

Schools Finance Group: Notes of meeting on Wednesday 4 November 2020

Attendance

DCC

Karlien Bond (apologies)	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	Denbury Primary
Paul Walker	First Federation MAT

Secondary:

Sammy Crook	Tiverton Federation
Andrew Davis (apologies)	Exmouth Community College
Lorraine Heath	Uffculme Academy
Rachel Shaw	Exeter Learning Academy Trust

SENtient Heads

Keith Bennett (apologies)	Marland School
Sarah Pickering	Mill Water School

DAG

Faith Butler (apologies)	Special School Governors
Malcolm Dobbins	Primary Governors
Alex Walmsley	Secondary Governors

Early Years Providers

Dianne Roberts (part)	Early Years / PVI providers
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Other DCC Officers

Julia Foster	Senior Manager SEND
Katrina Harverson	Senior Accountant (Education)
Ancilla McKenna	Accountant (Education & Learning)
Matthew Thorpe	Finance Manager - Children's Services

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1. Minutes of Previous Meeting – 9 September 2020

- Nursery Plus funding – KH has discussed concerns around timing of recoupment in specific academies with Val Smith and Sam Chapman.
- **AF** to share anticipated timeframe of Recovery Plan.
- **AF/ KB** to provide modelled options for falling rolls funding criteria. (to be brought to January SFG)
- Minutes agreed as an accurate record.

2. DSG Month 6 Report

- DSG overspend of £27.8m forecast at month 6
- Approved deficit for DSG High Needs Block has increased to £47.7m – linked to recognised lack of Devon Special School placements and increasing demand for EHC assessment. DfE looking at national picture, however SFG noted that Devon appears to be an outlier both in terms of size of deficit and as a percentage of total DSG. Mindful of timelag in national data reporting.
- £5.1m in-year overspend currently identified in High Needs Block.
- The group considered the price and demand variances in placements in independent special schools, with an additional 14 placements made since month 5.
- Noted 81 learners are aged over 18 – SEN team is looking to ensure that expectations around delivery of their EHCPs continue to be met.
- **Plus Packages** – SFG noted the increase in use of Plus Packages. The group requested a report at the next meeting to provide context around the use of these packages, which are intended as a cost saving measure. Noted that the newly published SEND High Needs Block Policy will provide some clarity. A moderation process is to be established to ensure the appropriate issue of Plus Packages.
- The group discussed the DSG Deficit Recovery Plan. Noted Devon is in discussion with other local authorities to learn about their successful strategies in managing the HNB. A key finding to their success has been greater confidence in parents and schools that a child's SEN needs can be met earlier with wrap around support from other agencies before it is deemed that an EHCP is necessary.
- Devon SEN is carrying a significant volume of NEETs still registered with EHCPs (10% in compared to 2% nationally). SEN team is reviewing data and ceasing plans where appropriate to ensure a more accurate reflection of the number of active EHCPs.
- **Covid Impact** – Recognised potential additional cost pressures linked to mental health needs.
- SFG wished to highlight the significant additional costs linked to Covid, e.g. cleaning, loss of income from lettings, additional capital costs. It was noted that additional funds were made available by DfE during Summer, but accessing these funds was not straightforward, and to date there has been no notification about additional support for ongoing pressures. Dawn Stabb confirmed that these concerns have been escalated to DfE.
- Noted variance in budget figures particularly for AP – which is reduced due to recoupment of planned places, and for maintained special schools, which has increased following the allocation of year end carry forward balances.

Action

- **JF** to provide a report on Plus Packages to January SFG meeting.

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3. SEND / High Needs Update

- Noted ongoing work in looking at learners in post-19 provision, with a view to ceasing EHCPs where appropriate and working with Adult Social Care to ensure that there is a suitable handover to adult services.
- Looking at what the post-19 providers offer, and moderating appropriate fee levels are in place.
- SFG noted the increasing movement of SEN learners out of mainstream schools directly to the independent sector.
- Approximately 10 expressions of interest have been received from mainstream schools to establish a specialist resource base from September 2021, particularly in SEMH.
- A new SEMH special school is being planned in Okehampton – to cover key stags 1-4, hopefully for a September 2022 opening.
- Widening use of Plus Packages is being looked at more closely by the SEN team.
- Transparency around allocation of SEN top up funding and Plus Packages has been clarified through the SEN High Needs Block policy – support from DSLS was requested to ensure that school staff understand the context and process.
- High Needs Task Group continues to look at learners placed at each independent provider and is moderating the core offer against the needs specified in each learner's EHCP.
- A number of providers have seen a significant increase in placements over last 12 months – the task group will aim to identify if a maintained special school would have been able to meet those needs, had a place been available.
- The task group will meet with providers to consider cost bandings and other options e.g. Outreach support.
- DCC has liaised with Leicestershire, Cornwall and Cheshire to compare their HNB situation. Overwhelming feedback is that the levels of confidence in parents and schools that needs can be met is supported through timely responses for support by health and social care alongside schools.
- Heads explained that use of notional SEN funding in Universal provision varies widely depending on the needs of the cohort of learners and how their needs are addressed – some schools are seeing much higher numbers of EHCPs, whereas others have very few. This results in a variety of Universal offer from school to school. SFG requested that further analysis is carried out in this issue.

