

**FINANCE WORK GROUP
REPORT TO FORUM
FOR PRESENTATION
AT FORUM ON 8th December 2020**



Date of Work Group meeting: Tuesday 8th December 2020

Items discussed (brief summary of key items):

Early Years' Advisory Service – Lisa Morris presented the annual report on Solihull Early Years' Service. This covers all Ofsted registered placements for 2 to 4 year olds including child minders, totalling 407. The Service aims to raise standards; since the last report Ofsted has inspected and found that 95% of Solihull's EY registered settings are Good or Outstanding, up from 82% the previous year. The Service has faced challenges during the Covid pandemic, with visits and support taking place mainly virtually. More Solihull providers have continued to function during this time, compared to national figures; in April 41% were open (26% nationally) and 91% in November (78% nationally). Finance WG recommends to Forum that the central spend of £526,810 continues for 2021-22. Of that figure £246k is staff costs and £280k (a figure worked out by central Government formula) covers working with other services to provide the services.

Early Years Inclusion – Dawn Wayne presented the annual report for Early Years Inclusion for 2019-20. For 3-4 year olds this is a service for children with known SEND regardless of domestic area, and for 2 – 4 year olds in Solihull where SEND is suspected. Based on the banding system the annual cost is £250k with an extra £90k for High Needs making a total of £340k. Finance WG recommends to Forum that the central budget of £340k continues for 2021-22.

Solihull Family Information Service – Rosie Ratcliffe presented the annual report for the FIS, which provides statutory information, advice and assistance free of charge to families in Solihull to help them access childcare and services. The Service includes:

- Information and brokerage on childcare (in 2019-20 there were 3,138 enquiries, an increase of 60%)
- 2-year-old funding for eligible parents (in 2019-20 there were fewer applications due to Covid, but the current take up in Solihull is 85% against a national figure of 69%)
- Processing 3-4-year-old payments including extended hours (5,274 claims, an increase of 8%)
- Free School Meals (in 2019-20 there were 4,482 applications – up from 4,110)
- Sponsored Day Care places (in 2019-20 55 new placements were set up plus the 77 existing placements)

Information on services is on the Local Offer website as well as promoted through local social media. This is a first-class service and Finance WG recommends on-going annual funding of £250,000.

Having all three services present at the same meeting demonstrated how well the services work together.

Matters Arising from minutes of 10th September 2020

- After initial proposed changes, it was noted that H+S training will continue to be provided free to all schools/academies.
- The 2019-20 Annual Report has been received from ExCom outlining the services they continued to provide during the Pandemic.

Financial Monitoring Statements - Ian Murray tabled the General DSG Grant for 2020-21 and the 2020-21 High Needs Block. There had been little movement since the September statement and most budgets are within the parameters set, except High Needs which has increased by £200k to an anticipated annual deficit of £2.5m and an accumulated deficit of £8.5m.

Termly Report on Out-of-Borough Independent Placements - Steve Fento emphasised the fall in pupil numbers over the last three years from 155 to 136 placements, but at an overall rise in individual placement cost. Overall, the cost has fallen by £900k since January 2020 to a total cost of £6.049m. Data demonstrated the challenges faced in bringing pupils back into Borough to reduced expenditure, as outlined in the High Needs Recovery Plan.

Insurance Options for Maintained Schools 2021-2025 - Steven Simonds, SMBC Insurance Manager, presented an updated proposal for general insurance arrangements for maintained and Voluntary Aided schools. The report compared the options available to the DfE's Risk Protection Scheme (RPA) mainly used by academies and which was now available to all schools.

The Solihull scheme (SAIF) has recently been re-negotiated together with Local Authority partners using national insurers and offers cover not included in the RPA scheme – for wraparound care and other school enterprises, contract work in excess of £250k, motor cover and engineering, and local advice.

At present the cost of the RPA scheme is £18 per pupil. On present numbers the local offer would be £17.75 representing a saving of £2,187 for 2021-22, but an increase of £2,457 for 2022-23, assuming the RPA remains at £18 per pupil. Obviously, the more schools that participate the better the rates, and academies can join the SAIF local scheme.

Finance WG recognises that both schemes are good but is happy to support the SAIF scheme and recommends it to all schools to consider. The full report and appendices are published with the Forum papers.

School Funding for 2021-22 – Central Services – Steve Fenton tabled a paper making recommendations to Schools Forum in respect of budgets for various centrally held Central Services: These apply to all non-specialist schools.

- Growth Fund of £350k to cover growth in pupil numbers
- The Central Services Block of £1.164m (this is Government money in and out)
- Early Years funding of £527K
- Family Information Service of £250k
- Early Years Inclusion Fund budget of £250k
- Early Years Contingency of £130k
- A primary de-delegation of £100k to cover contingencies (maintained primary schools only)
- A de-delegation for trade unions amounting to £5.50 per pupil (down from £7.50 per pupil in 2018) in maintained and participating schools.

Historic Commitments of £1.115m. In addition to the 20% cut in 2020-21, the Government has imposed a further 20% reduction for 2021-22. With a need to still cover Prudential Borrowing this effectively eliminates all historic commitments to schools. For 2021-2022 this means that funding for Excellence in the Community and support for the Local Safeguarding Children Partnership will end. Finance Committee recommends these items to Forum for approval.

School Funding for 2021- 22 – General Services - Stuart 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 pupil referral 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 rate as for 2020-21, at £66 per pupil for mainstream schools, £165pp for special schools and £165pp for PRUs.

This amounts to £1.219m against an estimated cost of £1.966m (the balance of £0.747m 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 to top-slice school budgets.

HN Recovery Plan – As part of the process to consult Schools Forum, Tim Browne and Stuart McHale presented the HN Recovery Plan which, had already been approved by Cabinet. Strand 5, Financial Recovery, was concentrated on with particular emphasis on managing the deficit and Appendix A. Whilst based on certain assumptions, the Plan and Strategy were supported by Finance WG. The Group looks forward to future sessions when there is more to report.