

## Schools Finance Group: Notes of meeting on Wednesday 9 November 2022

### Items for DEF to note:

- **Item 2 – DSG Monitoring Month 6**
- DEF to note the month 6 position and to acknowledge SFG concerns around quality of communication of the current position and measures being put in place to change LA policies and practice within schools.
- **Item 3 – High Needs Place funding**
- DEF to consider recommendations around ceasing top up funding of vacant places within Resource Base provision.
- **Item 5 – Homes for Ukraine funding**
- DEF to note current arrangements for deployment of government grant funding to enable the LA and schools to support Ukrainian children on roll
- DEF to note that further investigation is required into adequate funding of early years support and provision for Ukrainian children.
- **Item 6 – Schools Revenue Funding Consultation 2023-24**
- DEF to note SFG endorsement of recommendations and LA proposals for decision relating to 23-24 funding consultation responses.

### **ATTENDANCE**

#### **DCC**

Mat Thorpe -(chair)  
Adrian Fox  
Jackie Ross (part)  
Cliona Lee

Senior Assistant County Treasurer  
Head Accountant (Education & Learning)  
Interim Deputy and SEND Strategic Director  
Personal Assistant (Education) - notes

#### **Devon Schools Leadership Services**

##### **Primary:**

Jamie Stone  
Paul Walker  
Penny Hammett

Denbury Primary  
First Federation Trust  
FORT Federation

##### **Secondary:**

Sammy Crook  
Alan Blackburn  
Fay Bowler

Tiverton Federation  
Uffculme School  
Braunton Academy

##### **Alternative Provision:**

Rob Gasson

Wave Multi Academy Trust

##### **Special Schools**

Keith Bennett  
Sarah Pickering

Marland School  
Mill Water School

##### **DAG**

Faith Butler  
Alex Walmsley  
Adrian Hines

Special School Governors  
Secondary Governors  
Primary Governors

##### **Early Years Providers**

Gemma Rolstone

Puffins Childcare

##### **Other DCC Officers**

Karliene Bond  
Simon Niles

Senior Accountant (Schools)  
School Planning, Pupil Placement and  
Commissioning Manager  
Interim Head of Education (Delivery)

Rachel Shaw

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### SCHOOLS FINANCE GROUP

#### 1. Minutes of Previous Meeting – 14 September 2022

- All previous actions completed
- Minutes agreed as an accurate record.

#### 2. DSG Monitoring – month 6

- Month 6 position for DSG is showing the community deficit is rising to £123.8m at the end of the financial year. There is a £37m overspend identified.
- The High Needs and SEN placements in the independent sector shows high demand.
- Currently have £10m Management actions with £8.4m is expected to be delivered by March 2023. To date, £3.4m has been achieved. £5m expected to be achieved for the remainder of year.
- £1.6m has been identified as unachievable due to a delay in opening new resource bases from September and some planned 3-5 year independent placements not ceasing as expected.
- The increasing DSG deficit will have a considerable impact on future education budgets as well as financial sustainability of Devon County Council. Urgent action is required to reduce the demand on Education Health and Care Plans and independent placements.
- The authority is still waiting for confirmation from the DfE regarding acceptance into the Safety Valve Intervention Programme. Mindful that this would be a 5-year plan, and that that plans previously discussed will likely require refreshing.
- The overall DSG position as of March is £307.6m after recruitment of academies from the October census and January census for Early years. Schools block is showing to break even and Early Years is showing small underspend.
- Forecasts are still at risk to change. Overall High Needs Block is currently £2.8m
- 206 new independent provision starters this academic year.
- Mainstream budgets are currently at £744,000 overspend.
- Maintained, Academy and Special schools shows savings.
- Risks:
  - Change in senior leadership
  - SEN placements
  - Recruitment and retention
  - Rising costs in fuel and energy
  - Management actions
- Actions:
  - Quality data
  - Stakeholder involvement
- The group raised concerns around communication to schools.
- Paul Walker - There is a current risk of lack of stakeholder involvement and we need more engagement from schools. We are not trying to get re-engagement from schools and not communicating enough about what we are doing. There is a rolling theme around the SEND Improvement Board. Schools aren't aware of everything that is being done.