Action:

- **DSLS** to assist in the promotion of the High Needs Block policy to aid understanding in schools of the SEN funding methodology.

4. Mutual Board and Appeals

- Month 6 position showing year-end balance of £590k. This includes potential rebates of £170k.
- Considered additional claims that may still be submitted re Covid-related absence, but mindful that overall claims seem to have reduced.
- Position to be reviewed at January SFG to agree premium rates for 2021-22.
- Noted issues arising now that Shielding is no longer in place for extremely or critically vulnerable staff.
- Heads suggested there may be a need to explore flexibility to cover the provision of classroom cover for staff working from home while isolating or

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'shielding'. **AF** to review the policy to clarify revised situation during second lockdown.

- Considered the 14-day Covid-isolation period (which outstrips the 10 day buffer for mutual fund claims)
- Considered staff absence due to care for children required to isolate, and links to school-based absence policies.

Action

- **AF** to review the mutual fund policy to clarify revised situation during second lockdown.

5. Schools Funding Consultation responses

- The Local Authority continues to set a local schools funding formula – a 'soft' National Funding Formula (NFF)
- The timing of the introduction of the Hard NFF – nationally determined allocations direct to schools – is still to be determined.
- Noted additional schools funding allocated nationally between 2020 – 2022.

Increased funding factor values

- Devon has moved to NFF rates to attempt to bring school funding levels in line with the expected hard NFF as soon as possible.
- Additional funding factors in place to cover teacher's pay and pension employer contribution grants previously allocated separately. Additional £19.1m expected based on Oct 2019 census data.

Consultation 2021-22

- Schools' Funding Consultation ran between 1st – 18th October with 149 representatives from 114 schools attending consultation events.
- 99 schools submitted a response (27% of all schools). This was down from 116 responses in 2019 and 155 responses in 2018.

Minimum Funding Guarantee

- **Proposal: Set the Minimum Funding Guarantee to plus 2% with the option to review in December**
- MFG factors and proposed rate to be reviewed at January SFG to confirm affordability following notification of December funding settlement. **75% of responses agreed to proposal**
- SFG noted that an increase in entitlement to Free School Meals is anticipated to lead to a shift in funding level.

Top slice funding for Phase Associations

- **Proposal: Top slice funding for the Phase Associations (Devon SLS and DAG)**
- Central Schools Service Block, which included Phase Association funding, has been reduced year on year, in line with DfE policy. Termination of Employment costs continue to be covered, however the DfE no longer recognises other historic commitments.
- £223k will need to be topsliced to ensure that maintained and academy schools fund and benefit from this function. **79% of responses agreed to proposal.**

One-year adjustment to Basic Entitlement (AWPU)

- **Proposal: One-year adjustment to the Basic Entitlement (AWPU) if funding received above that of NFF allocation.**

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- £1.4m remains unallocated following allocation of funding to all schools through NFF factors. One-year adjustment is proposed to basic entitlement (AWPU) where schools are receiving funding above the NFF allocation. **78% of responses agreed to proposal.**
- Noted that a number of schools had voted against all of the above proposals.

Movement between Blocks

- One-year 0.5% transfer was proposed from the Schools Block to the High Needs Block to support SEND outreach interventions to alleviate pressure in High Needs Block, as identified in 'SEND 100' report, commissioned by DEF.
- £10.2m additional high needs funding was allocated for Devon (£1.2m relating to teachers pay and pensions grants). However, this remains insufficient to meet demand in Devon.

Consultation Questions:

1. **Do you agree to the unallocated £1.4 million funding part fund the movement between blocks;**
 2. **That the balance of £740,000 come from an AWPU contribution or by capping and scaling the large increases some had seen;**
 3. **If they disagreed to either or both the above, should the funding remain or go to schools (and explain)**
- **59% responses rejected proposal to £1.4m movement between blocks,**
 - **Consultation Question: How to fund 0.5% transfer balance (£740k) from Schools Block to High Needs Block**
 - **Option 1** – contribution from basic entitlement (AWPU)
 - **Option 2** – Capping at 2% and Scaling of 23.48%
 - **Option 3** – Capping at 3.74% and Scaling at 100%
 - **43% of schools responding wished to transfer funds with the preferred option being to cap increases to 3.74%. Whilst the remaining 57 schools did not want to see their NFF allocation reduced or capped.**
 - SEND 100 report findings were shared with schools during the consultation.
 - SFG discussed the possible transfer of surplus growth funding; it was confirmed that this arrangement would need to be administered as an adjustment during the year end process, and not a transfer.
 - SFG acknowledged that the transfer of funding between blocks remains a Schools Forum decision, but the LA would be permitted to disapply a decision to sec of state should a transfer not be approved. SFG acknowledged that disapplication would be an LA decision but cautioned against such action.

