

# Finance Work Group Report to School Forum Meeting of 6<sup>th</sup> Oct 2022



**Date of Work Group meeting:** Tuesday 13<sup>th</sup> Sept 2022

**Items discussed** - summary of key items:

**Ratification of Chair** - David Lewis was elected as Chair for 2022-23 (V-C to be determined).

**Minutes and matters arising.** The minutes of 5<sup>th</sup> May 2022 were accepted, no matters arising.

**2022-23 DSG Financial Monitoring Statements (Ian Murray).** IM tabled the outlined budgets for DSG and High Needs for 2022-23. School, Central and Early Years Funding have risen slightly with increased government funds, But the deficit on High Needs continues to grow by an anticipated £3.5m to an accumulated deficit of £16.6m. We still do not know the exact Early Years Funds but assume a similar figure to last Year.

In discussion it was asked why the budget for Independent School fees was set below the anticipated spend. Answer – because that is the residual budget after other budgets updated for recent and current spending levels and becomes a long-term target. It was also noted that the % allocation of DSG from the government is Schools Block 77%, High Needs 16%, Early years 6%, Central 1%.

**Independent School and College payments (Steve Fenton).** The figures for August 2022 were presented and discussed. They show that 150 students attend High Needs placements. Transport costs are £863,168. The figures will need monitoring throughout the year. Post-16 colleges data presented but won't have full data until October.

**Admission Team Report for 2021-22 (Nicky Etherington)** – an annual budget agreed by Forum (from central grant) of £269,350. Aspects of Admissions is a statutory responsibility for all schools and in Solihull all schools and academies use the Borough's service (100% of academies buy into the non-statutory elements of the service). The service handled some 39,000 phone calls and 40,000 e-mails in 2021. The number of appeals was 358 with just 3 being successful for parents, this is a 300% increase over the 109 on 2020. The service faces a number of serious issues:

- Families moving into the Borough mid-year – approximately 3002 applications compared with 1,666 in 2021.
- The high numbers of entrants from Hong Kong residents – 1013 are resident (with no extra funding) plus 67 from Ukraine (LA does receive an education grant).
- Most live in the same resident areas putting great pressure on places in those areas.
- As a result, some year groups are now full.
- The increase in appeals, – but only 3 were successful
- The effect on school place planning and the growth fund. Solihull has appealed to the government for funds.
- More delays in placing pupils – leading to parental dissatisfaction and increased contacts.

Nevertheless, Solihull runs an efficient service with the excellent co-operation of head teachers that enables the system to manage (albeit creaking under the pressure of mid-year admissions). 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 £8 per pupil. Solihull continues to be amongst the lowest cost service locally and nationally.

SF added that over the summer, SMBC bid for and were successful in a growth fund bid of £900k - will bring report to Forum / next Fin grp mtg.

**White paper on changes to the Education System and Green Paper on SEND** These were papers that went to Forum outlining proposed changes. These were noted – at this stage no immediate impact on work of Finance Group.

**School Budgets 2023-24** This paper was published on July 19<sup>th</sup> and gives more detail to the White paper about the transition to full NFF by 2027-28 and all schools becoming Academies by 2030. Since Solihull has already adopted most of the NFF it will have little impact immediately. Fuller details will be given at Forum concerning increased funding for schools. It was noted that there is currently no additional help to school budgets with meeting rising staff costs or Utility Bills.

**2023-24 Notional SEND Budget.** Again, published right at the end of the summer term on July 19<sup>th</sup>. This proposes that local Authorities can move to introducing a national Notional SEN budget from 1<sup>st</sup> April 2023. Our present formula differs slightly from the proposed scheme but with similar outcomes. SF sought views on whether we should start working with the proposed Notional Budget. The view of the Finance WG is that that since the Notional SEN budget will be introduced, we should start its introduction early. By modelling it early we can see any anomalies that may arise. Important to ensure no major deviation for individual schools to current exceptional high needs protection funding.

**Early Years funding formula government consultation.** This was launched on July 4<sup>th</sup> for responses by September 16<sup>th</sup>. Technically it involves a change in the present formula to manage the incorporation of teacher pay and pension rights into the national EY hourly rates. It seems to be logical but will need modelling, which the WG asked SF to undertake. Forum reps for the EY sector have been consulted.

**Procurement Update (Chris Lowe)** Chris reported that the new ground maintenance contracts were in place with more firms involved for schools to approach. Likewise, there was a new register of suppliers for temporary staff. Central help is available on contracts etc. Finally, he is keen to involve Schools in negotiating contracts for the collection of domestic waste and will be approaching School Bursars.

**A.O.B** SF mentioned 2 items: 1 – Scheme for the Financing of Schools – very minor gvt revision for 2022-23 – SF had amended and republished Scheme – no need for Forum or school consultation. 2. That the provision of loans to Maintained schools would be suspended for new loans given drive to academisation and reducing numbers of maintained schools to "pool" reserves against loans.

DWL 13/9/22