

SCHOOLS FINANCE GROUP on 6 March 2019 at Larkbeare House

ISSUES FOR DEF ON 20 MARCH 2019

Item 2	<p>DSG Monitoring – month 10</p> <p>i. Joint funded residential placements SFG wished to convey to DEF and to the Chief Officer Children's Services that the group was extremely unhappy with the ongoing fundamental position of imbalance and inequity in the contributions to provision from children's services (social care) and adults services for joint funded residential placements made by the LA through its responsibility under SEN the Code of Practice. Children's Services have a working practice agreeing a 50/50 split in costs which is not currently honoured by Adult Services. This ongoing situation is likely to pose a fundamental barrier to ongoing harmonious joint working. During the recent Ofsted SEND review it was expected that a whole area response would be put in place, and SFG felt strongly that this should be recognised, with equitable funding contributions from all parties, as a One Devon approach. A speedy response is required to ensure a swift improvement in post-Ofsted outcomes and appropriate budget management prior to the end of the financial year.</p> <p>ii. ESFA SEN Adviser Support Further information to be requested about the nature of the support to be offered to the local authority by an ESFA SEN Adviser following the refusal of disapplication of DSG funding by the Secretary of State.</p> <p>iii. Quality and Safeguarding Assurances re. Tier 4 placements SFG wished to escalate concerns to the DEF and the Devon Children and Families Partnership as a matter of urgency to ensure that there is reassurance that appropriate measures are in place to check and monitor safeguarding and quality of health and education provision in Tier 4 placements for children with highly complex needs.</p>
Item 4	<p>Growth Fund Criteria SFG agreed to proposed updates and amendments to the Growth Fund Criteria. Simon Niles to provide a redrafted guidance document and some modelled examples of expected costs to the next SFG meeting.</p>
Item 5	<p>Carry Forwards 2019/20 SFG noted the proposed surplus and deficit DSG carry forwards. SFG agreed that surplus carry forwards relating to Trade Unions and Licences would be ringfenced for carry forward for the purpose of providing a grant for a specific piece of work within the High Needs Block, with the intention to invest to save.</p>
Item 6	<p>Mutual Fund Board Mutual Fund Board members noted the current position and agreed that there would be no rebate or refund of premiums proposed for the 2018/2019 financial year.</p>

SCHOOLS FINANCE GROUP
Notes of meeting
on 6 March 2019 at Larkbeare

		Attendance		
		6/3/19	9/1/19	7/11/18
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	✓	Apologies
Heidi Watson-Jones	Service Support Officer (E&L)	✓	✓	✓
DAPH				
David Barnett	Chudleigh Primary	✓		✓
Jonathan Bishop	Broadclyst Primary	✓	✓	Apologies
Alun Dobson	Marwood Primary	✓	✓	✓
Jamie Stone	Denbury Primary	✓	✓	✓
Paul Walker	First Federation	Apologies	✓	✓
DASH				
Daryll Chapman	Dartmoor MAT	✓	✓	✓
Gareth Roscoe	The Park Community School	✓	✓	✓
Lorraine Heath	Uffculme School	Apologies		
Matthew Shanks	Coombeshead Academy	✓	✓	✓
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				
Lydia Wright	Early Years – PVI providers	✓		
Sandra Barnett	Early Years – PVI providers		✓	✓
In Attendance				
Katrina Harverson	Senior Accountant (E&L)	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 9 January 2019	
Discussion: <ul style="list-style-type: none"> The SFG group welcomed Lydia Wright as the new DEF and SFG representative for Early Years / PVI providers Fairer Funding – AD to meet with James McInnes to discuss school case studies. Considered proposed consultation dates – HWJ to look at possibility of moving one event to week beginning 14 October. 	
Key Decision/Issues for DEF:	Minutes agreed as an accurate record.
Action:	HWJ to review proposed funding consultation event dates

