

**FINANCE WORK GROUP  
REPORT TO FORUM  
FOR PRESENTATION  
AT FORUM ON 25th May 2023**



**Date of Work Group meeting: 3rd May 2023**

Items discussed (brief summary of key items):

**Matters Arising from minutes of 10<sup>th</sup> January 2023**

- All matters arising were acted on or the agenda for this meeting.

**Out-Turn Monitoring Statement - Review DSG Financial Monitoring Statements** IM tabled the FINAL DSG Grant for 2022-23 and the 2022-23 High Needs Block. For the DSG there had been little movement since the last statement in January and most budgets are within the parameters set, except for Pupil Growth and High Needs. Pupil Growth had a surplus, but this is the loan from DfE, not yet fully spent. Within SEND the personal transport budget supporting high needs had risen and the general High Needs budget continues to increase to an anticipated annual deficit of £3.9m and an overall accumulated deficit of £16.359m. (note this is an increase of 23.8 % though last year it increased by 30.2%). Out of Borough placements account for 62% of Special needs Education expenditure, the remainder on post 16, Top up Funding and Special School places. Total expenditure on the High Needs Block for 2022-23 was £41,646,000

**Independent School and College Payments (out of Borough Placements)** SF tabled the latest figures for April 2023. There are 152 students placed out of Borough at an annual average cost per placement is £46,391. It is hoped that the new ASD special school opening in September will directly reduce the number of out of Borough places, but we know that with the continued growth in EHCP Solihull can never have the capacity in Borough to cope especially in cases of complex needs. Added to this we have inward migration and present capacity is full. There was a 300% increase in Early Years EHCP applications last year. Transport costs to these settings is £922,252. While Solihull is not alone in facing these challenges, the figures again showed the extent of expenditure out of Borough and the challenges to be faced in bringing pupils back into Borough to reduced expenditure as outlined in the High Needs Recovery Plan.

**Early Years Inclusion Fund Report for 2021/22** Lisa Morris presented the report which showed a rising demand for SEND funding for both 3–4-year-old (Level 1) and 2–4-year-olds (Level 1). For the first time the budget of £426k was overspent. Because of the need to get resources more quickly into nursery settings than might be the case under a full EHCP process, funds are often released after assessment, as early intervention pays off. In 2021/22, post-pandemic, there was a large rise in cases which is less this year. Case studies and feedback show positive results. Future developments planned are a simplified Application form and the development of an on-line registration. Together with FIS this is a good service, and we recommend the Report to Forum.

**Mainstream Demographic update for Education in Solihull.** Ann Pearson. In October 2022 we are operating with 4% surplus places across Primary school rolls but a Secondary sector working at capacity. However, these mask great strain in individual year groups and geographical areas. In Reception and year 1 there are falling numbers so by 2025 there may be 500 empty reception places. At KS2 however there is considerable growth, mainly from inward migration. In Secondary, there is considerable growth with 600 places added, and in October 2022 there was 0% capacity across all secondary year groups. Year 7 should peak in September 2023. From September 2028, if current trends continue, we would expect to see a fall in year 7 intake of around 300 pupils. From Sept 2023 bulge classes have been added in years 3, 4, and 5. In secondary 3 year 7 classes have been added and additional places for years 8 and 9. Add to this inward migration equivalent over the last 3 years to 45 forms of entry. The picture is one of great pressure on places and it is only with the co-operation of schools and their admissions that the system can cope.

**Implementing the Direct National Funding formula Update** SF tabled a summary paper of recent changes in introducing the NFF in 2027. The proposed changes for Pupil growth and Falling rolls, Split sites, Minimum Funding Guarantees were outlined. All are as anticipated and within our planning. is the DfE intend to introduce a Calculator Tool so that schools can estimate future spending based on the NFF.

**Maintained School Balances** - each year we look at Maintained School Balances (reserves). These show that with one exception all schools are holding reserves. These are a snapshot at one moment of time, but they do not reflect the pressure on school budgets from rising bills, SEND and paying for rising wage costs. Overall they show a general rise. Academy figures can be found on school websites. These were noted.

**Nomination of Chair for 2023-24** David Lewis was nominated as Chair with Charlotte Shadbolt as Vice-Chair

**Procurement update.** While noting a number of new contracts planned, with Chris Lowe absence this was held over to the next meeting.

DWL 5/5/22