

## Schools Finance Group: Notes of meeting on Monday 6 November 2023

### Key Points for DEF to Note:

#### Item 1 – AWPU recovery

80% AWPU and per pupil funding recovery to be backdated to September 2023 where children move to an EOTAS or Section 19 education provision.

#### Item 3 – Alternative Provision

- Strategic review being undertaken of Alternative Providers used by both LA services and schools to inform an improved commissioning and contracting framework with providers.
- **SFG recommended to DEF** that an agreed dynamic process is urgently established between the LA and Schools to reduce the number of exclusions for learners with EHCPs.

#### Item 4 – Homes for Ukraine Funding

SFG endorsed a further allocation of funding to schools with Ukrainian pupils on roll, with the balance to be allocated in the spring term. Government has confirmed that all grant funds for this group must be spent by the end of the financial year.

#### Item 6 – Schools Funding Consultation 2024/25

1. **SFG endorsed** the proposals for schools funding for Schools Forum consideration (in line with the results of the consultation):
  - i. to set the Minimum Funding Guarantee (MFG) to at 0%
  - ii. to distribute any unallocated funding in the following order:
    - a. Go towards the amount being transferred to the high needs block up to a maximum of 0.5% **Provided Proposal 4 is agreed.**
    - b. Increase AEN factors by up to the allowed maximum of 2.5%.
    - c. Increase all other factors up to the allowed maximum of 2.5%.
    - d. Increase the MFG up to a maximum of 0.5% per 2024-25 guidance.
  - iii. to bridge any funding gap in the following order:
    - a. Reduced AWPU by up the allowed maximum of 2.5%.
    - b. Reduced all other factors by up the allowed maximum of 2.5%.
2. **SFG requested further clarity** on proposals to transfer up to 0.5% from schools block to high needs block to fund enhance an Early Help education offer.
3. **SFG endorsed** the de-delegation of the services listed in Section 5.1 in line with the results of the consultation. The mainstream maintained schools' representatives of Schools Forum will be required to vote on each service (unless there is unanimous agreement to vote on all services together), with Primary and Secondary voting separately.
4. **SFG endorsed** the funding of central services listed in section 6.1 in line with the results of the consultation.
5. **SFG endorsed** the proposal to submit a disapplication request for exceptional circumstances relating to school premises for 2024-25.

#### ATTENDANCE

##### DCC

Mat Thorpe

Adrian Fox

Matthew Shanks (part)

Deputy Director of Finance and Public Value

Head Accountant (Education & Learning)

Head of Education (Strategy)

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Rachel Shaw - **Apologies**  
Heidi Watson-Jones

Head of Education (Delivery)  
Safety Valve Project Officer

### Devon Schools Leadership Services

#### Primary:

Jamie Stone  
Paul Walker  
Penny Hammett  
Christopher Tribble

Denbury Primary  
First Federation Trust  
FORT Federation  
Honiton Primary

#### 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 (part)  
Sarah Pickering

Marland School  
Mill Water School

### DAG

Faith Butler  
Alex Walmsley  
Adrian Hines - **Apologies**

Special School Governors  
Secondary Governors  
Primary Governors

### Early Years Providers

Gemma Rolstone

Puffins Childcare

### Other DCC Officers

Karlien Bond  
Katrina Harverson  
Kellie Knott  
Simon Niles  
Matthew Gould (part)  
Stuart Collins (part)  
Becky Hopkins  
Lise Bird(part)

Senior Accountant (Schools)  
Principal Accountant – Education & Learning  
SEND Improvement Director  
Children's  
Strategic Lead for Inclusion / Vulnerable children  
Director of Children and Young People's Futures (part)  
Deputy Dir for Children's Social Care  
Head of Early Help and Partnerships

## SCHOOLS FINANCE GROUP

### 1. Minutes and matters arising from meeting on 13 September 2023

- **KK** confirmed that Early Years providers now have representation on SEND Transformation Board.
- **KK** confirmed a communications strategy is being developed for the SEND Transformation Programme, and is liaising with DSLs.

