

Schools Finance Group: Notes of meeting on Wednesday 13 September 2023

ATTENDANCE

DCC

Mat Thorpe - Apologies	Deputy Director of Finance and Public Value
Adrian Fox - Apologies	Head Accountant (Education & Learning)
Rachel Shaw (chair)	Head of Education (Delivery)
Heidi Watson-Jones	Safety Valve Project Officer

Devon Schools Leadership Services

Primary:

Jamie Stone	Denbury Primary
Paul Walker	First Federation Trust
Penny Hammett	FORT Federation
Christopher Tribble	Honiton Primary

Secondary:

Sammy Crook	Tiverton Federation
Alan Blackburn	Uffculme School
Fay Bowler	Braunton Academy

Alternative Provision:

Rob Gasson	Wave Multi Academy Trust
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Special Schools

Keith Bennett	Marland School
Sarah Pickering	Mill Water School

DAG

Faith Butler (apologies)	Special School Governors
Alex Walmsley	Secondary Governors
Adrian Hines	Primary Governors

Early Years Providers

Gemma Rolstone	Puffins Childcare
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Other DCC Officers

Karlien Bond	Senior Accountant (Schools)
Katrina Harverson	Principal Accountant – Education & Learning
Kellie Knott	SEND Improvement Director
John Rowe	Business Analyst – Future Finance Team

SCHOOLS FINANCE GROUP

1. Minutes and matters arising from meeting on 7 June 2023

- **SN** – To provide update on growth fund allocations for schools experiencing bulge year of admissions prior to next SFG meeting – **circulated post meeting**
- **SN** – to provide update for DEF on H4U prior to Christmas
- Communication and engagement with schools remains important, however with a further change of leadership there has been a review of the whole system and clarity around the new approach will be communicated with stakeholders.
- Noted that SFG had previously sought assurance that the budget set was more achievable and realistic. The group acknowledged that there would

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be movement from projected budgetary position depending on the impact of service delivery.

- RS reported that it was felt that there was now more honesty around the budget set for the coming financial year, although school leaders expressed ongoing frustration that key messages and information were not being effectively communicated.
- Heads were concerned about the temporary nature of strategic plans as leadership changes.
- The absence of key DCC finance and service officers at the meeting was raised as a significant concern as it was felt this reduces effective discussion and information sharing.
- The group agreed that an action log be established for the Schools Finance Group to enable clearer tracking of progress.

ACTIONS

- **SN** to provide update on growth fund allocations for schools experiencing bulge year of admissions prior to next SFG meeting - **complete**
- **SN** to provide update for DEF on H4U prior to Christmas
- **HWJ** to establish and share SFG action log.

2. DSG monitoring – month 4

- Month 4 year end projection is currently showing a DSG overspend of £37.7m.
- DSG adjustment account (showing cumulative DSG deficit) is projected to rise to £162m by year end.
- £9.6m management action savings have been identified at risk of not being delivered, which the group discussed. Devon has been invited to submit a draft plan for inclusion in Tranche 4 of the DfE Safety Valve programme, this submission will align with the refreshed SEND Transformation Programme.
- There was discussion around the role and ability of LA services to affect improvement and bring budgets into line. The appointment of substantive leadership roles across Children's services is expected to improve effectiveness. Colleagues reiterated the need for clear communication between LA services and finance to improve accuracy of reporting.
- Regular updates for school leaders are crucial to enable better understanding of the situation and encourage increased support from schools to jointly deliver strategic improvement.
- Noted the pressures emerging around increasing Alternative Provision costs. Improved commissioning and procurement practice in this area is being developed currently.
- The group noted that this area has been demand-led and is under significant pressure – co-production of solutions with schools and providers will be key moving forwards. SFG requested an update at the next meeting outlining the reasons for the increase and strategies to address this.
- SFG felt that the High Needs Sub Group had provided an opportunity for focused joint scrutiny to consider the impact in schools.
- Noted the negative impact of the Growth fund subsequent to the DEF decision to transfer 2023/24 funds to support projects to help address the high needs block deficit.
- Discussed the ceasing of backdated funding to schools where EHCP issue is delayed. SFG shared concerns around the impact of this decision at school level and the possibility of additional pressure being placed on Early Years settings to request an EHCP prior to a child starting at reception.
- It was noted that SEND Improvement Board does not currently have Early Years representation. **KK** to consider this.

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- Noted positive movement around the reduction in specialist independent provision costs.
- Discussed the revision of management actions as part of the Safety Valve which will have an impact on budget projections.

ACTIONS:

- **KK** to share DCS letter around delayed EHCP funding with DSLS Exec.
- **KK** to consider Early Years representation at SEND Improvement Board.
- Next meeting to consider the reasons behind significant increases in AP costs, and strategies to address. **Simon Niles & Matthew Gould**

3. Future Finance Project

- John Rowe shared information about transition to a new corporate finance system by summer 2024.
- Implementation of the new system into mainstream schools was considered. Maintained school representatives were asked to participate in workstreams working on the implementation planning.
- SFG requested that schools involved in the workstreams are identified to cover a range of size and characteristics.

