

**FINANCE WORK GROUP
REPORT TO FORUM
FOR PRESENTATION
AT FORUM ON 12 November 2019**



Date of Work Group meeting: Tuesday, 11th September 2019

Items discussed (brief summary of key items):

- **Matters Arising** DL and SF raised awareness of two Government consultations on **Extending the Academies Risk protection To LA Maintained Schools (re insurance arrangements)** and **Implementing Minimum Per Pupil Funding Levels (to make the minimum per pupil level a mandatory requirement in LA funding formulae)**.
- **Schools' Contracts** Information provided highlighted the new contract for cleaning and the introduction of new school tills by February 2020.
- **ExComm Annual Report** This initiative supports activities to increase inclusion, social cohesion, skill levels and regeneration activities in local communities. In Solihull this is concentrated in the Unity Collaborative area through 5 hub centres. An annual grant of £60,300 is available, funded from the Combined Services budget. The report outlined a drop in participation in 2017/18 due to difficulties with providers, but this had increased again in 2018/19. Over 500 people were supported through the hubs though not all suppliers provided data due to confidential issues. The WG strongly supports the work and looks forward to the 2018/19 report to be published later this year. It recommends that the grant is renewed.
- **Review DSG Financial Monitoring Statements** IM tabled the General DSG Grant for 2019-20 and the 2019/20 High Needs Block. With regard to the DSG this showed a fall in TU Facilities money, a carry forward deficit on the Schools Block of £297k, a break even on the Central and Early Years Blocks, but a deficit on High Needs of £5.6m. With reference to High Needs the £5.6m is made up of an anticipated deficit for the year of £3.8m plus the carry-over from 2018-19 of £1.4m. The latter was only made possible by a subsidy from the LEA, which will not be available this year, so the final deficit at this stage is uncertain but is likely to be higher. A spirited discussion followed about the frustration that after years of debate so little had been achieved and how difficult it seemed to get accountability. As a Finance group we felt frustrated that it was difficult to get answers. It was resolved to hold an extra Finance WG meeting before the November Forum meeting with a single item agenda to discuss High Needs funding.
- **DfE Funding Announcements** SF informed the group that unlike previous years there had been no announcements over the summer concerning the structure of DSG funding and so we are to assume it is the same as last year, with no move to a hard formula this coming year. There has however been a Financial Statement and announcements about an increase in Schools funding over the next three years totalling £14.4b. Further information was still forthcoming and more detail about how this was to be allocated and SF promised to keep the group informed as more detail appeared. The statement also included, among other items, an increase in High Needs funding of £700m nationally for 2020-21. SF agreed to provide a briefing note for all schools shortly, to ensure schools had consistent knowledge of what we know so far
- **The Business Case for the Movement of Funds from Schools to the HNB** This follows on from the paper discussed at the Summer Term Finance and Forum meetings, which outlined the rising deficits on High Needs which, since they exceed 15% on the HNB and 2% of DSG, means that the LEA must prepare a Recovery Plan for the DfE. It is likely that this will include a request to Forum for a transfer of funds from the Schools Block to the HNB. The Recovery Plan is still being prepared and is likely to take account of the Financial Statement forecast of an extra £700m for HN nationally. SF estimated that on present figures for Solihull this could be around £2.2 to £2.7m, dependent on whether previous additional grant was included. It is expected that further details will be available by the end of the month and these will inform further meetings planned this term, including the extra meeting of Finance WG.
- **Scheme for Financing Schools** Each year the DfE makes changes to schools' regulations regarding the financial management of maintained schools. These have to be approved by School Forum and the amended regulations, showing the changes were tabled. Changes concerned community use of school premises, changes to the fabric of the building, making loans and changes when a maintained school is academised. There are no major changes involved and Finance WG recommends that Forum approves the changes.

The next scheduled meeting is Monday, December 2nd, but it is proposed to hold an additional meeting before the November 12th Forum meeting.