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- Rachel Shaw – We are starting engagement this week at DSLS conference, finalising messages to the Education and Learning Team and schools. We are sharing with the school those pupils falling out of the school system and a number of parents being forced to go into EHE. Alternative Provisions are now full and schools are not taking children back from AP into their settings. Until children can get back to school, we can't draw services back into the schools.
- Paul Walker - Only people who listen to those messages will hear them. It might be useful to keep track of who's received the messages and use an audit of who's opened the messages.
- Jamie Stone raised concerns around the way the budget is communicated to schools and the overspend in the High Needs Budget will need to be balanced out somehow. We have been communicating the need to change spend to schools and budgets, but nothing has actually changed and it might have even got worse in some cases. To say budgets are protected can lead to some thinking nothing needs to change.
- Jackie Ross explained there needs to be a clear crisp message to schools and also raised the fact that Devon receives low levels of deprivation funding. Headteachers are now being encouraged to participate in SEN Panels to strengthen multi-agency decision making. Feel that there is increasing recognition of the issues and that culture is starting to change.
- Paul Walker stated its clear things need to change and the group knows this, but other school colleagues are less familiar with the bigger picture – the focus is on the areas requiring improvement. Clarity is required on what changes will be requested in schools; areas for immediate action in schools and notification about LA policy and process changes which will impact on them.
- Keith Bennett raised concerns around declining inclusivity in schools with rigid protocols in place. Appropriate thresholds for a child to be in a particular kind of school should be revisited.
- Mindful that the Pandemic has impacted significantly on schools directly in terms of staffing, budgets and demand for support for children with additional needs. A standstill allocation for EHCPs and notional SEND is becoming untenable, and greater flexibility in the system will be welcomed.

### 3. High Needs Place Funding

- PW and AW declared an interest due to involvement in Trusts running Resource bases.
- Resource Provision – reviewing geographical location and the needs of the children placed there.
- Noted number of vacant places which have attracted base funding and top up funding. Resource base top up funding should not be in place where a child has not been placed.
- Considered involvement of headteachers in the commissioning process.
- JR outlined proposal to return to operational funding guidelines; ceasing to pay top up funding for vacant places.
- Funding for additional children above agreed places to be funded according to individual cost rather than on a fixed rate.
- Will be important to clearly outline the timeframe for any changes in funding protocol. Clarity for schools around 'guaranteed funding' and additional funding for pupils above agreed numbers.
- Urgent review required of resource bases which have not had any children placed for some time but continue to be fully funded.
- SFG agreed in principle to the change in funding policy, but recommended that affected schools are given appropriate notice of the change, and that

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funding already allocated should not be clawed back. Financial modelling required to assess the impact.

- The group discussed need to ensure continued financial viability of the bases and the LA ensure that vacant places are filled.
- Noted that top up rates vary according to the designation of the base.

### 4. Mutual Fund Board

- Data indicating pre-Covid levels of claims at month 6 indicating a year end surplus of £170k.
- Noted ongoing claims for long Covid, but these are now reducing from previous years, with no particular spikes in claims.