2. Item/Focus: DSG Monitoring – month 10

DSG

- Increase of £420k from month 9 due mainly to high needs block increases and reduction in agreed payments from adult services towards joint funded residential placements.
- JF outlined the individual assessment process undertaken in adult services to arrive at a level of funding contribution from Adult Services for joint funded residential placements. Proposed contributions are not at the level expected. Noted that Children's Services have agreed to contribute 50% of costs but this is not being replicated in Adults. The issue has now been escalated to Jo Olsson by JF.
- SFG strongly felt that further discussion at DEF would be required – funding assumptions for the year have been made based on an assumed 50/50 contribution. (SFG voted unanimously AD proposed. DC seconded, with Unanimous vote) to write to the Chief Executive and Chairs of Children's and Adults Scrutiny Committees.
- Discussed recoupment line. Considered the position of children in tier 4 provision and joint funding arrangements with NHS England, usually in costly independent sector. Tier 4 accommodation provision is not planned-for in Devon. There are ongoing concerns about how the quality of education provided in private hospital schools is monitored; noted that Devon SEN team often has some difficulty in obtaining information about the child or evidence of educational progress being made.
- SFG raised concerns about safeguarding arrangements for these young people which the LA is unable to obtain information. It is concerning that SEN 0-25 team appears to be the default service to manage these cases, even though some do not have an EHCP. Placements are recommended and made by CAMHS. **Julia Foster** to discuss safeguarding issues with Virtual School Head and CAMHS to ensure that LA is having quality assurance conversations with providers and families. SFG recommended issue to be referred to DCFP as a safeguarding concern.
- SFG felt that following this discussion, as a duty of care to Devon children this should be raised more widely within children's services and the DCFP about safeguarding and appropriate quality of education for children in tier 4 beds. Discussed Advocacy provision for the children in these placements as their liberty will be withdrawn for safeguarding purposes but SFG wanted to be reassured that appropriate safeguarding checks are being made through the Devon Children and Families Partnership.
- Noted savings achieved through high needs management action already in place. Discussed correlation between impact of management actions and the outcomes from recent Ofsted SEND review. Recognised that additional costs have increased as the number of children entering the system significantly increases. As a result, there were concerns about how achievable the future management plans will be. The group discussed how SEND budgets are publicly presented at a static position year on year.
- Secretary of State did not approve the disapplication but has offered the support of an ESFA SEN adviser to assist with longer term high needs planning. To date no contact has been made. Further information about the nature of the proposed support to be requested by **AF**.
- Closedown timeframe noted – schools to close down accounts by 29 March 2019.

Key Decision/ Issues for DEF:

- **SFG** wished to convey to DEF and to the Chief Officer Children's Services that the group was extremely unhappy with the ongoing fundamental position of imbalance and inequity in the contributions to provision from children's services (social care) and adults services for joint funded residential placements made by the LA through its responsibility under SEN the Code of Practice. Children's Services have a working practice agreeing a 50/50 split in costs which is not currently replicated by Adult Services. This ongoing situation is likely to pose a fundamental barrier to ongoing harmonious joint working. During the recent Ofsted SEND review it was expected that a whole area response would be put in place, and SFG felt strongly that this should be recognised, with equitable funding contributions from all parties, as a One Devon approach. A speedy response is required to ensure a swift improvement in post-Ofsted outcomes and appropriate budget management prior to the end of the financial year.

	<ul style="list-style-type: none"> • AF to contact ESFA to request further information about the SEN adviser support • Report noted
Action:	<p>SFG members to raise issue of funding contributions for joint funded placements at DEF</p> <p>SFG letter to be sent to Chief Executive, Chief Officer Children's Services and Chairs of Children's and Adult Scrutiny committees regarding joint funding of residential placements.</p> <p>JF to escalate concerns to the Devon Children and Families Partnership to ensure appropriate measures are in place as a matter of urgency to check safeguarding arrangements and quality of health and education provision in tier 4 placements.</p>

3. Item/Focus: Independent Sector SEN Placements

Discussion:

- Average cost in independent placements has been reduced by 21% in one year.
- Noted ongoing work in negotiating costs on an individual placement level.
- Post 19 growth and new placement requirements continue to increase, in spite of the additional capacity invested in Devon maintained special schools.
- Noted very few children leave the independent sector once placed.
- Discussed use of non-section 41 independent providers.
- Considered the considerable difference in cost levels for day and residential educational placements. **KH/JF** to look at analysis of the cost differential in the education provision. Noted that some residential placements are made by children's social care, on the basis of a 50/50 cost contribution by education. Mindful that costs increase considerably for residential /out of hours provision.
- Suggested it would be helpful to work more closely with social care / adult services to scrutinise the cost and effectiveness of residential placements.
- The group was mindful of the national projected increase in high needs costs. In Devon this is an increase in complexity of need as well as larger numbers of children entering the system. Discussed increasing prevalence of children with autism.
- Noted the predicted increase in Devon EHCPs will result in the LA being above national average for the proportion of EHCPs issued.

Key Decision/ Issues for DEF: Report noted

Action: **KH/JF** – to look at the considerable cost differential between day and residential independent placements for pre-16 learners.

4. Item/Focus: Growth Fund Criteria

Discussion:

- Considered report outlining intention to update Growth Fund criteria.

One off class payments

- SFG were asked to consider whether academies and free schools should receive a full year effect payment rather than 7/12th. DAPH and DASH agreed that moving to a full year effect for academies and free schools and 7/12th for maintained schools would be most equitable approach.
- Considered whether a school would still be eligible for growth fund if it chose to reorganise class numbers throughout a year group rather than open a new class. Under normal basic need growth the school would be funded for additional students, but currently a new class would trigger additional lump sum. SFG agreed that it would be unhelpful for the LA to prescribe how a Head would best accommodate the additional children being admitted.
- Discussed current differential in the criteria between primary and secondary salary costs (currently M4 in primary and UPS2 in secondary). Following discussion SFG suggested that primary M6 and secondary UPS2 would enable both sectors to look realistically at attractive recruitment solutions.

