs have also been projected of £250,000 for an additional 37 pupils in Personalised budgets and £100,000 for additional 17 pupils in Tutoring.

- 1.13. Recoupment
There have been an additional 2 placements to a Somerset special schools resulting in an increase of £120,000 for exports.
- 1.14. Other Special School Fees
As at month 1 there is a forecast saving of £1.5millions within the Independent Special Schools. This is due to the total average placement numbers at 662 compared to 673 budgeted resulting in a favourable volume variance of £573,000 and a favourable price variance £1million. The average placement cost for SOLE funded placements is £5,000 below budget. The current forecast includes growth and an inflationary price increase of £2.8millions.
- 1.15. Support Centres
Savings of £46,000 for month 1 is due to the budget for Element 1 on exceeded places not being required plus saving in planned the Babcock commissioning.

Potential Pressures

- 1.16. Plus Packages' within SEN Mainstream are additional top up funding for Pre-16 students in mainstream schools with EHCPs. The current levels and growth assumptions suggest that there could be an additional £555,000 payable in 2020/21.

COVID-19

- 1.17. The DfE have provided numerous documents on financial support and expectations for schools during coronavirus (COVID-19).
- 1.18. Early Years including maintained nursery schools
For early years providers that are employers will usually have a mix of public income (largely this will be funding for the free early education entitlements) and private income (largely this will be the fees that parents pay for childcare beyond the free entitlements).
- 1.19. In addition to the DSG funding, Early Years has gained funding for an emergency sustainability support grant for childcare providers (including childminders) who remain open to support the critical workers and vulnerable children who will still need childcare. It is also supporting settings by providing loans or grants where settings are incurring large losses through loss of parental fees or the timing of government funding.
- 1.20. Mainstream state-funded schools
Local authority maintained schools (including pupil referral units) and academies (including free schools) will continue to receive their budgets for the coming year, as usual, regardless of any periods of partial or complete closure. That will ensure that they are able to continue to pay their staff, and meet their other regular financial commitments, as we move through these extraordinary times.
- 1.21. Where schools face additional costs as a result of COVID-19 the DfE have put in place additional support to help schools meet these costs currently during the period March to July 2020.

DSG Deficit Recovery Plan

- 1.22. We are currently working on the recovery plan for the DSG deficit. As of today, the DfE have not provided the deficit recovery plan guidance for 2020/21 or a deadline for

Agenda Item 7a

this to be submitted. Based on the guidance from 2019/20 the local authority with a deficit of 1% or more is required to submit a recovery plan.

- 1.23. The total DSG deficit is projected to be £43millions by the end of 2020/21. This is made up of the 2019/20 year end deficit balance in High Needs of £19.8millions along with the current in-year deficit of £23.2millions.
- 1.24. A task and finish group has recently been set up to review Independent Schools and Colleges to ensure commissioning is happening effectively and efficiently. Terms of Reference have been approved, tasks and actions have been compiled and agreed. Procurement and Finance are sitting on this group and a sub task group to look at the core offer for Independent Schools.
- 1.25. Following Schools Forum agreement to transfer £100,000 from the Schools' Block to High Needs, SFG agreed to engage a consultant to work up a proposal to look at specialist SEND support in mainstream settings with a view to reducing the call on the High Needs Block for costly intervention from independent providers. An initial meeting has been set up for a task group to agree the remit for the project.
- 1.26. **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

17 June 2020

Financial Intervention Panel, Schools - Annual Report 2019/20

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

RECOMMENDATIONS

It is recommended that DEF:

- a) Notes the Financial Intervention Panel Report as set out below.

1. Introduction

Financial Intervention Panel, Schools (FIPS) provides support for schools in financial difficulty. This 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. If the call on it is greater than the funds available, the overspend 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:

- 1) Taking any remedial actions required to secure an in-year balanced budget.
- 2) Having a 3 to 5-year strategic plan to secure high quality educational provision for children within a balanced budget.
- 3) Taking timely remedial action when the three-year budget plan does not balance.
- 4) Implementing appropriate action wherever possible to prevent redundancy and retain employment.
- 5) Ensure that plans submitted to FIPS are correct, robust and deliverable.
- 6) Implementation of agreed actions following FIPS decisions.
- 7) Ensuring the school participates in the Active Redeployment Programme when future budget difficulties are identified. This includes working pro-actively with the HR ONE 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.