SEND 100

- As the SEND 100 project was originally commissioned by DEF, SFG requested that a further discussion takes place at next DEF meeting to include the report findings. **DS** undertook to provide additional clarity on the intended outcomes and the costed proposals of the SEND 100 project.
- Concerns were raised about the cost saving potential of some elements within the SEND 100 financial model, but it was acknowledged that some options presented potential for very good value for money.
- The group discussed concerns that had been raised around the inclusion of the SEND100 report in the consultation process which it was felt could have been interpreted as an endorsement of the report findings, rather than sharing proposed options as a possible future course of action.
- SFG were concerned that recommendations made in the paper were not in line with the majority of consultation responses from schools. The group

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was reminded that only 27% of schools did respond, the decision would rest with Schools Forum on how to proceed, and that DEF and the LA must attempt to proceed in the most appropriate way to ameliorate the wider high needs funding situation as part of the DSG.

- Heads and Governors remained resolute that schools representation in this discussion should mirror the responses given during consultation.
- SFG discussed the requirement to submit school level (rather than MAT level) responses to the consultation, and felt this may have affected the response rate. AF explained that the requirement for each school to respond separately was in response to previous school feedback indicating that the individual school voice could be suppressed when a single MAT response is submitted on behalf of a number of schools.
- PW explained that ten identical responses had been submitted on behalf of First Federation schools, which was time consuming and unhelpful. This did not change the level of responses as in previous years a MAT could respond in totality on one form resulting in the LA having to undertake lengthy process of splitting out the data. Responses only down 17 schools from last year.
- Considered the impact on different types of schools on the different options presented in the consultation.
- SFG noted that approximately £30k has been spent to date on the SEND 100 research project. Up to £100k had been approved for completion of the work.
- **Growth Fund** – Heads requested a separate discussion at SFG or DEF to consider options for allocation of the growth fund surplus, possibly towards intervention projects as outlined in SEND 100 report. AF clarified that this was not part of the consultation process; this would be a Schools' Forum decision, linked to the consideration of wider funding issues.
- The current financial year's growth allocations have not yet been made and adjustments will be made prior to the year end.
- Any agreed re-allocation of Growth fund would need to be actioned as a year-end adjustment and not a movement of funds across blocks.

Delegation and De-Delegation

- Most maintained schools responding to the consultation agreed to continue to de-delegate funding to commission services.
- Noted that ongoing mechanism for de-delegation following the introduction of the hard national funding formula is unclear.

Centrally Retained Services

- **School Admissions** – 89% of schools responding agreed to maintain funding for this service at £5.28 per pupil.
- **Emotional, Psychological and Social Wellbeing Services** – 81% of school responses were in favour of continuing to contribute £60k to this programme.
- **Phase Associations** – 83% of school responses were in favour of continued funding of the phase associations, with 52% wishing to continue with a one-year agreement.

Recommendations to DEF:

Following discussion, SFG endorsed the proposals for Schools Forum consideration:

- i. Set the MFG at plus 2% reducing to plus 0.5% depending on affordability
- ii. Top slice Phase Association funding prior to individual school budget allocation
- iii. One-year adjustment to Basic Entitlement (AWPU) for all pupils if funding permits.

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Note that the final funding rates may change subject to affordability when the October 2020 pupil data and Schools Block DSG settlement is confirmed in late December 2020.

In line with consultation responses, SFG recommended:

- iv. that the £1.4m unallocated DSG funding, is not transferred for 2021-22 to the High Needs Block to undertake actions identified by the SEND 100 Report Findings.
SFG did however recommend that DEF consider the proposals of the SEND 100 project and consider possible funding options, prior to any vote.
- v. Not to transfer the additional funding through one of the options proposed in the consultation.
- vi. consideration of the allocation of growth funding as part of the 2020-21 year end process.
- vii. SFG to advise the Maintained schools representatives of Schools Forum to decide, phase by phase, the delegation or de-delegation of the services listed in Section 3.4 and APPENDIX C.
- viii. to retain the funding centrally at the same level per pupil as 2019-20 for Schools Admissions Service.
- ix. to continue to give £60,000 for the Emotional, Psychological and Social Wellbeing Service.
- x. to top slice £223,000 from the Schools Block to fund the Phase Association (Devon SLS and DAG) for one year.

Action:

- SEND 100 discussion report, to include costed proposals, to be considered at DEF. **DS**

6. Any Other Business

- Noted that Public Consultation for the recommissioning of the Learner Services to Schools contract has been launched on 4 November.

Items for November DEF:

- SEND 100 Project
- Month 6 DSG report
- Schools Funding Consultation 2021-2022 responses
- Action taken by DCC to support additional Covid costs funding for schools – requested by DAG.

Next meetings:

Wednesday 6 January 2021 (9.15 – 12.45pm) – tbc

Wednesday 3 March 2021 (9.15 – 12.45pm) – tbc

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)