

SCHOOLS FINANCE GROUP

Notes of meeting on 4 January 2017 at Larkbeare House

		Attendance		
		4/1/17	5/10/16	6/7/16
DCC				
Nicola Allen	Assistant County Treasurer	✓		
John Holme	Assistant County Treasurer (People)	-	✓	✓
Julian Dinnicombe	Head Accountant (Education & Learning)	✓	✓	Apologies
Adrian Fox	Senior Accountant (Schools)	✓	✓	✓
Heidi Watson-Jones	Service Support Officer (Education)	✓	✓	✓
DAPH				
Jonathan Bishop	Broadclyst Primary	Apologies	✓	Apologies
Alun Dobson	Marwood Primary	✓	✓	✓
Jamie Stone	Denbury Primary	✓	✓	✓
Paul Walker	Sidmouth Primary	✓	✓	✓
DASH				
Daryll Chapman	Okehampton College	✓	✓	Apologies
David Fitzsimmons	Holworthy Community College	Apologies	✓	✓
Lorraine Heath	Uffculme College	✓	Apologies	✓
Matthew Shanks	Coombeshead Academy	✓	Apologies	✓
SHAD				
Keith Bennett	Marland School	✓	✓	✓
Jacqui Warne	Learn to Live Federation		✓	✓
DAG				
Faith Butler	Special	✓	✓	✓
Malcolm Dobbins	Primary	✓	✓	Apologies
Jill Larcombe	Secondary	✓	✓	✓
EY Providers				
Gemma Rolstone	Early Years – PVI (Puffins Childcare)	✓	✓	✓
In Attendance				
Dawn Stabb	Head of Education & Learning	✓		
Julia Foster	Strategy Lead – SEND 0-25	✓		
Claire Rockliffe	Lead – Early Years	✓		
Marie Stone	Finance Officer – Early Years	✓		

1. Item/Focus: Minutes and Matters Arising from meeting on 5 October 2016

Discussion:

- Letters have been sent to all secondary schools from Schools Company regarding removing eligible children from roll in advance of the January census.
- Confirmed that alternative uses of childcare funding linked to transport and travel time.
- Fairer Funding campaign – letters had been sent to all local MPs. Proposed meeting with SW MPs delayed until after close of the National Funding Formula consultation period.

Key Decision/Issues for DEF: Minutes were agreed as an accurate record.

Action: HWJ to re-circulate papers and briefing notes relating to Fairer Funding campaign.

2. Item/Focus: DSG Monitoring – month 8

Discussion: <ul style="list-style-type: none"> • All Carry Forwards from 15/16 now approved through Cabinet. • £4.32m pressure remains until 17/18 budget announced and uplift confirmed. • Considered Alternative Provision and Hospital School where Devon has funded placements previously assumed to be covered by other LAs. Noted that the cost increase is less than expected. Noted AP budget assumptions have been based on profile of permanent exclusions. • Considered post 16 placements which are jointly funded through adult services. • New protocol in place to ensure other services, including Adults, Social Care and Health are more closely involved in the placement process. Ongoing concern that medical and health needs continue to be funded through school budgets. • Noted that an error around the treatment of the length of package led to a significant increase in costs between months 5 and 8. • Discussed funding for the forthcoming PSP conference. Noted that the focus for the day will be on consolidating learning for the future. Consultant support for this area of work will continue until end March 2017. 	
Key Decision/ Issues for DEF:	Report noted.
Action:	
3. Item/Focus: Early Years National Funding Formula	
Discussion: <ul style="list-style-type: none"> • Noted DfE consultation on a National Funding Formula for Early Years. Devon will receive £4.30 per hour from 2017/18, and is proposing to increase the rate paid to providers to £3.98. • The group considered the removal of a lump sum payment, regarding settings with higher qualified staff. Understood that the EY funding task group had previously agreed to phase out the lump sum payment; MS to check. • 30 hour entitlement to begin in September 2017 and there are concerns regarding the short timescale if proposals were to change before then. Concerns were raised about the long term sustainability for providers with the proposed increase in hourly funding. • Noted that central costs in Devon are already below the expected national minimum. • Discussed a further modelling exercise. 	
Key Decision/ Issues for DEF:	Proposed that DEF recommends: <ul style="list-style-type: none"> • Increase in hourly provider rate for 3 and 4 year olds to £3.98 from April 17, and when 30 hour entitlement commences in September 17. • Increase in hourly provider rate for 2 year olds to £4.90 from April 17.
Action:	<ul style="list-style-type: none"> • Marie Stone to check decision of Early Years funding task group regarding phasing out of the lump sum. • MS to look at further modelling with a view to a refreshed consultation with EY settings.
4. Item/Focus: Financial Planning 2017/18	
Discussion: <ul style="list-style-type: none"> • Cabinet to discuss DSG and HNB funding transfer on 11/1. £2.22m transfer proposed from Schools Block to HNB equating to a permanent £33 reduction per pupil to schools. Clarity was sought on whether this would be decided at Cabinet or recommended to Full Council on 16/2. • Considered consequences of the funding transfer resulting in additional schools falling into Minimum Funding Guarantee, a position which was regretted by the Phase Associations. Noted that extensive modelling has taken place in a short space of time to identify an optimum proposal. • Mindful that following the consultation, the LA may not be permitted to action further transfers of funding out of the Schools Block in the future, and an adequate measure needs to be put in place now to support High Needs. • Carry forward decisions for 16/17 will be brought to DEF for consideration in March. LA needs agreement of Schools' Forum for a deficit carry forward; which may be taken to Sec of State if 	

not approved locally. It is an LA decision to agree a change to AWPU; although Cabinet will take DEF recommendation into consideration.