- SFG discussed the calculation for growth numbers being based solely on the differential between year 7 and year 11 and the difference in overall numbers would not be a factor in calculating growth.

Exceptional Growth

- SFG discussed a situation where a school elects to admit in excess of the published PAN at year 7, due to parental preference, while a neighbouring school has surplus capacity. SFG agreed that no growth fund would be payable where a decision to admit over PAN is as a result of a business decision by the school; funding for the additional students should be covered without additional resource. SFG agreed however that in areas where there was more than one secondary school, they should be treated the same as single school areas.
- Considered 80% in-area rule for urban areas e.g. Exeter where there is a larger number of neighbouring schools and a very small surplus capacity across the area. SFG agreed that the 80% rule would be dropped when surplus capacity for year 7 PAN is 5% or under.
- DAPH endorsed proposal that growth fund underwrites additional places in new primary academies/ free schools based on 30, 60 and 90 places in the first three years of operation.
- Noted concerns around inconsistent and inaccurate IDACI levels for schools being built in new developments. AF confirmed that this has been raised with DfE as an APT issue, not specifically for growth fund, and an average would be used.
- SFG discussed October census continuing to be the point at which numbers on roll and growth are calculated. Considered difficulties around allocating growth on admission allocations rather than census. Mindful that ESFA would be more amenable to allocating on census on basis of actual pupils, rather than an expectation that pupils with allocated places would actually attend a specific school.
- Simon Niles to re-draft the Devon growth criteria and model the potential impact of the proposed changes.
- SFG considered the growth fund budget monitoring and projections to 2020/21. Mindful that growth fund position is currently is more flexible but with additional growth continuing into the future. The group felt that the proposed implementation of growth criteria changes should be affordable.
- Discussed potential plans and capital funding for a special school in Cranbrook. Suggest this is still a few years away. DCC has proposed that additional provision will be required in Torridge, Cullompton and Cranbrook areas in the future. Section 106 contributions are being collected to include SEN. Considered geographical difficulties around West Devon, with a low quantum of housing but with children remaining in the area who will need special provision locally and travelling time reduced.

Key Decision/ Issues for DEF:

- **SFG agreed** that Academies and Free Schools would move to a full year effect for salary costs within growth.
- **SFG agreed** that a reorganising school would receive the higher payment of a new class or eligible growth funding.
- **SFG agreed** that salary scales Primary M 6 and Secondary UPS 2 would be adopted within the growth criteria to enable both sectors to look realistically at attractive recruitment solutions.
- **SFG agreed** that no growth would be payable to a school electing to admit over PAN as a result of a business decision, where surplus capacity in a neighbouring school.
- **SFG (DAPH) agreed** that growth fund would underwrite new primary school places over and above what is currently included in Devon's growth guidance.
- **SFG agreed** that in urban areas with more than one secondary school, the 80% rule would be dropped when surplus capacity across the area for year 7 PAN is less than 5%.

Action:

5. Item/Focus: Carry forwards 2019/20

Discussion:

- SFG noted the deficit and surplus budget carry forward requests.
- Noted licence and trade union surplus carry forwards was proposed to be allocated to high

needs block. SFG discussed and agreed that this £68k might be better put to use as a grant for a specific piece of work which could have a higher impact on pupils than an allocation to the wider HNB deficit.	
Key Decision/Issues for DEF:	<p>SFG agreed that £68k be carried forward to fund a specific invest to save project within the HNB.</p> <p>SFG agreed deficit carry forwards as set out in table 1</p> <p>SFG agreed surplus carry forwards as set out in table 2</p>
Action:	
6. Item/Focus: Mutual Fund Board and Appeals	
<p>Discussion:</p> <ul style="list-style-type: none"> £370k surplus projected at year end. Not currently looking at any rebates or refund of premium. All February claims to be submitted by 8 March 2019. Year-end claims to be submitted by 22 March 2019. DfE have discussed Devon's Mutual Fund arrangements – pleased with the set up and Devon is providing more information. Noted other providers cover absence due to other conditions e.g. mental health concerns, and recognised that Devon offer is different to that from some private providers. SFG felt that further development of the Mutual Fund could be explored. 	
Key Decision/Issues for DEF:	<ul style="list-style-type: none"> No refunds or rebates expected Report noted
Action:	
7. Item/Focus: Any Other Business	
<ul style="list-style-type: none"> NJC information has been circulated through finance blog. Guidance for Schools has now been released. Mindful that HR advice is still awaited regarding special school specific issues. 	
Key Decision/Issues for DEF:	
Action:	

Next meeting: Wednesday 5 June 2019 – at Okehampton Community College.