### 5. Homes for Ukraine funding

- Noted allocation of £547k with a further £2.8m expected from Government. Data provided by local housing authorities (District Councils).
- £1k per child has been allocated to Devon schools with Ukrainian children on roll. Resources have also been retained centrally to facilitate area-wide initiatives to support these children.
- Want to continue to retain central costs for transport costs and meet childrens needs with SEN as there are Ukrainian children who will need specialist placements.
- Increasing capacity of EMTAS team by employing English/Ukrainian teachers to provide a Universal offer including learning support and translation.
- SFG queried whether the notional centrally retained costs of £500k would be sufficient to meet anticipated needs. Simon Niles outlined predicted transport costs of circa £40,000 a year, 2% children will require specialist provision (around 10 children). Will be transparent reporting of the actual need and cost, and suggested that SFG oversee monitoring of spend.
- DSLS identified that schools want access to the central resource and support with additional funding to enable them to directly commission additional support.
- Mindful of limited capacity of EMTAS Team to scale up local support arrangements across the county.
- Rachel Shaw highlighted that this funding is for providing support directly to Ukrainian pupils rather than for the schools per se. Provision of infrastructure and community needs also need to be considered. The programme could extend to 2-3 years; the LA is taking a prudent approach to ensuring contingency.
- Proposed that £30,000 is passported to Early Years to fund places required based on funding committed to date. Additional funding could be made available if required from central or contingency to ensure statutory responsibilities are met.
- Gemma Rolstone raised particular concerns around surplus EY funding coming into the LA but is not being passed on to Early Years providers to ensure sufficient support is in place to adequately prepare young children prior to starting school. **ACTION: SN** to raise with Early Years Team.
- Clarity of information to schools and settings of the funding mechanism and access to support is required. **ACTION: SN/GR** to liaise with Sam Chapman re. Early Years comms about funding and breakdown of the costs to inform settings.
- Considered consultation mechanisms with schools – possibly through annual autumn consultation.

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### ACTION:

- **Simon Niles** to ask the Early Years Team how the £30,000 funding has been calculated for Early Years.
- **Simon Niles/Gemma Rolstone** to liaise with Sam Chapman re. Early Years comms about funding and breakdown of the costs to inform settings.

### 6. Schools Revenue Funding Consultation 2023/24

- Thanks to those attending and engaging with online events. These were attended by 72 representatives from 118 schools, representing nearly 38,000 pupils. 38% of all schools responded to the consultation – an improvement on previous years.
- Schools funding proposals were based on indicative funding announced in July 22 implementing the full national funding formula (NFF).
- Proposals consulted on setting the MFG at 0%
- If the funding received is lower than the indicative amount, then will adjust the sparsity factor.
- If actual funding is higher than indicative amount, then will distribute any unallocated funds in the following order:
  - Bring sparsity factor up to the NFF rates for 2023-23
  - take the MFG up to a max of 0.5%.
  - Go towards the amount being transferred to the High Needs Block up to a maximum of 0.5%.
- Schools were predominantly in favour of these proposals.
- It is proposed to set the MFG at 0% and depending on the allocation received in December, adjust the funding to schools as agreed in principle.

#### Movement between Blocks - proposals

- A transfer from the schools Block to the High Needs block to support increasing demands (79 schools (56%) did not agree to the transfer).
- Devon proposed 3 options for funding the 0.5% transfer to the HNB:
  - A reduction to the schools funding by using a % deduction across all funding factors.
  - A reduction to the schools funding by using a % deduction on Basic Entitlement (AWPU).
  - A one-off transfer from the Growth Fund Surplus.
- 130 schools (92%) preferred to fund the transfer via a one-off transfer of 0.5% (£2.48 million) from the growth fund surplus.
- **It is therefore proposed that the 0.5% transfer between blocks will take place for 2023-24 through a one-off transfer using the growth fund surplus.**
- AF clarified that should funding be transferred from growth fund, any surplus of funding allocation above the indicative amount would be put out to school budgets for one year.
- SFG raised concerns that schools voting responses indicate they would not be happy to a transfer, even through a one-off transfer could be from growth fund surplus and not schools block.
- Additional breakdown of responses by sector was requested for consideration at DSLS Exec on 17/11. (Sent 15/11 to SFG Members)
- SFG members were reminded that they represent all children in Devon's schools sectors.

