

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

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:

- **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:

- £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

- 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

4. Item/Focus: SEND / High Needs Update

Discussion:

- 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
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Actions:	
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5. Item/Focus: FIPS Annual Report and Update

Discussion:

- £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
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Action:	AF to report on maintained secondary school requests to FIPS. (Delegated to KB)
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6. Item/Focus: Mutual Fund Board and Appeals

Discussion:

- £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). 	
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. 	

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