

SCHOOLS FINANCE GROUP
on 9 January 2019 at Larkbeare House

ISSUES FOR DEF ON 23 JANUARY 2019

Item 2	DSG Monitoring – Month 8 SFG noted the Secretary of State announcement of an additional projected allocation to High Needs Block across 2019/20 and 2020/21. Devon anticipates an additional allocation of £1.5m in each year.
Item 3	Financial Planning 2019/20 SFG noted that a disapplication request has been submitted to Secretary of State to reverse the DEF decision of 17 December and allow the LA to transfer £1.9m (0.5%) from the Schools Block to the High Needs Block. In the light of the recent funding settlement, Devon has subsequently reviewed the proposal and will make a revised submission proposing a transfer of 0.25% by 15 January.
Item 5	Fairer Funding Case Studies SFG and DEF supported the proposal to circulate a template case study to Devon schools requesting information to support F40 Fairer Funding campaign.
Item 6	Mutual Fund Board Mutual Fund Board approved proposed reduction in premiums for teaching and support staff from 2019/20.
Item 7	Funding Consultation 2020/21 SFG agreed that the 2020/21 Schools funding consultation period will take place between Wednesday 2 October and Friday 18 October 2019, with consultation events to be arranged avoiding the 9 -11 October.

SCHOOLS FINANCE GROUP
Notes of meeting
on 9 January 2019 at Larkbeare

		Attendance		
		9/1/19	7/11/18	23/5/18
DCC				
Adrian Fox (Chair)	Head Accountant (E&L)	✓	✓	✓
Dawn Stabb	Head of Education & Learning	✓	✓	✓
Julia Foster	SEN Strategy Manager	✓	✓	✓
Karlien Bond	Senior Accountant (Schools)	✓	Apologies	✓
Heidi Watson-Jones	Service Support Officer (E&L)	✓	✓	
DAPH				
David Barnett	Chudleigh Primary		✓	✓
Jonathan Bishop	Broadclyst Primary	✓	Apologies	Apologies
Alun Dobson	Marwood Primary	✓	✓	Apologies
Jamie Stone	Denbury Primary	✓	✓	✓
Paul Walker	First Federation	✓	✓	Apologies
DASH				
Daryll Chapman	Dartmoor MAT	✓	✓	✓
Gareth Roscoe	The Park Community School	✓	✓	Apologies
Lorraine Heath	Uffculme School	✓	✓	✓
Matthew Shanks	Coombeshead Academy	✓	✓	✓
Julie Phelan	Cullompton Community College		✓	
SHAD				
Keith Bennett	Marland School	Apologies	✓	✓
Jacqui Warne	Learn to Live Federation	✓	Apologies	✓
DAG				
Faith Butler	Special	Apologies	✓	✓
Malcolm Dobbins	Primary	✓	✓	✓
Alex Walmsley	Secondary	✓	Apologies	✓
EY Providers				
Sandra Barnett	Early Years – PVI providers	✓	✓	✓
In Attendance				
Katrina Harverson	Senior Accountant (E&L)	✓		
Donna Anstiss	Senior Accountant (E&L)	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 7 November 2018	
Discussion:	
<ul style="list-style-type: none"> • JF confirmed that Plymouth High Needs bandings have been shared with Devon, and that Torbay will be revising theirs shortly. • Noted Devon schools appear to be funded at a higher rate than Plymouth. 	
Key Decision/ Issues for DEF:	Minutes agreed as an accurate record.
Action:	

2. Item/Focus: DSG Monitoring – month 8

DSG

- DSG £3.1m overspend forecast at month 8
- Noted additional high needs funding coming across next 2 financial years. Devon expecting additional £1.5m in each year.
- Noted decrease from month 7 due to additional HN funding, offset by additional independent special school placements during November, ISP placement growth and funding for medical and PEX students with unregistered school places.
- Tresillian Nursery now transferred to an external provider.
- Disapplication request has been submitted to Secretary of State to reverse DEF decision of 21 November and allow the LA to transfer £1.9m. With the additional funding given of £1.5m in 2018/19 and 2019/20 by the Secretary of State Devon has reviewed proposal and will make a revised submission by 15 January. Still awaiting confirmation of additional information required by DfE with regard to reporting a DSG 1% deficit with a three-year recovery plan.

Growth Fund

- Noted additional £1.2m coming into the Authority giving a total £2.7m, which has been capped by the DfE. This is expected to offset an expected overspend during 2018/19, resulting in a forecast carry forward of £1.5m at year end.
- Forecasts currently for 2019/20 and 2020/21 appear balanced and stable.

Key Decision/ Issues for DEF:

SFG noted the updated position.