#### AWPU Recovery

- Some initial work has been carried out to reconsider funding of the current Elective Home Education service, but this is hampered by lack of officer capacity. SN explained that a small amount of funding following children out of school could significantly improve the capacity of the statutory EHE service. Investigation into funding of other LAs' EHE services taking place; Devon is a statistical outlier for number of children EHE. Noted that the team is currently term time only; full time staffing would be helpful, as would a dedicated EHE officer to cover North Devon.

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- Proposal to be returned to SFG to consider funding of the EHE service.
- AF confirmed that the approach was legally compliant – Understand that the DfE has undertaken to provide clarity on the ambiguity in the operational guidance.
- SFG expressed concerns about proposal to backdate AWPU recovery to September 2023, although it was confirmed there is a precedent for doing so. There were particular concerns around the transfer of Free School Meals funding, with Heads highlighting the need for as much flexibility as possible to ensure provision for vulnerable pupils. SFG agreed that it was sensible that the home school continue to make provision for free school meals as that funding has remained in the school.
- SFG requested that proposals were finalised in advance of Devon Education Forum.
- Noted mutual fund reimbursement rates were last reviewed some years ago.
- All other actions complete or closed.
- Minutes agreed as an accurate record.

### **ACTION:**

- **SN / MG / AF** - to review and finalise AWPU / Pupil Premium / Free School Meal recovery prior to DEF.

## **2. DSG monitoring – month 6**

- Overall position showing £38.1m overspent, predominantly within the High Needs Block.
- Safety Valve plan submission to DfE due 15 December.
- AP, tutoring and specialist provision budgets remain under significant pressure.
- Noted summary of risks: slippage in projects will result in reduced savings. Noted that some SV projects have been ceased, and new projects continue to be developed.
- Kellie Knott confirmed that a risk register is in place covering the wider SEND Transformation Programme, linking into the Corporate risk register. SFG requested sight of the risk register.
- DEF to receive Safety Valve update prior to submission to DfE. SFG members reiterated the importance of ongoing dialogue between the LA and schools to ensure longer term success of projects included in the Safety Valve.

### **ACTION:**

- **KK** to share SEND Transformation Programme Risk Register with SFG

## **3. Alternative Provision**

- SFG had requested some information on the significant pressures on the AP budget currently.
- Exclusions have increased significantly from 93 in 2018/19 to 190 in 2022/23, with statutory AP provider now at maximum capacity. This leads to the commissioning of more costly bespoke packages while children await places to become available at Wave.
- Section 19 duties exist for children with medical issues, however lack of capacity is leading to Ombudsman penalties where statutory timeframes to provide education are not met.
- £2.9m budget pressure associated with packages for these learners.

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- Exclusion of children with statutory plans is an increasing concern, particularly given the lack of suitable commissioned alternative provision at primary phase. Learners with an EHCP have extended periods of time in Devon's commissioned alternative provision and is therefore reducing the capacity for other students requiring such provision. Devon's current position is a child is 3 times more likely to be excluded with a statutory plan which is 50% above national average. SFG supported the recommendation to develop a process for preventing exclusion for learners with EHCP as soon as possible.
- Proposed that the AP sector is used in a more preventative way through intelligent commissioning of intervention and outreach services.
- Currently looking at a more strategic approach to contracting provision. DSLS has undertaken to request information about AP provision being commissioned by schools and at what cost.
- It is hoped this will lead to a jointly commissioned approach, securing appropriate, good quality provision at a reasonable cost. However, need to identify where early intervention or system change will make the most immediate difference.
- Suggested exploring with schools the primary autumn term exclusions to understand the school experience, and clarify the roles of the SEN statutory team, Inclusion, Virtual School and other colleagues.
- Noted that Inclusion officers are not always made aware of school concerns with individual learners prior to exclusion.
- SFG supported ongoing strategic conversations regarding the short, medium and long term commissioning / delivery of AP.

