

**REPORT BY THE FINANCE
WORK GROUP - FOR
PRESENTATION AT THE
FORUM MEETING HELD ON
December 12th 2018**

Date of Work Group meeting: 3rd December 2018

Items discussed (brief summary of key items):

Out-Turn Monitoring Statement - This covers the period up to November 2018 and shows an anticipated deficit on Dedicated Schools Grant of £3.212m. This represents a considerable increase on the September figure of £1.466m. While this shows that we are far better at monitoring expenditure and is typical of what is happening in other local authorities, it presents a major problem and one that is likely to grow during the remaining fiscal year; though not at the same rate.

The DSG figures show:

1. A carry forward overspend on the Schools Block of £246k from 2017-18 (mainly from growth spending) and in High Needs of £199k from 2017-18
2. Manageable Central and Early Years Sectors to budget
3. An anticipated deficit on High Needs of £2.966m. Of this there are overspends on contracted services, travel training, Post 16, and top-up funding for out-of-Borough provision; but the major contributor is independent school fees for 2018-19 of £2.411m (on a budget of £3.838m). These figures are based on actual placements and the rising costs of individual placements for the 142 individuals in out-of-Borough/Independent institutions.

Discussion centred on getting the out-of-Borough spending under control and the possibility in future years of asking schools to contribute, though this is not planned for 2019-20.

School Funding for 2019-20 – Central Services – S.Fenton tabled a paper making recommendations to Schools Forum in respect of the budgets for various centrally held Central Services: These apply to all non-specialist schools.

- A Growth Fund of £350k to cover the growth in pupil numbers and to cover the £100 deficit from 2017/18
- The Central Services Block of £1.09m (this is Government money in and out)
- Early Years funding of £526K and Family Information Service of £249k
- Early Years Inclusion Fund budget of £250k
- Early Years Contingency of £100k
- A primary de-delegation of £100k to cover contingencies (Maintained primary schools only)
- A de-delegation for trade unions amounting to £6.50 per pupil (down from £7.50 per pupil) in maintained schools.

Finance Committee recommends these to Forum for approval.

School Funding for 2019-20 – General Services - S.McHale tabled a paper with appendices outlining the responsibilities and statutory duties the Local Authority carries out for all maintained schools including special schools and units. With the reduction in the Government funded General Rate of Education Services Grant this involves a top-slice to school budgets for maintained schools. Despite rising costs and inflation this is to be the same as last year at £66 per pupil for mainstream schools, £165 in special schools and £165 in PRU's.

This amounts to £1.160m against an estimated cost of £1.795m (the balance of £0.635 being met by the LA).

At a time of rising pressure on school budgets it is recognised that these are extra burdens, but given their statutory nature it is recommended that Forum approves the request for top-slice to school budgets.

Collaborative Funding – J.Nicholls spoke to a paper outlining how the annual £80k grant from Combined Services is used to sponsor the work of the five Collaboratives in the Borough. £60k goes to the Collaboratives on a pupil pro-rata basis and covers the central administration costs, and the remaining £20k goes in a special project fund administered by SSSAB. Reports from each of the collaborative were tabled outlining the work being undertaken, and evidence of the accounts was available. Of particular note was the list of initiatives being undertaken by SSSAB including:

- The SMILE programme which trains staff in their understanding of mental health and well-being, and how the pilot developed in Solihull can be rolled out to other schools
- Effective classroom observation
- Moderation events
- Peer Reviews
- English and Maths forums
- Extending the SEND initiatives started in the recent SSIF bid.

Finance work group were very impressed by the amount of work being undertaken and recommend the £80k grant be renewed.

TU Facilities Time 2019-20 – S.Fenton and P.Ellmer gave an update on the initiative to reduce the cost to contributing schools from its present level of £7.50per pupil. Progress is slow but some reductions have been outlined in the time allocations to teacher union officers, so that next year the service will be offered at £6.50per pupil. There is more work to be done if the target price of £5 per pupil is to be achieved and FWG agreed to specifically request the LA to work towards introducing compensation to schools where TU reps are based to be at supply reimbursement rate rather than actual salary rate.

How LEAs Fund SEND in Maintained Schools – S.Fenton spoke to an information paper outlining how this is done in Solihull. Finance WG recommends this paper for wide circulation

Termly Report on out-of-Borough Placements and Travel Costs – S.Fenton tabled details of placements by institution and travel costs. The latest data for October 2018 showed 142 individuals were involved at a cost of £5,628,764 and travel costs amounting to £980,938. Numbers vary each year but the trend in the last year has seen rising costs. These figures illustrate the need to address urgently the number of placements as well as the quality of the placements - work already being carried out elsewhere.

Early Years' Service – L.Morris presented the annual report on Solihull Early Years' Service. This covers all placements for 2 to 4 year olds which are registered including child minding. This totals 421 settings and numbers are growing with the introduction of additional hours. The emphasis in the service is to raise standards in settings rated as less good during annual inspections. The current Ofsted position for EY registered settings rated as good or outstanding is 95% in Solihull. This compares with an England rating of 94%.

Finance WG recommends to Forum that the central spend of £526,810 is continued for 2019-20

Solihull Family Information Service – Provides statutory information, advice and assistance to families in Solihull to help them access childcare and services. It is a free service. Services provided include:

- Information and brokerage on childcare (in 2017-18 there were 2,214 enquiries)
- 2 year old funding for eligible parents (in 2017-18 there were 1,409 applications)
- Processing 3-4 year old payments including extended hours (3581 claims)
- Free School Meals (in 2017-18 there were 3935 applications)
- Sponsored Daycare places (in 2017-18 76 placements set up)

Information on services is on the Local Offer website as well as using local social media.

This is a first class service and Finance WG recommends annual funding of £249,000

Procurement Update – C.Lowe gave an update on contracts which are up for review and tabled a revised **Draft Rules for Contracts Document** reflecting recent changes in legislation and regulations. This has gone through the different officers in the LEA and will now be circulated to schools and Finance Officers for comment. The closing date for returns is the end of February 2019.