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.

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- 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:

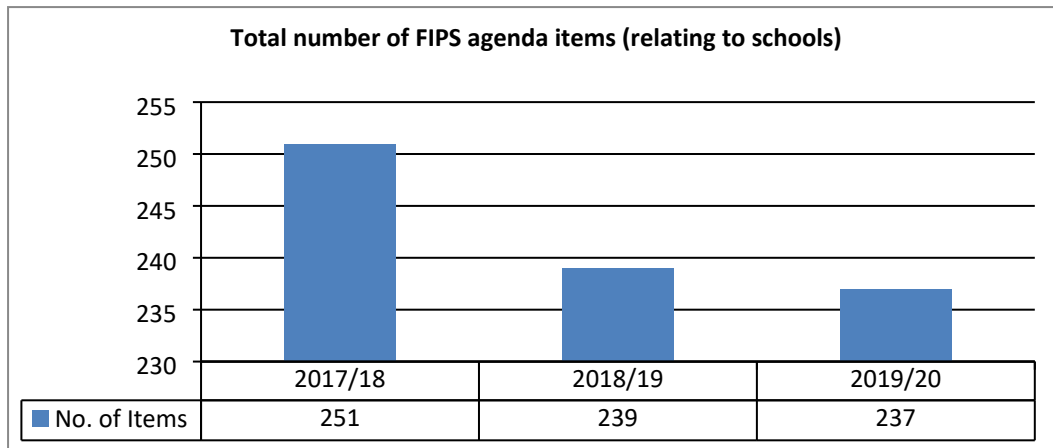
- 1) Place a school on monthly monitoring or period review.
- 2) Advise Devon County Council to issue a Notice of Concern or a School Financial Warning Notice (SFWN) or to withdraw delegation.
- 3) Instigate an Individual School Review (ISR) regarding future sustainability of a school and its status e.g. Federation/ Closure.
- 4) Advise the that the school be placed on the Keys to Success Programme (Excellence for All).
- 5) Instigate a formal audit of the school's financial processes and/or a financial review.
- 6) 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.
- 7) 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 Items on the agenda

A number of items, other than FIPS submissions, form part of the FIPS agenda. This usually centres on the early detection of schools that would benefit from some form of support, but have not necessarily reached the stage where a full FIPS submission is warranted. The number of items on the FIPS agenda has stayed virtually the same despite a reduction in the number of individual schools on the agenda. This is due to an increase in the amount of times individual schools are included as agenda items.

	2017/18	2018/19	2019/20
Number of individual schools on the agenda	87	83	72
Number of items on the agenda	251	239	237



4.2 Analysis of cases

There have been 22 submissions during 2019/20 which is a decrease of 45% from 2018/19. Submissions for Primary schools has halved from 2018/19. The Education Finance Team has continued working with schools to identify potential financial issues early, enabling proactive budget management.

The table below shows the breakdown by school type:

	2017/18		2018/19		2019/20	
	No.	%	No.	%	No.	%
Primary Schools	9	43%	27	68%	14	64%
Secondary Schools	9	43%	7	18%	5	23%
Special Schools	3	14%	5	13%	2	9%
Nurseries/ Children's Centres	0	0%	1	3%	1	5%
Total	21	100%	40	100%	22	100%

The table below shows the breakdown by type of submission. The main reason for submissions in 2019/20 has again been split equally between redundancy and licensed deficit requests.

	2017/18	2018/19	2019/20
Redundancy (Stage 1 & 2)	17	22	8
Contingency	1	8	6
Licensed Deficit	3	17	8
Other	0	1	1
Total	21	48	23

The 8 redundancy submissions came from: 7 Primary and 1 Secondary Schools. The 8 licensed deficit requests came from: 3 Primary, 3 Secondary and 2 special schools. One stage 2 submission related to previously agreed redundancies in 2018/19.

