

**FINANCE WORK GROUP
REPORT TO FORUM
FOR PRESENTATION
AT FORUM ON 7th October 2020**



Date of Work Group meeting: Thursday, 10th September 2020

Items discussed (brief summary of key items):

- **Administration Matters Arising – David Lewis**

David Lewis was nominated to serve as chair for 2020-21 and Andrew Wilkins as vice chair. Jane Hutchinson has resigned from the Finance WG. AMc was asked to write to Jane to thank her for the valued contributions she has made to both Finance WG and Forum. Meeting dates and Finance WG Terms of Reference were accepted with an up to date summary of membership.

- **Matters Arising**

David Lewis spoke to the circulated paper on the future remit of Finance WG due to the 20% cut in combined services. He outlined the future role of Finance WG and the transfer of monitoring of some services to SSSAB now these services were to be funded by the LEA. DL was in conversation with LM over the transfer of these responsibilities.

- **Monitoring Statements for Non-delegated DSG and HNB 2020/21**

Starting budgets for both the non-delegated DSG and High Needs were tabled, with the budget now presented in the 4 blocks that make up funding provision – Schools, High Needs, Early Years and Central. The figures for the DSG continue to give great concern with an anticipated deficit for the year ending 31st March 2021 anticipated to be £8.34m. At this planning stage all this concerns HN with a carry-over deficit of £6.04m from 2019/20. On the positive side the Schools Block has risen by £10m, all of which is delegated to schools. Early Years has an additional £1m. High Needs has a £2.3m increase in funds which will be repeated in 2021/22. Central Services however has had its funding reduced by £360k due to the 20% cut in historical funding for Combined Services. All Budgets at this stage must be tentative as the impact of Covid 19 is unknown.

- **Admissions (Lois Brough)**

An annual payment is made to this service of £254.5k. Admissions is a statutory responsibility on all schools and in Solihull all schools and academies use the Borough's scheme (academies buy the scheme). The service handled some 50,000 phone calls and 20,000 e-mails in 2020. This was a considerable increase and as schools were closed in July 2020, they were forced to send secondary 2021 admissions information to parents by post which would normally be distributed by schools. The number of appeals was 202 with 9 being successful. The challenges for the service continue to include shortage of places in Reception, families moving into the Borough mid-year – approximately 1,200 applications, many from overseas. There was a backlog of 300 applications in September this year which is 50% higher than normal. It is only with the excellent co-operation of head teachers that the system manages. Against these problems the Solihull service works on a basis of £6 per pupil against a national average of £9 per pupil and a regional average of £7 per pupil. Solihull is believed to be among the lowest funded figures in the country and the second lowest in the West Midlands. It is recommended that the grant continues.

- **LSCP Update – Steve Fenton**

Previously Forum has contributed £15,800 towards the working of the Partnership. However, from 2021-22 when the Combined Services grant is cut again, Forum will no longer be able to contribute financially. The challenge will be how to retain the vital relationship between the LSCP, schools and Forum, without a financial contribution.

- **High Needs Recovery Plan Update – Steve Fenton**

The HNRP is being managed by Louise Rees, Tim Browne and Paul Johnson, with SF's involvement focused on putting in additional specialist places within the Borough. Because of Covid the submission of the Plan has been put back but it is still the intention to fully engage with schools on the development of the Plan.

- **DfE Funding Announcements – Steve Fenton**

Announced during the school holidays these are changes for 2021-22. Headlines are extra monies for schools and High Needs; a further 20% reduction in Combined Services (with implications for Ex Comm services and LSCP); changes to IDACI in the fair funding formula; teacher pay grant incorporated into fair funding formula increase; schools to pay for any wage or pension increases. As for last year, Finance Group asked that Special schools be treated with the same funding increase as mainstream schools. There are no plans to move monies between Blocks. In comments it was agreed that the extra funding was welcome, but **schools were facing considerable extra costs** due to preparations and the running costs of Covid measures and IT provision, with the government saying these can be funded from School reserves. They also raised the loss of income from lettings and sports clubs and the cost of cover for colleagues shielding and on maternity.

- **Scheme for the Financing of Schools – mandated changes – Steve Fenton**

Steve outlined in broad terms that the new school budgets for 2020-21 would include the funding guarantees laid down in the government documents and Solihull's early adoption of the NFF. There are a few Mandatory changes for Maintained and Special schools regarding risk protection, submitting 3 year forecasts and having a recovery plan when in deficit, all of which Solihull already does.

- **Procurement Update – Chris Lowe**

There are very few changes to contracts. Because of Covid many existing contracts have been rolled over or extended. Generally the rule was to extend contracts where possible to restrict the amount of tendering and look at continuing payment to suppliers where longer term continuity of provision was required in order to support staff retention e.g. with the Home to School Transport team to ensure providers who were deemed at risk due to school closures received supplier relief in order to ensure they were available to operate once schools re-opened. Providers are now tendering for new routes. Likewise, with Leisure Centres, grounds maintenance and School Cleaning, though often at a reduced service.

It was noted that there are unlikely to be any changes to the UK Procurement regulations for some time associated with leaving the EU. However, from 1 January 2021 schools will need to register on Contractsfinder if they are running high value tenders. A reminder will be sent out to schools about this.

- **Date of next meeting 26th November 2020**

DWL 14/9/20