

SCHOOLS FINANCE GROUP
on 5 June 2019 at Okehampton College

ISSUES FOR DEF ON 19 JUNE 2019

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

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

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

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

Discussion:

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

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

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

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

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

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