The breakdown below shows what actions have been undertaken to resolve the submissions across the year.

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	2017/18	2018/19	2019/20
No. of schools on monthly monitor	13	11	14
No. of letters sent from FIPS *	112	39	30
No. of pre-notice of concern/warnings/serious concern letters	0	0	0
No. of FIPS meetings held	16	18	15
Workshops with schools	1	3	2
FRS reports analysed & queried	52	52	39
Budget Plans Analysed & queried **	155	155	40

* Up to 2017/18 the count included reminders for budget plans and FRS reports which are not related to FIPS submissions.

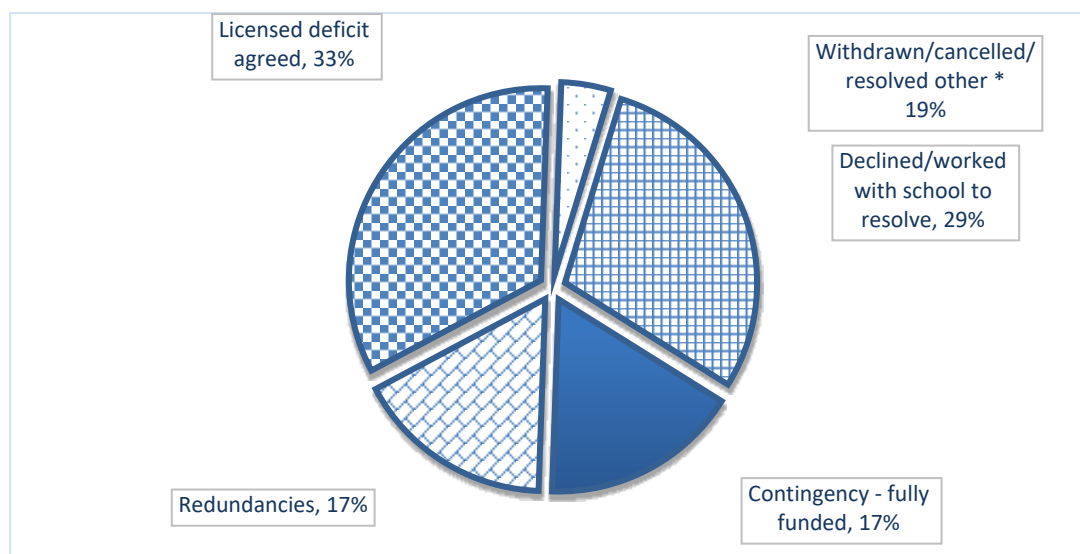
** In 2019/20, budget plans for schools focused only on initial year deficits.

4.3 Outcome from cases submitted

The following table shows the decisions made by the panel. In some cases, the decision has resulted in more than one outcome for a particular submission. For example, there may be both an agreement to fund redundancies and have a licenced deficit in the first year. As part of the agreements in 2018/19 there were 9 licenced deficits for 17/18, 10 for 18/19, 3 for 2019/20 and 1 for 2020/21. As part of the agreements in 2019/20 there are 6 licenced deficits for 18/19 and 2 for 19/20.