#### Delegation and De-delegation:

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- 78 maintained schools (46%) representing 18,000 pupils. 75 maintained primary and 3 maintained secondary. Both phases responded favourably to keeping all of the services funded through de-delegation
- Noted School Improvement service, previously grant funded, now within DCC.
- It is proposed that all the services continue in their present state and that school improvement be provided by DCC at an estimated additional cost of £18.82 per pupil.
- Jamie Stone sought clarity the School Improvement arrangement is a topslice, not de-delegation and this should be clearly communicated with schools as this funding is from individual school budgets. **ACTION: AF** to clarify DfE terminology (**Confirmed to SFG 15/11**)
- SFG expressed concern around presentation of School Improvement proposals at consultation. Maintained Schools Heads had more widely expressed concern that they were not aware of the School Improvement offer and voted for the proposal to ensure continuity of service provision.
- SFG queried how are we ensuring schools receive quality of service and contact. What assurance is being put in place to ensure there is an impact- this is being picked up through One Devon and the work that Matthew Shanks is involved in driving forward. Expectations need to be clear prior to next year's consultation.

### Central Services:

- Last year, Devon County Council secured historic commitment funding through the disapplication process and have repeated this process for the coming financial year.
- There are 4 central services:
- Emotional, psychological and social wellbeing services. Schools will make an annual contribution of £60,000 for 2023-24.
- Phase Associations –top slice arrangement of £223k from the schools block for Devon SLS and DAG. £47k pooled from High Needs Block for SENTient Heads
- School Admissions – increase to £550k (£5.99 per pupil)
- Anycomms+ funded through top slice of £90 per schools for a 3-year period.

### Recommendations:

1. **SFG endorses proposals for DEF consideration:**
  - **To set MFG at 0%**
  - **To adjust sparsity factor (if actual funding lower than stated indicative amount)**
  - **To distribute unallocated funds (should actual funding be higher than stated indicative amount) as per:**
    - **Bring the Sparsity factor up to NFF rates for 23-24**
    - **Add to MFG up to maximum of 0.5% as per 23-24 guidance**
    - **Go towards amount transferred to HNB up to maximum of 0.5%**
2. **SFG to endorse the proposal to transfer 0.5% between blocks for 2023-24 through a one-off transfer of the growth fund surplus.**
- SFG felt point 2 had not been endorsed by SFG and requested this be amended to be an LA proposal.
3. **SFG to advise Maintained school reps to decide to de-delegate services as outlined.**
4. **SFG endorses proposals for Central Services as outlined.**

### ACTIONS:

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- **Finance colleagues** to present a breakdown of answers from all schools/sectors re. proposal of movement between Blocks
- **Adrian Fox** to check the guidance from the DfE on the terminology “de-delegation” as this is funded from the school, not the LA.
- **Rachel Shaw** to liaise with Matthew Shanks around School Improvement offer and need for clear communication to schools about entitlement and impact.
- **Adrian Fox** to amend recommendation re. *the proposal to transfer 0.5% between blocks for 2023-24 through a one-off transfer of the growth fund surplus.* stating that the Local Authority recommends this option rather than SFG endorsing.

### 7. Items for DEF on 23 November / Any Other Business

- Consultation and amendments to be made around proposals being put by the Authority.
- Funding for Resource Provision (Jackie Ross)

### Future meeting dates:

- **Friday 6 January 2023** (09.15 – 12.30 – Teams)
- **Wednesday 8 March 2023** (09.15 – 12.30 – Teams)
- **Wednesday 7 June 2023**
- **Monday 10 July 2023** (12.30 – 15.45 – Teams)
- **Wednesday 13 September** (09.15 – 15.30 – face to face – Venue tbc)
- **Wednesday 8 November 2023** (09.15 – 12.45) – Teams
- **Friday 5 January 2024** (09.15 – 12.30 – Teams)
- **Wednesday 6 March 2024** (09.15 – 12.30 – Teams)