

Schools Finance Group: Notes of meeting on Wednesday 9 September 2020

Attendance

DCC

Karlien Bond	Senior Accountant (Schools)
Adrian Fox (chair)	Head Accountant (Education & Learning)
Dawn Stabb	Head of Education & Learning
Heidi Watson-Jones (notes)	Service Support Officer (E&L)

Devon Schools Leadership Services

Primary:

Alun Dobson	Marwood Primary
Jamie Stone (apologies)	Denbury Primary
Paul Walker	First Federation MAT
Penny Hammett	FORT Federation

Secondary:

Sammy Crook	Tiverton Federation
Andrew Davis	Exmouth Community College
Lorraine Heath	Uffculme Academy
Matthew Shanks	Education South West

SENtient Heads

Keith Bennett	Marland School
Jacqui Warne	Learn to Live Federation

DAG

Faith Butler	Special School Governors
Malcolm Dobbins	Primary Governors
Alex Walmsley	Secondary Governors

Early Years Providers

Dianne Roberts	Early Years / PVI providers
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Other DCC Officers

Julia Foster	Senior Manager SEND
Katrina Harverson	Senior Accountant (Education)
Donna Anstiss	Accountant (Education)
Helen Moltano (part)	Consultant

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1. Minutes of Previous Meeting – 15 July 2020

Minutes agreed as an accurate record.

2. DSG Month 4 Report

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| <ul style="list-style-type: none"> • Little movement during month 4. • £3.7m shortfall identified in High Needs Block • Noted offset of costs for diabetes support from DSG – ongoing funding to be received from Health. • Noted expected increase in placements in the independent special school sector. A task and finish group is currently reviewing the core offer provided in these schools with a view to improving the commissioning process. • Noted expected increase in cost to the HNB linked to medical and mental health needs post-Covid. • Renewed focus on encouraging eligible families to register for Free School Meals, mindful of increase in benefits take-up during the Covid period. • Noted Autumn term funding for Early Years will be based on the January 2020 census, and not the January 2021 census as would normally be the case. • Nursery Plus – underspend identified. Some concern raised about the process for in-year recouplement. Heads highlighted that this was not planned for in Academy budgets. Understand SLA payments for 20/21 are planned to be reduced. £25k cap has been put in place, Finance assured that no setting will be disadvantaged. • Recovery Plan – currently deficit reserve forecasting £46.8m by March 2021. Discussed the planned process to pull together the information around the recovery plan as result of the SEN 100 Report, Task & Finish Groups and DfE timeframes. |
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Action	<ul style="list-style-type: none"> • KH to feed back concerns regarding process for in year recouplement of Nursery Plus funding. • AF to share anticipated timeframe of Recovery Plan
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3. SEND / High Needs Update

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| <ul style="list-style-type: none"> • <i>Declaration of interest noted from Andrew Davis, pertaining to discussion around DCC commissioning of placements in independent sector provision.</i> • Still seeing some growth in independent sector placements due to lack of capacity in maintained special schools. • ASD and SEMH remain most prevalent needs. • Looking particularly at quality of provision and progression of children attending independent settings. There are concerns around the number of children becoming NEET after attending these schools. • Some issues particularly around two mainstream independent schools. One is seeking specialist designation and another is aggressively targeting the LA for specialist placements, with significant increases in fees. DfE have undertaken to investigate issues raised by the LA. • Noted proportion of children moving to independent specialist sector in years 8,9 and 10 which seems late in their education to have a specialist need identified. Felt this could be due to the change of environment from primary school to a larger secondary which can be difficult for a child to adapt to. Funding differential between maintained and independent special schools exacerbates the situation. Noted Tribunals consider fee level as a final part of the process. • F40 has written to the Secretary of State to highlight the inequity of the funding situation and the proportion of HNB that is spent on private independent provision. |
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- Considered how Devon is a statistical outlier due to significantly higher number of EHCPs issued compared to other LAs. Noted planned analysis exercise to compare situation with other statistically similar authorities.

High Needs Block Funding Policy

- Draft policy document outlines the LA funding allocation processes for a range of SEN provisions.
- The group considered the reference to costs of adult supervision. Noted that schools have aimed to disaggregate EHCP funding being allocated to specific methods of delivery (e.g. 1:1 TA support). It was explained that the reference to staffing costs has been required through Tribunal to enable comparison of costs in maintained and independent sector.
- The policy will be available in the public domain for reference.

ASD and SEMH Resource Bases

- Schools will be asked to submit expressions of interest to develop further resource bases from next academic year at the latest. Confirmed that no capital will be available for this, but places in the resource bases would be funded.
- This will help to meet the additional need identified across the county.

