

**SCHOOLS' FINANCE GROUP
NOTES OF MEETING
11 January 2016
at Great Moor House**

		11/01/16
DCC		
John Holme	Assistant County Treasurer (People)	✓
Karen Powlesland	Head Accountant Education & Learning	✓
Adrian Fox	Senior Accountant (Schools)	✓
Heidi Watson-Jones	Service Support Officer (E&L)	✓
DAPH		
Jamie Stone	Denbury Primary	Apologies
Paul Walker	Sidmouth Primary	✓
Jo Evans	St Leonard's Primary	✓
Jonathan Bishop	Broadclyst Primary	part
DASH		
David Fitzsimmons	Holsworthy Community College	✓
Matthew Shanks	Coombeshead Academy	✓
Daryll Chapman	Okehampton Community College	✓
Lorraine Heath	Uffculme College	✓
SHAD		
Keith Bennett	Marland School	✓
Jacqui Warne	Ellen Tinkham School	✓
DAG		
Faith Butler	Special	✓
Malcolm Dobbins	Primary	✓
Jill Larcombe	Secondary	Apologies
EY Providers		
Gemma Rolstone		Apologies
In Attendance:		
Dawn Stabb	Virtual School Head / School Improvement	✓
Sue Clarke	Head of Education & Learning	✓
Claire Rockliffe	Early Years & Childcare Manager	✓
Samantha Chapman	Babcock Early Years Adviser	✓
Marie Stone	Early Years Accountant	✓
Julia Foster	Strategic Lead SEND 0-25	✓

1. Minutes and Matters arising from meeting on 7 October 2015

Discussion:

- Music Education Grant – paper circulated and any comments to be sent directly to Ken Parr.
- Sue Clarke confirmed that EHE and CME are core services funded through the Babcock contract.
- Consultation outcomes approved at October DEF.

Key Decision / Issues for DEF

- Minutes agreed as an accurate record.

Actions

- **KP & SC** to look at EHE / CME funding through DSG from High Needs Block.
- Damien Jones to be invited to next meeting to discuss Independent Travel Training. **HWJ**

2. Early Help update (Sue Clarke / Dawn Stabb)

Discussion:

- Sue Clarke explained about a number of initiatives already underway to help to address the current deficit in the High Needs Block, developing capacity around more complex cases, increasing capacity within Special Schools and developing locality based intervention provision.
- Have been able to take advantage of closing Adult Day Care facilities to provide accommodation for alternative provision which is a cost effective way forward. Four properties being investigated to develop provision for young people with complex needs.
- Number of children with very complex and medical needs is increasing, with independent providers refusing to admit or excluding. Looking at a range of bespoke packages.
- DAPH raised concerns about current lack of strategic leadership within SEND 0-25 and the need for improved communication with schools about pressures on SEN funding, and County-wide developments and initiatives to address locally based need. Requested a letter from County to all schools to clearly outline issues for headteachers to consider around SEN and Living Wage.
- SC felt that schools are not currently being effectively held to account about their use of Element 1 and 2 funding, and this will need to be addressed at County level.
- The group recognised that there is a range of experience across schools which can cause some additional pressure where there is an expectation that a child will immediately be referred to specialist provision. Concern that raised parental expectations with the introduction of a new process has been unhelpful.
- DAPH/DASH Briefings to take place on 2/2 at Buckfastleigh and 11/2 at Tiverton. Strategic overview requested. SC offered to speak to schools about current SEN issues and expectations around accountability within schools for support provided within schools and requested from specialists.
- Special Schools requested support in developing a robust commissioning framework for procuring specialist services identified within EHCPs.
- Sue Clarke thanked the group for enabling the funding to be made available to assist the development of new provision.
- Looking to baseline £500k into the 2016/17 budget. New provision will initially be through PSPs and 3 secondary schools.
- Working with Adult services and Economy & Enterprise to look at improving independence for students with disabilities, rather than them being retained within institutions, particularly independent provision.
- Considered the cost savings to DCC as a result of the closure of Chelfham Mill school. Noted that this was as a result of innovative thinking around opening new provision quickly and also due to some of Devon's maintained Special Schools helping to place a number of these students at very short notice.
- Considered how the LA can effectively predict provision that will be required for children with disabilities and complex needs. Noted that expansion of Nursery Plus will enable these children to be identified and supported earlier.

Key Decision /

- Update report noted and discussed.