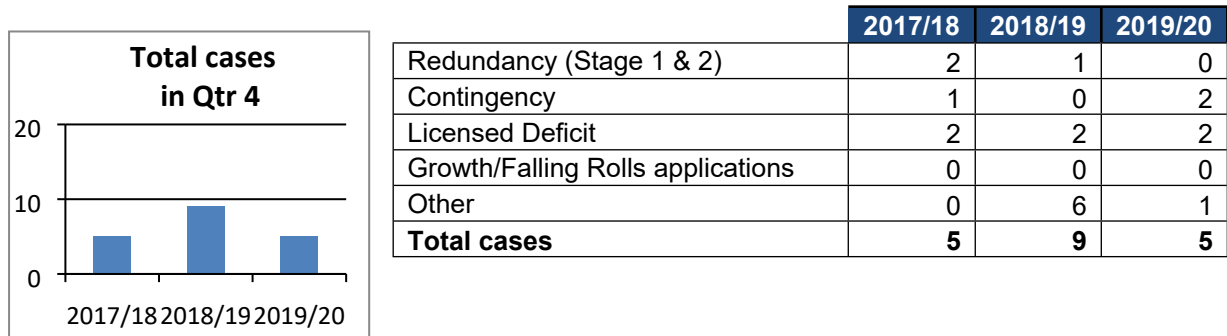
	2017/18	2018/19	2019/20
Withdrawn/cancelled/resolved other *	1	4	1
Declined/worked with school to resolve	6	7	7
Contingency - part funded	1	4	0
Contingency - fully funded	1	2	4
Redundancies	9	13	4
Unknown w/o further investigation	1	0	0
Other funding e.g. falling rolls or Exceptional events	0	1	0
Licensed deficit agreed	6	16	8
Total	25	47	24

* includes subsequent academisation



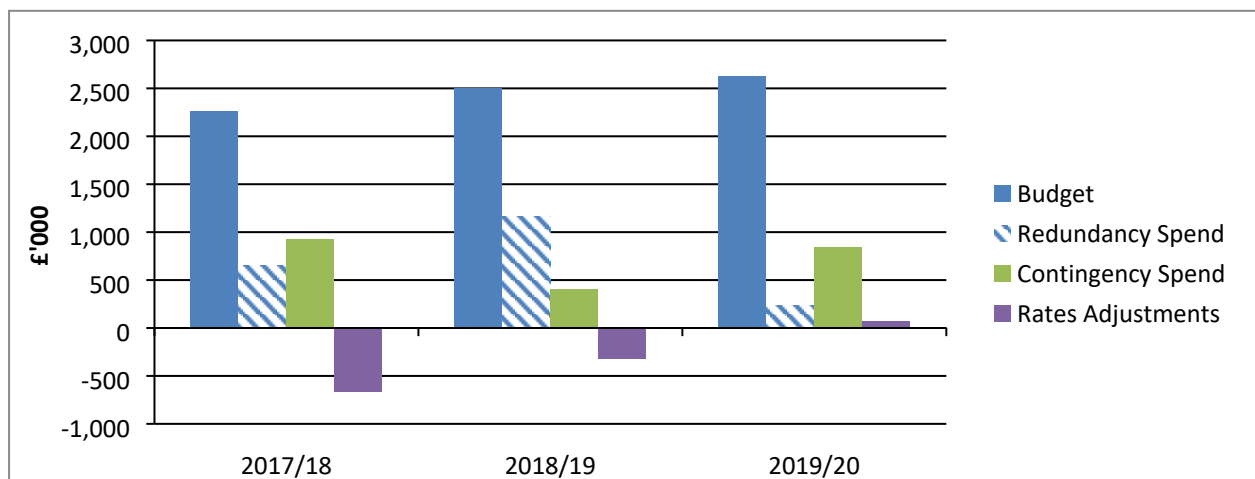
4.4 Comparison of 4th Quarter Submissions

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



4.5 Budget vs Spend

Despite a significant decrease in the number of FIPS submissions, the total spend has increased from the previous year. This is due to a payment of £553k to clear the deficit of a single sponsored Academy.



The FIPS budget includes a carry forward of £1.66 million from 2018/19 and of the surplus in 2019/20, £1.4 million will be carry forward to 2020/21. There are already redundancy/contingency costs up to £42,000 committed as a result of submissions during 2018/19.

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Budget	2,262	2,495	2,626
Redundancy Spend	655	1,166	237
Contingency Spend	921	406	843
Rates Adjustments	(661)	(323)	68

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

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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.

The DfE have now confirmed £7.1 billion additional funding over the 3-year period starting 2020/21. However, there remains an element of uncertainty around the continued challenging fiscal environment and the role of FIPS continues to be proactive 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

17 June 2020

Maintained Nursery School – De-delegation

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

RECOMMENDATIONS

It is recommended that DEF:

- a) That DEF agrees to the de-delegation within the Maintained Nursery Schools from 2020/21 and review annually as per other phases.