4. Growth fund

- The group was reminded that predicted growth is normally calculated using October census data.
- SFG noted predicted position. Noted approximately 50% of spend is expected to be on new schools. £1.5m surplus currently identified.
- Discussed ringfencing of the growth fund. Noted that an underspend in growth fund may be used to offset any DSG deficit. Awaiting guidance from ESFA on expectations around recovery plan, and deployment of outstanding DSG surpluses.
- Heads requested that the growth fund is discussed at November DEF to consider whether it would be prudent to deploy surplus towards the High Needs Block deficit.

Falling rolls

- Noted that current criteria refer to 'Substantial disruption' – The group discussed how this should be quantified according to the growth fund criteria in terms of reduction of numbers of primary (5% or 10 pupils) and secondary pupils (10% or 20 pupils).
- Confirmed that the reduction would be across the whole school cohort rather than a specific class or year group.
- Agreed to model using October 2020 census in time for implementation from 2021/22 financial year. This would be helpful to highlight any unintended consequences, particularly for very small or rural schools.
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Action

- **AF** to request that DEF consider future use of growth fund surplus at November meeting.
- **KB** to model options for falling rolls funding criteria.

5. Mutual Board and Appeals

- SFG noted the substantial reduction in claims due to Covid position.
- Currently forecasting using the average of last 2 years' positions, but will await claims following the September return to school.

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- Agreed will need to consider appropriate options for addressing current fund surplus position, but agreed to continue to monitor situation for the time being.

6. SEND 100 Project

- Initial draft of the report had been shared with the group. 43 people were interviewed by Helen Molteno.
- The work was commissioned as a result of the current HNB shortfall, with funding agreed at January DEF to investigate proposals. DEF had rejected a request to transfer funding from Schools' Block to High Needs block without proposals for specific pieces of work aimed at mitigating the situation.
- The aim was to investigate how confidence can be increased in mainstream schools and families to enable SEN needs to be met without a request for statutory assessment.
- Key areas have been identified that could have a significant impact; including improved support for families, upskilling mainstream school staff and enabling increased specialist outreach support for schools, particularly for children with SEMH, ASC and attachment issues.
- Mindful that reduced funding and raised thresholds to other services have led to the expectation that an EHCP is key to accessing additional resources.
- A range of potential solutions were presented which could help mainstream schools to more effectively meet individual SEN needs and direct the focus away from seeking an EHC Assessment at an early stage.
- Noted links to other transformation and review programmes currently taking place within Devon.
- DCC has raised concerns about the continuing exponential rise in requests for assessment. Devon had at least double the number of requests for assessment during Covid period compared to other South West LAs. 158 requests were received during July, with 62 refused during August as inappropriate and lacking sufficient evidence.
- SFG considered the benefits of providing support for families at an earlier stage. It was noted that Covid arrangements had enabled many families to have access to more direct support and involvement with services.
- Understand that there is no direct correlation between the ceasing of funded non-statutory plans and the significant and continuing increase in new requests for assessment.
- Mindful of the long-term financial commitment of each EHCP issued, which can be in place until the learner is 25 years old.
- SFG agreed that clarity will be needed within the autumn funding consultation proposal for schools to agree 0.5% funding transfer towards these targeted solutions for the benefit of the wider school community and easing pressure on the HNB.
- The group agreed that the fundamental need is to reduce the number of EHC plans being issued, which then have knock-on implications for increased demand for specialist and independent provision. Helping schools to understand the cyclical nature of the challenge will be crucial to changing the culture of requesting EHC assessment to access additional funding within schools. It is hoped that confidence to meet needs in the mainstream school sector can be increased and will result in more effective management of the high needs funding shortfall.

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<ul style="list-style-type: none">SFG discussed whether to select specific proposal to consult on, or whether to canvas schools on their preferred solutions to take forward, which may be more time consuming in delivery of a positive outcome.	
Action	AF to establish a working group to agree the statement of the cyclical nature of the challenge, and shape specific proposal for the consultation paper. ADobson, JWarne, ADavis volunteered.

7. Proposed Schedule of Future meetings

<ul style="list-style-type: none">Proposed schedule of meeting agreed as outlined below.Noted July meeting to be retained to enable consistency of monitoring.

8. Any Other Business

Items for November DEF: <ul style="list-style-type: none">Growth Fund / falling rolls criteriaMth 4/6 DSG position
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Next meetings:

Wednesday 4 November 2020 (9.15 – 12.45pm) – Teams Meeting
Wednesday 6 January 2021 (9.15 – 12.45pm) – tbc - possibly Larkbeare Knightshayes
Wednesday 3 March 2021 (9.15 – 12.45pm) – tbc – possibly Larkbeare Knightshayes
Wednesday 26 May 2021 (09.15 – 12.00 – venue TBC)
Wednesday 14 July 2021 (09.15 – 12.00 – venue TBC)
Wednesday 8 September 2021 (09.15 – 16.00 – venue TBC)
Wednesday 3 November 2021 (09.15 – 12.00 – venue TBC)
Wednesday 5 January 2022 (09.15 – 12.00 – venue TBC)
Wednesday 2 March 2022 (09.15 – 12.00 – venue TBC)