ACTION:

- **JR** to forward details of request to DSLS (**complete**)

4. Safety Valve Update

- Kellie Knott reported that SEND Improvement Programme has been reviewed; this previously focused on the Ofsted improvement plan but will now be widened to encompass Safety Valve and need for wider system-wide improvement. This will move forward as a refreshed SEND Transformation Programme.
- Safety Valve business cases have been reviewed for inclusion in a new Safety Valve proposal for the DfE for submission in December 2023, in consultation with DfE advisors.
- SEND Transformation Board will include stakeholders and project leads to monitor, track and challenge progress.
- New Cabinet member for SEND (Cllr Lois Samuel) has been appointed.
- SFG members queried how relevant information will be shared and reported to SFG and DEF, particularly around schools funding and the high needs block. Clarity around roles was requested, and KK indicated this will be explored at SEND Board.
- Programme and Project management team has been established to support the transformation programme.
- Schools and other stakeholders will have a role in ensuring management actions are achieved.
- SFG considered how project leads and senior leadership will be held accountable in delivering a consistent plan over the next 3-5 years.
- SFG requested that the structure and vision for SEND Transformation is urgently communicated to schools. Moving forwards, evidence of impact of actions and progress needs to be shared more regularly with schools.
- Heads considered the impact of increased number of parental requests for EHC assessments and how the LA can work more closely with stakeholders and partners in other organisations to better meet needs of children with SEND.

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ACTIONS:

- **KK** to plan communications to schools around direction of travel around SEND Transformation.
- **KK** to discuss strategy with Stuart Collins around notification to schools of change of policy re. backdated funding for delayed EHCPs

5. AWPU recovery

- DEF had previously agreed transfer of 100% AWPU where a pupil has been removed from school roll to be educated out of school through an EOTAS arrangement and medical Alternative Provision.
- The LA has recognised that schools need to retain a responsibility for dual-registered pupils for safeguarding and exam arrangements, and as such will require an element of funding to secure this.
- Recommendation remains that 100% AWPU is recovered where the child is removed from the school roll, but that 80% of AWPU is recovered where a dual-registration arrangement remains in place.
- In addition, it is proposed that a proportion of AWPU is recovered where a child leaves the school roll to be electively home educated. A nominal amount of £500 per child would enable investment into the EHE team to provide essential home and education checks.
- Noted that analysis is currently being undertaken on the reasons for moving to EHE and the levels of return to the school environment.
- The LA has identified a significant increase in children electively home educated. The LA has statutory duties to ensure that children have a safe and appropriate education provision.
- SFG suggested that a different approach is required to fund a sufficient and effective EHE team to ensure that provision is appropriate. SFG requested that the legality of considering a collective school-funded proposal be explored.
- **ACTION: RS / SN / Finance** EHE service funding be reviewed as above, along with practice in other LAs, to identify an appropriate way forward to fund capacity in the Local Authority EHE team that does not penalise schools through removal of AWPU and per pupil funding.
- **ACTION: legal team and finance team** to provide assurance that this approach is legally compliant.
- SFG requested that other LAs are consulted to gain information about how their EHE services are funded.
- Correspondence with Chumleigh Community College was shared with SFG members and considered. It was confirmed that clarity had been sought around the legality of AWPU recovery practice, particularly for academy schools.
- **ACTION: AF** - SFG requested that assurance on the legal position around AWPU recovery is provided **prior to DEF**

Agreed:

- SFG recommended to DEF that 100% AWPU and per-pupil funding is recovered where a child is removed from a mainstream school roll to be educated through an EOTAS arrangement.
- SFG recommended that 80% of AWPU and per-pupil funding is recovered where a dual-registration arrangement remains in place (e.g. for S19 medical AP provision)
- SFG recommended to DEF that the LA undertakes a review of possible funding options to help build capacity in the EHE team.

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ACTIONS:

- **ACTION: RS / SN / Finance** review EHE service funding of the current EHE service, along with practice in other LAs, and the legal remit for schools to collectively fund additional capacity in the team.
- **ACTION: legal team and finance team** to provide assurance that the practice of AWPU recover is legally compliant, prior to next DEF meeting.

6. Mutual Fund Board

- Noted current projected overspend of £33k
- If overspend continues the mutual fund will not fully reimburse the second 50% of claims in order to bring the fund back into balance.
- Noted the impact of recent pay awards for teachers. Clarity to be sought on how the reimbursement rate is calculated – as a fixed amount or a sum linked to actual pay.

Agreed:

- **KB** to check whether the reimbursement rates are in line with recently agreed teachers pay awards.

5. Items for DEF

- **SEND service update ACTION: KK**
- AWPU recovery – legal advice and options to explore around funding additional capacity in EHE team.
- Growth Fund update – to be provided prior to DEF with update at next SFG meeting. – **ACTION: SN**

AOB

- Early Years additional inclusion funding to be submitted during half term prior to term the child is eligible for funding
- Concerns that settings will be disadvantaged from April 2024.
- **ACTION: KH and Sam Chapman** to consider

Future meeting dates:

- **Monday 6 November 2023** (14.00 – 17.30) – Teams
- **Friday 12 January 2024** (09.15 – 12.30 – Teams)
- **Wednesday 6 March 2024** (09.15 – 12.30 – Teams)