1. Background

In 2013/14 the following services were delegated but were able to be de-delegated from the primary and/or secondary maintained schools subject to Schools Forum decision by the representatives in each sector.

- Contingency (including schools in financial difficulties)
- Behaviour support services
- Ethnic Minority Achievement
- Gypsy Roma Traveller Achievement
- Support to under-performing ethnic groups and bilingual learners
- Free school meals eligibility
- Maternity, trade unions and public duties
- Copyrights

De-delegation is not an option for academies, special schools, nurseries or PRU's. Where de-delegation has been agreed for maintained primary and secondary schools, it is the Department's presumption that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

In the case of special schools and PRU's, the funding for such services, will be included in the top-up. Academies will continue to receive a share of funding for these services in their delegated budget

At the 2013/14 consultation Schools Forum agreed for the above de-delegation of services for the primary and secondary maintained schools and that the funding for Special Schools should be pooled.

2. Proposal

Maintained Nursery Schools have, to do date, not paid into the de-delegation funds or pooled funding as per the decisions made at the initialisation of the de-delegated funding.

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The Authority has now been approached by the Maintained Nursery Schools following discussions with the DfE to request that they have the opportunity to buy into the services in line with the other sectors as identified above.

The Head of Education and Head of Education Finance have agreed to review the process to enable the Maintained Nursery Schools to enter the schemes from 2020/21. Any previous funding pressures within the schools should not be recompensed from the various funding streams prior to 1 April 2020.

The schools will de-delegate / pool funding using the primary school de-delegation rates for the year and will be calculated using the previous year's actual pupils FTE. (this number of pupils is used for the SEN funding basis) and 1 FTE is equivalent to 570 hours (15 hours x 38 weeks)

The Maintained Nursery Schools have reviewed the de-delegated and central services document from the 2020/21 Schools consultation pack for the services available and wish to buy into the following services:

2019/20 figures for explanation:

2019/20 funding uses 2018/19 actuals (Summer 2018, Autumn 2019 and Spring 2019) total hours 2, 3 and 4 year old.

Chestnut - 50,091 hours which equates to $50,091/570 = 87.87$ pupils (FTE)

West Exe - 49,263 hours which equates to $49,263/570 = 86.43$ pupils (FTE)

	Rate £	Maintained Nursery	
		Chestnut £	West Exe £
Contingency	23.92	2101.94	2067.20
Trade Unions	2.53	222.69	219.00
Maternity	21.44	1884.12	1852.98
Copyrights	0.30	26.57	26.14
Ethnic Minority Achievement	7.61	669.11	658.04
Gypsy Roma Traveller Achievement	12.37	1087.02	1069.05
		5,991	5,892

Following on from discussions at SFG the Maintained Nursery Schools will have to buy into the above services and whether they currently require the service or not at present as any other maintained school does. They will not be required to purchase the following services as they already buy into Behavioural Support through Early Years in line with all other childcare providers.

	Rate £	Maintained Nursery	
		Chestnut £	West Exe £
Behaviour Support	70.16	6165.89	6063.97

		6,166	6,064
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These values will be revised for 2020/21 once actual 2019/20 pupils data has been received.

3. Recommendation

That DEF agrees to the de-delegation within the Maintained Nursery Schools set out in the proposal from 2020/21 and review annually as per other phases.

All to Vote

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 Notes of meeting 3 June 2020	
ISSUES FOR DEF ON 17 JUNE 2020	
Item 2	DSG Outturn 2019/20 <ul style="list-style-type: none"> • SFG acknowledged the DSG deficit of £19.8m relating to HNB shortfall had been transferred to a DSG deficit reserve per government guidance • DEF to agree carry forward requests for 2019/20 and the DSG deficit reserve.
Item 3	DSG Month 1 2020/21 <ul style="list-style-type: none"> • SFG acknowledged the position at month 1 and raised concerns around school balances as some schools had received income for Residentials that were no longer taking place. This may not have been treated as accruals in the year end process.
Item 7	Maintained Nursery Schools – De-delegation <ul style="list-style-type: none"> • SFG confirmed in-principle agreement to the proposed de-delegation within the Maintained Nursery Schools from 2020/21 and review annually as per the other phases. This is subject to DEF having additional information available as requested

