

**FINANCE WORK GROUP
REPORT TO FORUM
FOR PRESENTATION
AT FORUM ON 25th November 2021**



Date of Work Group meeting: Monday 8th November 2021

Items discussed (brief summary of key items):

Matters Arising from minutes of 10th September 2020

- The Government made clear in its Autumn Budget that schools would have to self-fund the proposed rise in National Insurance contributions.
- The WG recognised the increase in catch-up funding announced in the Budget of £1.8b, with £1b for schools and £800m for post-16. It also noted the proposed rise in core funding over 3 years of £4.7b, additional funding for training and £2.6b for SEND. Full details are yet to be published.

Financial Monitoring Statements 2021-22 – Ian Murray tabled current statements for general DSG Grant and High Needs Block. There had been little movement since the September statement and most budgets are within the parameters set, except High Needs which continues to increase to an anticipated deficit of at least £2.9m and an accumulated deficit of £12.047m. (note this is £3.5m more than Dec 20).

Independent School and College Payments – For schools, there was little change to the September data and figures do not include all September starters; it is likely that the figure of 135 placements will rise. The average cost per placement is £48,201. For colleges, 67 placements have been recorded, 30 of which are outside Solihull. Again, these numbers are expected to rise. Data showed the extent of expenditure out-of-borough and the challenges faced in bringing pupils back into Solihull to reduce expenditure, as outlined in the High Needs Recovery Plan.

High Needs Financial Situation/SEND Improvement Plan – Charlotte Jones talked through the 5-year SEND Improvement Plan, including eight key strands, three of which concerned plans to increase in-borough provision and reduce out-of-borough placements. She outlined the national and local trends that had led to the present deficit and noted the financial situation is likely to worsen before it improves. Members raised a number of points regarding:

- A request to quantify some of the statements?
 - The monitoring of quality and attendance in out-of-borough provision
 - The dilemma between improving turn round time for EHCPs and associated rising costs
 - Staffing structure and gaps in personnel
 - Formal report on the SEND Improvement Plan and financial recovery going to Cabinet in December
- Finance welcomed the opportunity to discuss this area in greater detail and will receive a further report in Spring.

Trade Union Facilities Time 2020-21 Annual Report – David Lewis presented the report drawn up by Gillian Clowe (NEU) and himself, which outlined work undertaken by local union officers in the past year. It showed heavy activity around Covid support, advice and mental health and welfare issues. The hard work done by all officials and teaching staff was recognised, particularly school heads in what has been a testing year. The report is recommended to Forum.

School Funding for 2022-23 – Steve Fenton and Stuart McHale tabled a joint paper making a series of recommendations that Schools Forum will be asked to approve at its 25 November meeting.

2022-23 Centrally Retained Services, applicable to all non-specialist schools:

- Growth Fund of £350k to cover growth in pupil numbers
- Central Services Block of £1.364m (Admissions Service, servicing of Schools Forum, License Fees, Teacher Pay and Pensions Grant and Retained Duties (this is a Government grant in and out))
- Early Years funding of £542k
- Family Information Service of £257k
- Early Years Inclusion Fund budget of £250k

- Early Years Contingency of £130k
 - Primary Contingency de-delegation of £70.2k for maintained primaries only
 - Trade Union Facilities Time de-delegation of £5.00pp for maintained and participating schools only
- Historic Commitments** of £892k (funding includes a further 20% cut for 2022-23). The only remaining commitment is Prudential Borrowing at £1,115k, where the Government recognises this as an on-going commitment and will fund the difference through Grant Protection Funding. FWG recommended these items for Forum approval.

2022-23 General Services - The report outlined the responsibilities and statutory duties the Local Authority carries out for all maintained schools, including special schools and PRUs. This involves a top-slice to maintained school budgets and, despite rising costs and inflation, this will remain the same as the previous year at £66pp for mainstream schools, £165pp for special schools and PRU's. This totals £0.974m against an estimated services' cost of £2.074m (the balance of £1.123m being met by the LA). It was noted that the LA subsidy will grow annually, as more schools convert to academies. In addition, the LA has also taken on the cost for a number of services previously funded under Central Services Historic Commitments, including Safeguarding, Health and Safety training and Records Management. FWG recommended these items for Forum approval.

DWL 8/11/21