### **ACTION:**

- **DSL**S to invite **SN / MG** to discuss 2023/24 ac year Exclusions, AP processes and commissioning strategy at DSLS Executive.
- **SFG recommended to DEF** that an agreed dynamic process is urgently established between the LA and Schools to reduce the number of exclusions for learners with EHCPs.

### **4. Homes for Ukraine funding**

- Acknowledge that government have provided no flexibility to carry funding forward beyond March 2024.
- SFG endorsed a final funding release of £2,000 per pupil to schools with Ukrainian children on roll based on April 23 numbers, and a final issue of funds and update to SFG members in February 2024.
- Thanks were expressed to all the schools that have been involved in supporting these children in their schools.
- **Post meeting note:** Schools have been notified of the recommendations supported by SFG.

### **5. Mutual Fund Board monitoring**

- Small deficit currently projected for year end, based on prudent forecasting over winter months.
- Considered reimbursement rates, with concerns that a funding gap has emerged where reimbursement does not match the current teacher pay rates. It was felt that schools would wish to be assured that their budget will be reimbursed at a comparable rate.

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- Felt that it would be appropriate to review the levels of funding that are being provided compared to other packages available on the market – possibly by increasing the premium.
- **ACTION: KB** to model options around premium increase and potentially different levels of cover

### **ACTIONS:**

- **ACTION: KB** to model options around mutual fund premium increase and a range of cover options.

## **6. Schools Revenue Funding Consultation 2024/25**

- Funding consultation responses from schools had been shared with the group.
- 33% of schools responded to the consultation, representing just over 34,600 pupils.
- **Proposal 1 – Minimum Funding Guarantee set at 0%**
- **Proposal 2 – Management of excess funding available**
- **Proposal 3 – Management of a funding gap**
- The majority of schools had agreed with these first three proposals.
  
- **Proposal 4: Movements between Blocks** – 61% of schools did not agree to transfer funding between blocks.
- KK explained that the development of a clear and consistent Early Help offer is crucial to prevent escalation to statutory services. The LA recognise that Early Help has not been as successful in Devon as we would have wished.
- Lise Bird outlined a vision for a renewed holistic multi-agency Early Help service, which could be pump-primed by an agreed funding transfer.
- Family Hub approach will help navigate families to appropriate support they need to promote resilience. Looking to double the number of teams in an area-based approach to a total of 56 family workers.
- SFG members reiterated their disappointment in the handling of the funding transfer during the 2023/24 financial year, with funds transferred from the Growth Fund ultimately being allocated to fund the Devon Schools Collaborative Inclusion Projects, rather than plans as set out during the 2022 consultation. It was noted that this redirection of funding had subsequently been notified to SFG. The remainder being retained in the Growth Fund to offset the deficit.
- SFG shared concerns around the timing of information being shared with the group, and the schools' community, which was not available during the consultation period.
- **Action: SC / BH / LB** to develop a more detailed, costed business case explaining the proposed way forward, which can be considered by schools via DSLs.
- There were concerns around the LA's ability to recruit; LB explained that with the closure of the Action for Children contract, experienced staff would be available to the LA on a TUPE basis.
- SFG sought to explore the potential risk to the Safety Valve agreement with the DfE; KK confirmed the DfE Safety Valve focus is on meeting need earlier, and system-wide change cannot be delivered without investment in earlier intervention.
- It was felt that schools will want assurance of formal impact monitoring of the investment. It was confirmed that any unspent amount would be re-issued back to the schools' block as a year-end adjustment.