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SCHOOLS FINANCE GROUP				
Notes of meeting				
on 3 June (via Teams)				
		Attendance		
		3/6/2020	4/3/2020	8/1/2020
DCC				
Adrian Fox (Chair)	Head Accountant (E&L)	✓	✓	✓
Dawn Stabb	Head of Education & Learning	✓	✓	✓
Karlien Bond	Senior Accountant (Schools)	Apologies	✓	✓
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	✓	✓	✓
DASH				
Daryll Chapman	Dartmoor MAT	✓	✓	✓
Lorraine Heath	Uffculme Academy	✓	✓	✓
Matthew Shanks	Education South West	✓	✓	✓
Sammy Crook	Tiverton High School		✓	✓
Andrew Davies	Exmouth Community College	Apologies	Apologies	✓
SHAD				
Keith Bennett	Marland School	Apologies	✓	✓
Jacqui Warne	Learn to Live Federation	✓	Apologies	✓
DAG				
Faith Butler	Special	✓	✓	✓
Malcolm Dobbins	Primary	Apologies	✓	✓
Alex Walmsley	Secondary	Apologies	✓	✓
EY Providers				
Lydia Wright	Early Years – PVI providers	✓	✓	Apologies
In Attendance				
Katrina Harverson	Senior Accountant (E&L)	✓		
Julia Foster	Senior Manager SEND	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 4 March 2020	
Discussion:	
<ul style="list-style-type: none"> • Number of placements in Independent settings to be included in month 1 report • QA Covid-19 arrangements in Independent Settings being undertaken by officer currently seconded to LA • SEND 100 Project – task and finish group (to include AD and MS) to discuss remit after 8 June. • Learner Services Re-commissioning – DS outlined that the process is moving forward, although the LA Covid-19 response has re-focused many project team members onto other tasks. Considering possible solutions. Market Engagement process unable to run as initially planned, but specific timeframes will need to be met with more creative solutions. Minimising delay is a priority as there are implications which also link to the wider transformation of SEND. 	
Key Decision/ Issues for DEF:	Minutes agreed as an accurate record.
Action:	

2. Item/Focus: DSG Outturn 2019-20	
Discussion:	
<ul style="list-style-type: none"> • £19.8m funding shortfall within HNB – to be transferred as a deficit reserve. • Noted Outturn position includes £16.1m of school balances • High Needs Block – SEN mainstream has seen savings of £171k since month 11. However, an increase in volume and price variances of Independent placements have impacted negatively on the HNB position. • Cost avoidance strategies are improving the position for independent special schools spend. • Early Years PVI underspend to be rolled forward to new financial year. • Noted that Growth Fund now reported under schools' block. • Carry Forward requests (total £19.76m) and the High Needs Deficit Reserve (£19.8m) to be agreed at DEF. • Confirmed that 'Other DSG Services' includes EH4MH, surplus properties, MFEP, maintained duties and DCFP contribution. • Noted that DCC has continued to pay the current costs of independent providers during the Covid-19 situation, and has not incurred any further expenses. 	
Key Decision/ Issues for DEF:	Report noted
Action:	
3. Item/Focus: DSG Monitoring – month 1	
<ul style="list-style-type: none"> • DSG Funding shortfall of £23.2m - a projected reduction since budget preparation. • Noted LAs will receive 20% reduction in funding for historic commitments from 20/21 financial year, which was notified following the funding allocation. DCC intends to challenge DfE on this as Devon's historic commitments include Phase Association funding and funding for termination of employment, the former being an ongoing commitment to the authority. DfE expecting Schools Forums to approve funding for ongoing areas from other sources. Phase Associations offered support for this challenge, and offered to contribute to correspondence with the DfE. • Establishment of the new Phase Association CIO will require assurance that a stable funding basis is available. • High Needs – savings due to cost avoidance in independent sector. Noted this budget includes provision for growth during the year. • Noted increase in projected costs in mainstream SEN due to top up for additional Element 3 funding and additional pupils receiving personalised budgets and tutoring. Potential ongoing pressures have been identified around 'plus packages' • Covid-19 impact – noted that emergency support funding is available for childcare providers, in addition to other financial support for settings incurring significant loss of fees or funding. • Schools will continue to receive full budget allocations regardless of whether they have been open. • Noted many schools had taken payments for summer residential which will not take place due to lockdown. Concerns were that the impact on the year end position for school balances will not be met favourably without context. Mindful that year end accruals process should have picked up funding relating to the next financial year, and proposed that schools are asked to include these examples in their explanations of year end balances for clarity. • Recoupment – SFG were reassured that all learners are checked with their setting and local authority where there are any discrepancies, as per ESFA advice. There have been difficulties in making contact with some LAs, and issues have been raised where the learner residential postcodes are in Devon but the child is in care to another authority. • Still awaiting DfE guidance on the expected DSG Deficit Recovery Plan for a total projected deficit of £43m by end 2020/21. Task and Finish Group currently reviewing independent placements. 'SEND 100' project remit to be set by task group shortly. 	
Key Decision/ Issues for DEF:	Report noted
Action:	AF to write to the DfE to question Historic Commitments reduction and clarity around Ongoing Commitments

