

FINANCE WORK GROUP REPORT TO FORUM FOR PRESENTATION AT FORUM ON 4th December 2017



Date of Work Group meeting: Wednesday, 8th November 2017

Items discussed (brief summary of key items):

- **Catering Services (Yesrib Azam)** The submission issue arose out of reports from some primary schools that the service was incurring losses which could impact on the quality and breadth of provision. In a wide ranging presentation and discussion it transpired that the school meals service was expected to incur a loss of £173k in 2017-18 which was covered by internal reserves and cross subsidisation from other schools and parts of the service. This was due to the pressures of rising food costs, the potential end of UIFSM, the introduction of the minimum wage, and loss of capital funding for equipment. The price of meals had not risen and the present strategy was to encourage more pupils to have meals – so increasing revenue. A review of the service was being undertaken and Catering will be invited back to provide an update.
- **Monitoring Out-turn DSG Statement 2017/18 (Ian Murray)** Budgets for both the non-delegated DSG and High Needs were tabled, with the budget now presented in the 4 blocks that now make up funding provision – Schools, High Needs, Early Years and Central. From next year the ability to move monies between blocks will stop. There is already pressure on Pupil Growth funding and Out of Borough placements, but anticipated savings on Admissions, Schools Forum, and Education Extra. It is anticipated that there will be an overall surplus of £325k if all budget spend goes to plan, including an underspend of £436K on High Needs.
Figures produced at Education SEND for out-Borough expenditure for High Needs give doubt that this will continue and may be eliminated, though figures have yet to be confirmed.
- **Early Years Service (Lisa Morris)** As part of the WG role in monitoring expenditure, a presentation was made by the EY team. The team works with any registered setting for EYFS (pre-school, reception, child minders). It is a statutory service involving quality assurance, advice and training. The current team of 5 is undergoing MoC. 93% of provision is rated good or outstanding by OFSTED. Challenges for the team are the quantity of work (350 settings and 52 infant/primary schools); improving data and moderation; an inequality gap at age 5 and the provision of settings to deliver the 30 hours.
- **Family Information service (Tom Cure)** The key functions are to help families find childcare and support services (Solihull has a rising uptake of 76% (above the national average); to manage FSM take-up, EY Pupil Premium and other Inclusion funding, and manage the Local Offer website.
- **Procurement Update (Chris Lowe)** CL updated the WG on procurement contracts about to be renewed. Discussion centred on Window Cleaning (the survey of schools gave a positive feedback and the contact has been extended), School Cleaning (this service has problems and present service needs to be reviewed), Home Transport (there are now 77 routes) and Grounds Maintenance (which may be brought back in-Borough).
- **Admissions (Nicky Eatherington)** An annual payment of £224k is made to the service. Admissions is a statutory responsibility on all schools and in Solihull all schools and academies use the Borough's scheme (academies buy the scheme) and negotiations are taking place with the new Free School. The service handled some 40,000 phone calls and 14,500 e-mails in 2017. The number of appeals for secondary places was 150 with 2 being successful. The challenges for the service include: shortage of places in Reception, families moving into the Borough mid-year – approximately 2,600 applications, many from overseas. 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 £8 per pupil. Solihull is believed to be amongst the lowest funded figures in the country.

- **LSCB Grant (Betty Lynch, Steve Eccleston)** The Board which has 3 key priority areas (Child Exploitation protection, Negligence, and Early Help) is undergoing a review but will continue in its present form until 2019, and as such it is recommended that the £13,400 grant be renewed. The problems around access to DSL training have been resolved and schools have been contacted by letter.
- **Schools Funding 2018/19 - Central Services and High Needs (Steve Fenton)** Under the new NFF arrangements for 2018/19 there are a number of areas that Forum must agree and FWG was asked to review each service/funding line in order to make a firm recommendation to Forum on 4 December 2017.
As this a major item for the 4th December Forum meeting, no detail is included.
Finance WG recommends to Forum that the report's recommendations are accepted.
- **School Funding – General Duties (Stuart McHale)** Under the new funding arrangement, the LA still has a range of statutory functions and duties to undertake for maintained schools which were previously funded through the Education Support Grant. The expectation now is that maintained schools will agree to fund these, through a top-slice, to be approved by Forum. Last year Forum agreed that maintained schools would be top-sliced by £60pp mainstream and £150pp PRUs and special schools (£1.1m total) for two terms of costs. The LA does not feel it appropriate to seek the full-year cost for 2018-19 and is asking instead for the rates set by the DfE - £66pp mainstream, £280.50pp special schools and £247.50pp PRUs (£1.361m total). This will leave a shortfall against costs of £408k which the LA will subsidise. Clearly as schools continue to academise, income to the LA for General Duties will reduce as the funding transfers back through the academy route, which the LA will have to manage. A paper will be taken to Forum with a recommendation from Finance WG.

DWL 17/11/17