Action:

3. Item/Focus: Financial Planning 2019/20

Discussion:

- Schools block allocation announced by ESFA on 17 December 2018. Noted that the £6.91m increase is largely due to a rise in pupil numbers within Devon schools. Whilst the National Funding Formula increases by £430k (net of increased growth and decrease in premises funding)
- High Needs Block pressures continue. Additional budget requirement for 2019/20 identified before additional allocation at £7.7m, after management action and identified savings taken into account. Following settlement, anticipated budget shortfall reduces to £5.3m.
- AP budget revised to reflect growth in 18/19 and emergency school placements. Management Action in place with Wave MAT to reduce AP placements during 19/20.
- Disapplication request reduced to 0.25% following allocation of the October 2018 census outcome and changes in underlying factors within the final settlement.
- Heads requested further clarity around the Options discussed at November DEF and an explanation about how the position has shifted following the additional £1.5m coming into the DSG.
- AF explained that the DEF vote for a freeze in minimum funding guarantee has in effect reduced the available funding to go back into school funding. DS explained that Devon County Council has acknowledged the consultation to outcome that no schools will lose funding during 2019/20 financial year, even though the HNB pressures will have increased.
- AF explained that 'Option B' (as per November DEF report) needs to be considered should the Secretary of State refuse the disapplication. Using October 2017 census data, 17 schools would see an increase in funding due to the adjustment of the MFL.
- The group discussed whether there would be benefit in the authority breaching the government's 1% threshold regulation and thereby having to prepare a 3-year recovery plan for the ESFA. AF confirmed that currently recovery would not appear to be possible within three years. There was frustration amongst heads that the ESFA is not fully recognising the real pressures in local authorities and schools.
- DCC remains confident that clear and consistent messages from F40 and local authorities regarding high needs pressures are being given to DfE and ESFA. The group felt that the recent two-year settlement decision is a message that the government recognises there is insufficient

funding in the system nationally. A case should be prepared which parents will clearly understand to inspire public understanding of the situation.

- It was felt that a demonstration that budgets are generally manageable, apart from High Needs, would clearly indicate the severity and focus of the pressure.
- SFG agreed that that further clarity on the underlying data on Independent Special School placements would improve understanding on how this particular area has escalated within the wider HNB budget.
- **JF** undertook to prepare a report on children in independent placements, and those who could be placed in-house were appropriate provision available. The group discussed List 41 schools which have same legislative status as maintained schools for placements although at a much higher cost. Investigation into capping of fee levels being undertaken. Acutely aware of financial impact of children entering the system with unknown and therefore unmet need.
- Concerns were raised around the perception that government have no understanding of the specific impact of independent sector costs on education budgets. Need MPs to fully understand and grasp this issue.
- Very clear and transparent communication is needed as soon as possible for schools to highlight to Headteachers the key issues being faced in Devon.
- DS outlined that school performance outcomes have seen a significant decline, and this could be in part as a result of funding pressures on schools. SFG felt that greater scrutiny of the Schools Block, as well as the HNB is required to ensure that a range of outcomes improves, mindful that other agencies also have involvement in securing those outcomes.
- LH and AW requested that the LA revisit its decision to apply to the Secretary of State for a disapplication, in light of the national message to which the government has responded with additional HNB funding allocations.
- The group discussed the impact to school budgets that any further reduction or complete withdrawal of disapplication could make. Heads wished to clarify that they remain unhappy that the proposed reduced 0.25% transfer to HNB is being taken forward by the LA.
- SFG requested that ISP budget line be scrutinised separately from the rest of the High Needs Block with a view to specifically addressing escalating pressure.
- APT to be prepared for ESFA by 21 January 2019. 15 January deadline for disapplication revisions. Notification from DfE expected before the end of February as the 28 February date to notify maintained schools of their planned budgets for 2019/20.
- Online budget calculators already available for schools under the consultation section for both taking the transfer or Option B (using October 2017 census data) Updated versions will be available after APT submitted on 21 January.
- Heads felt that school leaders are becoming frustrated with the complex situation.

Key Decision/ Issues for DEF:	Report noted
Action:	<p>JF to prepare report on placements within Independent Special Schools to provide a clear understanding of the issues particular to the ISP budget line.</p> <p>AF/JF to prepare clear chronology / list of key issues and impacts on High Needs Block / Independent School placements to give school leaders clarity on the complex situation</p> <p>AF/JF to arrange for separate scrutiny of ISP budget lines and issues</p>

4. Item/Focus: High Needs Funding

Discussion:

- Devon has seen a 28% increase in children with EHCPs over last 12 months. This growth is in maintained special schools and independent placements, with a reduction in number of EHCPs in mainstream.
- Planned expansion in special schools and FE colleges is a positive pressure.
- Increased pressure from the Independent Sector is due to both an increase in pupil numbers and the increase in fee costs. On Track and ACE in particular provide for a significant number of Devon children, each placement currently negotiated individually. LA looking at how an overarching block contact could provide commissioning efficiencies.
- EHCPs are not ceasing, as anticipated at the introduction of the Code of Practice, after a child

reaches 19 years old. There are ongoing difficulties around transition to adult services provision. Education and Health are looking closely at what constitutes an appropriate time to end an EHCP for these young adults.