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4. Item/Focus: SEND / High Needs Update	
Discussion:	
<ul style="list-style-type: none"> • Placement decisions continue to be made by 0-25 SEN team during Covid-19. Number of requests seems to be reducing, but real impact will not be felt for some time as currently processing the increase in requests received in January. • Month 1 report on independent placements being prepared. Noted that number of Independent placements is increasing and Covid-19 impact will be delayed. • Task and Finish Group looking at commissioning arrangements and working with ISPs. • Current Independent provider QA process is supporting the LA to provide challenge around cost increases and quality of provision. • National review of SEND Code of Practice paused due to Covid-19 which is expected to include scrutiny of independent settings' use of high needs funding. • There are concerns about a possible significant spike in the number of requests received as schools return to more normal arrangements. Concerns particularly around requests from schools receiving children at YR or Y7 where usual transition arrangements and assessments will not have taken place during Covid-19. • Support from Phase Associations was sought to reinforce messages that post-Covid transition back into school may not always be an SEN issue, and will be a challenging experience for a wide number of children for whom an EHC assessment request might not be appropriate. • The group noted that currently 63% of Plans are being issued on time. A Business Case has been submitted for additional resource into the SEN team for a fixed period of time to manage the expected increase in demand and volume of plans. 	
Key Decision/ Issues for DEF:	Report noted
Actions:	
5. Item/Focus: FIPS Annual Report and Update	
Discussion:	
<ul style="list-style-type: none"> • £1.4m carry forward into 2020/21 • Noted rates adjustments incurred by schools are rebated through contingency. The effect on the school will be zero, since any rates adjustment will be offset by a change in the cost of the rates. For 2019/20 this line has seen a cost of £68k, prior years have seen some large rate rebates across the schools • Schools continue to be supported through the FIPS process. • Noted significant cost relating to deficit clearance of a single sponsored academy. • Suggested whether the contingency fund is holding an unnecessary surplus. AF outlined that the annual allocation remains static, and funding levels are reviewed regularly at consultation. As a de-delegated fund, the rate may be reduced, but the group agreed this would not be prudent during this current uncertain situation. • Noted position of maintained secondary schools coming to FIPS, and the year on year involvement of FIPS. AF to provide details. 	
Key Decision/ Issues for DEF:	<ul style="list-style-type: none"> • Report noted
Action:	AF to report on maintained secondary school requests to FIPS. (Delegated to KB)
6. Item/Focus: Mutual Fund Board and Appeals	
Discussion:	
<ul style="list-style-type: none"> • £587k carry forward – premium rates have been reduced for current year as previously agreed. • Mutual Fund guidance has been issued regarding claims specific to Covid-19 and is being reviewed regularly alongside HR. • Supply covering Covid-19 related absence will be covered by Mutual Fund. Noted claims can 	