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- Heads highlighted the negative impact that any funding transfer will have at school level to manage early intervention on the ground.
- Heads queried whether DSG is an appropriate funding source for this area of LA social work. The group were reminded that any funding block transfer agreement would be for one-year only..
- Heads raised the Early Help for Mental Health topslice, which was a difficult decision some years ago, but which schools now recognise as a valuable ongoing resource investment.
- Noted that the LA is already funding the current level of provision however additional investment would enable a system-wide approach to Early Help in schools. Without additional funding, there will be a reduction in the level of support available with a focus on step-down from statutory services rather than increasing support to vulnerable children in schools.
- SFG discussed the proposals in great detail and explored issues around timing of information sharing, costings and concerns around robustness of the plan without an opportunity for school leaders to input.
- SFG requested whether a delayed 'mini consultation' could take place in time for the January DEF, allowing time for schools to consider a more detailed proposal around Early Help investment. Finance colleagues confirmed this would be difficult.
- It was suggested that schools could be approached further with a proposal for a transfer of less than 0.5% for 24/25 and a further investment of 0.5% for 25/26 when the benefits of the initial investment could be evidenced.
- **Action: Becky Hopkins** to develop differently costed options which could complement a block transfer request of less than 0.5%.
- Noted DSLS briefing on 9/11 and DSLS Exec on 16/11 could provide opportunities for DCC officers to consult with school leaders and provide assurance that the system is moving in the right direction.
  
- **Delegation and De-delegation** - Schools supported continued de-delegation of funding for all services.
- The group considered whether it would be appropriate for the LA to follow up on comments within the consultation responses which may not be factually accurate.
- **Central Services** – The majority of schools supported the continuation of funding for all central services for one year only.
- **Disapplication request – exceptional circumstances relating to school premises.**
- Noted Schools Forum agreement must now be sought to move to disapplication from DfE.

### Recommendations to DEF:

SFG endorsed the proposals for schools funding for Schools Forum consideration (in line with the results of the consultation):

- i. to set the Minimum Funding Guarantee (MFG) to at 0%
- ii. to distribute any unallocated funding in the following order:
  - a. Go towards the amount being transferred to the high needs block up to a maximum of 0.5% **Provided Proposal 4 is agreed.**
  - b. Increase AEN factors by up to the allowed maximum of 2.5%.
  - c. Increase all other factors up to the allowed maximum of 2.5%.
  - d. Increase the MFG up to a maximum of 0.5% per 2024-25 guidance.
- iii. to bridge any funding gap in the following order:
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b. Reduced all other factors by up the allowed maximum of 2.5%.

SFG requested further clarity on proposals to transfer up to 0.5% from schools block to high needs block to fund enhance an Early Help education offer. A separate report to be provided to DEF.

SFG endorsed the de-delegation of the services listed in Section 5.1 in line with the results of the consultation. The mainstream maintained schools' representatives of Schools Forum will be required to vote on each service (unless there is unanimous agreement to vote on all services together), with Primary and Secondary voting separately.

SFG endorsed the funding of central services listed in section 6.1 in line with the results of the consultation.

SFG endorsed the proposal to submit a disapplication request for exceptional circumstances relating to school premises for 2024-25.

### Action:

- **SC / BH / LB** to develop a more detailed business case explaining the proposed way forward, including a range of costed options which could complement a block transfer request of less than 0.5%.
- **MT / KK** to discuss with DfE advisers the potential impact on Safety Valve of not agreeing a funding block transfer.
- **KK** to provide report on proposals to transfer up to 0.5% from schools block to HNB for Early Help education offer to DEF.

### Future meeting dates:

- **Friday 12 January 2024** (09.15 – 12.30 – Teams)
- **Wednesday 6 March 2024** (09.15 – 12.30 – Teams)
- **Wednesday 5 June 2024** (09.15 – 12.30 – Teams)
- **Monday 8 July 2024** (14.00 – 17.00 face to face – venue TBC)
- **Monday 9 September 2024** (all day – face to face – venue TBC)
- **Wednesday 6 November 2024** (09.15 – 12.30 – Teams)
- **Friday 10 January 2025** (09.15 – 12.30 – Teams)
- **Wednesday 5 March 2025** (09.15 – 12.30 – Teams)