Issues for DEF	
Actions:	<ul style="list-style-type: none"> • SC to provide an update in late Spring.
3. Finance analysis of Early Years budgets (Claire Rockliffe / Marie Stone)	
Discussion:	
<ul style="list-style-type: none"> • Marie Stone explained the background elements to the budget analysis as circulated to the group. • Encouraging increase in take up of 2 year old places is a priority – currently at 72%. Our aspiration is for participation rates to be at a minimum of 80%. • Early Years Pupil Premium funding continues to be a challenging system for the range of providers to take on; currently approximately 8% take up (compared with 12% EY FSM take up). • Ongoing successful working relationship with Babcock, and good support for Childminders. • Nursery Plus expansion continues to be an important element to improved provision to support young children with identified additional needs. Expecting full provision by April 2016. 	
Key Decision / Issues for DEF	Report noted
4. DSG Monitoring (month 8)	
Discussion:	
<ul style="list-style-type: none"> • The group considered the Month 8 monitoring position. • Particular concern around High Needs Block, as growing over spends are only being managed in year by deploying carry forward. • Dawn Stabb explained the current situation with commissioning with Schools Company. Noted that the increase in place funding by the DfE to £10,000 has not been cost neutral. This is due to an increasing number of pupils with a range of complex needs which exceed what Schools Company were expecting to accommodate, and a significant increase in the number of placements required due to permanent exclusions and medical criteria. • Noted that there has been an increase in commissioned places with alternative providers e.g. Chances which helps to address capacity issues. • DASH raised concerns where (particularly Year 11) students are dual-registered and being educated through Schools Company. This raises issues around maintaining contact with the school until such time that the student returns to school, and accountability for results into which the school has little or no input. Noted that there may be long term medical issues to consider in individual circumstances. Initial discussions have taken place to consider how Schools Company might take on Year 11 students. DASH felt that dual-roll students who have not attended school during Year 11 should not be counted at census, and consequently AWPU could be transferred to Schools Company. • The group discussed how headteachers might be better able to engage with the Academy. DASH felt that representation would be useful on the Academy management boards, but engagement is difficult. DS to raise the issue with the Schools Company directors. • Considered the link between PEA applications and the Pupil Education Plans, and Pupil Premium. Noted 293 PEA funding applications has been received so far this year. Applications for Pupil Premium for Children in Care and PEA are being assessed by the same officers. 	
Key Decision / Issues for DEF	Report noted
Actions:	<ul style="list-style-type: none"> • DS to discuss issues around dual-roll students and to feed back to DASH through Kevin Bawn.
5. Budget Planning 2016/17	
Discussion:	
<ul style="list-style-type: none"> • DSG settlement announcement received on 17.12.15. New Schools Block unit rate of funding received, increased by £3.42, but noted additional elements this must now cover (non- 	

recoupment academies). No changes proposed to local schools funding formula.

High Needs Block

- Noted additional funding nationally for High Needs Block (HNB), equating to £1.161m in Devon.
- Additional £5.3m pressure on HNB identified for 16/17. Noted areas of particular budget pressure which have largely been funded from realigning identified budget savings and applying the new high needs funding. Management action of £1.9m is planned but even after these measures an additional £1.7m is still required to address outstanding pressures.
- Proposals to address the HNB pressure include amending the threshold level for Element 2 protection funding. This will be effective from April 2016 for maintained schools, and September 2016 for Academies.
- Other options being considered include:
 - capping the total Element 3 for a school or an individual
 - introduction of banding for Element 3 allocations
 - greater emphasis on holding schools more accountable for use of notional SEN funding
- Budgeting in 2016/17 for additional 41 places within Maintained Special Schools, funded from additional HNB allocation.
- Management action introduced to address pre-16 independent special schools costs, including capacity building within maintained special schools and devising bespoke packages deliverable at home or in local settings.
- There was discussion around why Devon's data shows a higher level of pupils with EHCPs / Statements when benchmarked against national and regional statistics. It was felt that historical circumstances around funding and statementing have influenced practice.
- SFG considered range of management action options to address the budgetary pressure.
- The financial gap cannot be closed through management action alone, and it is proposed that £1.5m is transferred from Schools Block to the High Needs Block to help address the shortfall. This equates to £17 per pupil.
- Understood that the different funding blocks are not ring-fenced within DSG, and the year on year profile changes in the children with additional needs will need to be recognised in the funding.
- Considered provision for new schools within the Growth Fund, and whether delays might have produced some additional funding capacity. Noted that the Growth Fund will now need to fund diseconomy costs for new Free Schools. We propose to top-slice the DSG by £1.5m again in 2016/17. Projections currently indicate that this level of top-slice is needed to provide sufficient Growth Fund until 2018/19. It is possible that the top-slice may need to be increased at that point to provide sufficient revenue to fund start up and diseconomy costs of new and growing schools. The Group noted again the unfairness of having to set aside such large sums of money from existing DSG for pupils not yet in the system. The Group noted concern regarding the apparent random nature of Free School applications and the potential financial impact.
- Noted Early Years funding formula unchanged from 2015/16. Pupil Premium, Universal Infant FSM and PE/Sports grant expected to be unchanged.
- Growth Fund criteria to be amended to enable new secondary schools to receive top up funding to a maximum of 120 pupils for a second year. Noted DASH concerns that established local secondary schools might be experiencing budget pressures where they are operating under roll, and are located close to a newly opened secondary.

Permanent Exclusions:

- Considered process for 'Money Following Excluded Pupils' (MFEP). Noted that Academies are invited to take part in that agreement, and to date four have still not signed up. Proposing to simplify the process. Details to be included within the DEF Finance report and formally noted.
- Noted that schools will be receiving their budget notifications by 28 February 2016.
- Information from LGA re. impact of pay offer re. National Living Wage from April 2016 on DCC salary grades A-C. Confirmation will be circulated as soon as possible, but DAPH requested early indication of intention within budget letters.

Key Decision / Issues for DEF

Report noted

6. Financial Planning Suite

Discussion:

- Training sessions have now launched following a successful pilot scheme with good feedback from participating schools. 166 have already booked places.
- Licence costs confirmed at £435 per school, and links at £200 per school (or hub).
- Training provided through ScoMIS; every maintained school or hub will be charged £130 regardless of attendance.

**Key Decision /
Issues for DEF**

Update noted

7. Items for DEF on 18 January 2016**Discussion:**

- Note budget for 2016/17
- Note the Month 8 budget monitoring position
- Recommend change to Growth Fund criteria
- Note amendment to funding process around permanent exclusions