- Considered Early Years Block funding contribution, and acknowledged that funding constraints are also present within the EY sector, but that projected savings from the implementation of the 2 year old provision are to be diverted to ease the HNB pressures.
- The group considered whether it would be profitable to model a split between primary and secondary Schools Block.
- Discussed the contribution of other agencies, particularly Health, towards the HNB pressures, recognising that many ISP placements are made as a result of the complex needs of the individual. Mindful of measures already in place to reduce ongoing costs through SEND 0-25.
- Phase Associations were very concerned that the presentation of the Cabinet report proposals might not fully reflect the serious longer term implications of schools' funding reductions as a result of a range of factors including NFF, NLW and NI contributions, Apprenticeship Levy. There were concerns that local Members might not fully appreciate the implications of the funding pressures; noted that no responses had been received from Members following a letter sent to Cabinet from DAPH Executive(8.11.16).
- Considered the impact of the reduced school budgets on future FIPS submissions.
- **NA** reiterated that the proposed transfer would equate to a reduction of AWPU, until the end of 18/19 by which time it is expected that the deficit will be fully recouped, which would be base-lined within the new National Funding Formula. Mindful that High Needs Funding spend needs to be accurately reflected now before base-line budgets are calculated from 2018/19 new funding arrangements.
- The group recognised that Devon LA has historically strived to passport as much funding as possible directly to schools and are sympathetic to the schools' strong objection to this proposed transfer.
- SFG considered how the Local Authority could determine not to try to balance an un-balanceable budget and refer the proposed deficit back to the DfE on the basis that national policy change has resulted in an unaffordable model which the LA is legally bound to implement. Noted that the HNB pressures include non-statutory SEN funding allocations to schools.
- The group discussed that schools block should be in the strongest financial position possible in time for a baseline to be calculated in readiness for the NFF. From 18/19, high needs will be within the remit of the Local Authority, and budgetary pressures separated from the mainstream DSG.
- SFG members were extremely concerned that the strength of view from the mainstream school sector would not be accurately reflected at Cabinet, and considered options for making a representation at the meeting, clearly highlighting the seriousness of the impact of this recommendation on schools.
- There was discussion around the possible continuing pressures on the High Needs Block, and possible use of the Growth Fund. It was noted that wherever possible, should circumstances allow, a reimbursement to schools towards the AWPU reduction will be made.
- SFG discussed the possibility of carrying forward the full projected deficit at the end of 17/18, and addressing options during 18/19 when NFF baselines will be set and a clearer picture of future funding patterns is available. Finance Officers felt that a delay would exacerbate the long term DSG financial situation.
- Clarified that this would be a Cabinet decision, with a possibility for Call-in following the meeting which could result in consideration at Scrutiny. This would delay a ratified APT submission to after the DfE Deadline of 20 January.

Key Decision/Issues for DEF:	After extensive debate, schools representatives were unanimous in their rejection of the proposed transfer of funding from the Schools Block to support High Needs Block funding pressures. The group concluded that there is insufficient funding within the DSG to adequately address need.
Action:	AF to clarify whether DSG provision will be required in future relating to Early Years / Nursery growth.

5. Item/Focus: Growth Policy

Discussion:

- A newly developed all-through school is experiencing pressures within the secondary school as

<p>expected pupil growth is not being realised.</p> <ul style="list-style-type: none"> • It is proposed that the criteria are amended to reflect allocation of top up funding up to 150 pupils. • It was suggested that as an academy within a MAT there should be scope to align resources and infrastructure across the trust to address initial difficulties. • It was felt that the school could approach the EFA for loan arrangements. • Further investigation into where the shortfall lies; in provision of a balanced curriculum or to meet a shortfall in the running costs of a partly vacant building. • Further clarification around the minimum funding requirement is required. 	
Key Decision/ Issues for DEF:	
Action:	AF to investigate funding and costs further, for discussion and decision at March SFG.
6. Item/Focus: Mutual Fund Board and Appeals	
<p>Discussion:</p> <ul style="list-style-type: none"> • Agreed to maintain premium levels for 17/18, with ongoing payment of 50% with the remainder paid to schools at year end when the available balance is confirmed. • Considered whether the joining fee, introduced from April 2015, might be a deterrent to larger schools wishing to join. • Appeals had been received from Tavistock College relating to phased return of staff off sick. Both claims rejected as the claims did not fall within the remit of the Mutual Fund regulations as the qualifying period of 20 days full time sick leave had not been met. 	
Key Decision/ Issues for DEF:	
Action:	AF to respond to Tavistock College.
7. Item/Focus: National Funding Formula Consultation	
<p>Discussion:</p> <ul style="list-style-type: none"> • National Funding Formula consultation due to close on 22 March 2017. • Noted that during Phase One consultation, a SFG task group considered responses to draft a DEF and LA response and to provide schools with a template response which they could submit. • HWJ to convene a task group involving Finance Officers and Paul Walker, Darryl Chapman, Lorraine Heath, and Alun Dobson or Jamie Stone • Discussed the F40 position and impact of the Fairer Funding on Devon as a below-average funded authority. 	
Key Decision/ Issues for DEF:	
Action:	HWJ to convene SFG task group to consider consultation response.

Next meeting: Wednesday 1 March 2017 from 9.15am at Larkbeare (Exe)