	<p>be cross-checked with staff sickness absence records.</p> <ul style="list-style-type: none"> • Mindful of expectation to honour financial commitments to suppliers during Covid, and where supply teachers are covering specific posts (rather than providing general staffing support) this may be claimed through the Mutual Fund. • Discussed a scenario where a member of staff on part time hours is currently working additional hours during current situation. AF to check position on covering costs of additional hours through MF.
Key Decision/ Issues for DEF:	Report noted
Action:	AF to check position on covering costs through the Mutual Fund of additional hours for staff on substantive part time contracts. (Delegated to KB)

7. Item/Focus: AOB: Maintained Nursery Schools – De-delegation

Discussion:	<ul style="list-style-type: none"> • De-delegation process introduced in 2013/14 did not include provision for maintained nursery schools. • The LA has been approached by the Maintained Nursery Schools requesting that they have the opportunity to buy into the de-delegated services in line with the other Phases, from 1 April 2020. • Maintained Nursery Schools requested to purchase some of the de-delegated services (Contingency, Trade Unions, Maternity, Copyrights and Ethnic Minority Achievement) and not behaviour support or GRT support. • Heads raised concerns around a specific sector being able to purchase a selection of specific available services. Behaviour Support is already accessed through the Early Years Grant, but noted that schools must sign up to the whole range of services. • AF to check statutory school age for GRT achievement, and to confirm the cost at which Behaviour Support Services are being made available to MNSs. • Agreed that terms of reference for de-delegated funds (e.g. FIPS, Maternity) are checked to ensure they are sufficiently robust to take on settings with a younger age range (AF).
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Key Decision/ Issues for DEF:	SFG confirmed in-principle agreement to the proposed de-delegation within the Maintained Nursery Schools from 2020/21 and review annually as per the other phases. This is subject to DEF having additional information available as requested (see below).
Actions:	<ul style="list-style-type: none"> • AF to check statutory school age for GRT achievement, and to confirm the cost at which Behaviour Support Services are being made available to MNSs through Early Years. • AF to check terms of reference for de-delegated funds are appropriate to ensure they are sufficiently robust to take on settings with only a younger age range.

8. Item/Focus: AOB: longer-term position on Covid-19 related budget position

Discussion:	<ul style="list-style-type: none"> • SFG requested information on Devon's position against a national context of the HNB funding shortfall. • Consideration of the longer-term financial position, and ongoing voice of schools, families and politicians continues to be key. Noted F40 meeting scheduled soon for further discussion of this topic. • Noted that the DSG Recovery Plan, when submitted, will require sign off from County Treasurer which will confirm the LA's corporate position. • Still intending to hold additional SFG meeting in September to consider consultation proposals. Consultation may be held as a virtual event in October, but planning remains dependent on government issue of information towards end July. No notification received to date of any change in expected timeline. • SEND 100 remit and proposals, and SEND Transformation report (Helen Molteno) will contribute to financial planning.
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Key Decision/ Issues for DEF:	
Action:	
11. Item/Focus: Items for DEF	
Items for DEF finance report on 17 June: <ul style="list-style-type: none">• DSG 2019/20 outturn• DSG 2020/21 month 1 position• Maintained Nursery Schools de-delegation	

Next meetings:

Wednesday 15 July 2020 (9.15 – 12.45pm) – at Larkbeare House – Knightshayes Room

Wednesday 9 September 2020 (9.15 – 4.30pm) – at Larkbeare House – Knightshayes Room

Wednesday 4 November 2020 (9.15 – 12.45pm) – at Larkbeare House – Knightshayes Room

Wednesday 6 January 2021 (9.15 – 12.45pm) – at Larkbeare House – Knightshayes Room

Wednesday 3 March 2021 (9.15 – 12.45pm) – at Larkbeare House – Knightshayes Room