- SFG agreed that increased scrutiny specifically on ISP budget will improve wider understanding of these complex issues.
- The group briefly discussed the recent SEND Ofsted inspection.
- Discussed the establishment of new special schools in Tiverton and Newton Abbot. Reiterated that new provision must be based on evidence of need geographically to be most effective. Noted that no capital bids were submitted within Wave 13 for special or AP provision.
- SEN Strategic Plan includes establishment of special provision generated through development funding from areas of new house building. Discussed useful contribution of resource bases within mainstream schools in addition to establishing stand alone specialist provision.
- Considered post-16 provision for children with more complex needs, noting that some progress is being made to ensure that children with high needs who have been successful in mainstream schools can continue their education in a mainstream FE college.
- The group registered concerns, as discussed in a previous meeting, that the challenging targets for HNB management action in 2019/20 are likely to be unachieved.
- High Needs Block Review showing trends on spending during 2017/18 to be circulated to SFG.

**Key Decision/
Issues for DEF:**

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Action:

JF to circulate High Needs Block Review report.

5. Item/Focus: Fairer Funding Case Studies

Discussion:

- F40 looking at how the impact of school funding pressures, particularly for SEND, can be articulated to better highlight issues for local MPs.
- Draft template circulated to collate case studies to support fairer funding campaign. Aiming to provide information to F40 Executive for their next meeting.
- Agreed that Survey Monkey format would be preferable.
- Data to be anonymised but must reflect local issues for greatest resonance with local MPs.
- Narratives required around staffing changes, class sizes, budget reductions, impact on pupils, learning support, offer for families, wider range of care which is no longer available, impact of teaching staff providing social care / breakfasts, loss of pastoral and family support workers, mixed age class structures, risk to continued access to wider curriculum opportunities.
- Include County-wide analysis of number of families choosing EHE for different reasons.
- Pre-populating key data as much as possible before issuing would be helpful.
- Mindful of asking Heads to spend time on compiling another data return.
- Include number of children with medical referrals specifically on ASC pathway. This should be available within census return.
- Impact on whole-school SEN learning support would be valuable to log, to include learning support ratio to children with SEN, as well as support ratio to all pupils. Heads seeing that Learning Support staff are increasingly allocated to children with EHCP on a 1:1 basis rather than to wider support in the classroom to enhance the learning for all pupils.
- Considered how student narrative could be included around aspirations for their future, mental health concerns, which is included in annual SHEU survey responses.
- Discussed how schools will complete the case study – best outcomes will require input from Heads, SENCO, Business Manager
- Suggested presenting national statistics (WorthLess?campaign) to schools, with a request to agree/ add local narrative

**Key Decision/
Issues for DEF:**

SFG and DEF supported the proposal to circulate a template case study to Devon schools requesting information to support F40 Fairer Funding campaign.

Action:

AD to re-draft template and circulate prior to DASH Exec on 11/1.

6. Item/Focus: Mutual Fund Board and Appeals

Discussion:	
<ul style="list-style-type: none"> • Month 8 forecasting £435k surplus balance at year end. • LA proposed to reduce premiums for 2019/20 for teaching staff by 20% and support staff by 10%. • Heads sought reassurance that the teachers and support staff premiums are adequately covering the costs of respective claims. Karlien Bond confirmed that this has been modelled and is sustainable. • Board considered appeal from KEVICC relating to a claim submitted late. The Board rejected the appeal based on precedent. • SFG suggested that reminders be sent to member schools that should a key member of staff 	
Key Decision/ Issues for DEF:	<ul style="list-style-type: none"> • Mutual Fund Board approved proposed reduction in premiums for teaching and support staff from 2019/20. • Mutual Fund Board rejected appeal from KEVICC.
Action:	<p>KBo to inform KEVICC of Mutual Fund Board decision</p> <p>KBo to remind Mutual Fund members of expectation that claims must be submitted in a timely manner</p>
7. Item/Focus: Any Other Business	
Consultation dates and additional SFG meeting.	
<ul style="list-style-type: none"> • Proposed July meeting be permanently set in the SFG timetable. September meeting to be extended to a whole day to enable consideration of SFG business and consultation planning. • Mindful that November SFG will be first opportunity to consider DSG monitoring from the new term. • Consultation period proposed Wed 2nd to Friday 18th October 2019, with three events during the period. Noted DAPH Leadership Conference 10/11 October. 	
Key Decision/ Issues for DEF:	
Action:	AF / HWJ to set Consultation event dates.

Next meeting: Wednesday 6 March 2019