

Meeting date: 30th November 2020
Report to: Cabinet Portfolio Holder for Children,
Education and Skills



Subject/report title: Revenue and Capital Monitoring 2020/21 as at 30th September 2020

Report from: Director of Children's Services and Skills and the Director of
Resources and Deputy Chief Executive

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1. Purpose of Report

- 1.1 To inform the Cabinet Portfolio Holder of the financial position for the core service and Dedicated School Grant budgets as at Period 6 2020/21

2. Decision(s) recommended

- 2.1 To note the financial position for the Portfolio as at Period 6, 2020/21 and endorse the actions as set out to mitigate the identified risks.

3. Matters for Consideration

- 3.1 As Members will be aware a report went to Full Cabinet on the 18th June outlining the initial financial impact of Covid-19 for the 2020/21 financial year. A further update on that financial position was then reported to Full Cabinet on the 10th September including the forecast impact on the latest Medium Term Financial Strategy 2020/21 to 2022/23 and this has now been further updated with the Period 6 position being reported to Full Cabinet on the 5th November.
- 3.2 For Period 6, the individual portfolios' Covid-19 financial position should therefore be reviewed within the context of the overall Council Covid-19 financial position which is the subject of the above mentioned Full Cabinet report to the 5th November session.

The Council’s overall financial position continues to evolve alongside the impact of the pandemic itself and the local situation for Solihull. Government guidance continues to change, further clarity on pressures emerges and new funding announcements are made. It should be noted therefore that the estimates of the financial impact of Covid-19 included within this report are indicative, based on latest assumptions, and are still subject to change over the course of the coming months. The general Covid-19 emergency funding that we have received to date from the government is still being shown corporately, and at this point in the financial year it would be premature to allocate any of this funding to portfolios (beyond the decisions already made) until we have a clearer picture of what each individual portfolio’s financial position is likely to be as we get nearer to the end of the financial year, and what funding is available to offset it.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 The core service and DSG positions as at Period 6 are set out in the attached Appendices A and B.
- 4.2 In respect of the core budget, the projected budget position is nil after the use of £1.137m of the Children’s Reserve. The key risks and appropriate actions are also set out in Appendix A.
- 4.3 Assumptions surrounding the impact of Covid 19 on the Portfolio position, subject to paragraph 3.2 above, are also set out in Appendix A. Work is on-going in respect of several risks and will be set out in future reports as necessary.
- 4.4 In respect of the DSG, the current projection is an adverse variance of £8.539m which includes a net £5.934m carried forward from 2019/20. The current variance is wholly in respect of the previously reported pressures in respect of the High Needs Block (HNB) of the DSG. Despite the impact of Covid 19, work has continued on the HNB recovery plan and an updated report with the latest Plan and Financial Model was presented to Cabinet on 5th November 2020.
- 4.5 Appendix A also sets out the Capital Programme position at Period 6.

5. Reasons for recommending preferred option

5.1 N/a

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
Economy: 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2.	Click here to enter text.

<p>3. Increase the supply of housing, especially affordable and social housing.</p>	
<p>Environment:</p> <p>4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions.</p>	<p>Click here to enter text.</p>
<p>People and Communities:</p> <p>7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs.</p>	<p>This is the key priority for this Portfolio</p>

6.2 Consultation and Scrutiny:

6.2.1 None at this stage

6.3 Financial implications:

6.3.1 As set out in the report

6.4 Legal implications:

6.4.1 None at this stage

6.5 Risk implications:

6.5.1 As set out in the report

6.6 Equality implications:

6.6.1 None at this stage

7. List of appendices referred to

7.1 Appendix A - Core Revenue and Capital Position as at Period 6

7.2 Appendix B – DSG Revenue Position as at Period 6

8. Background papers used to compile this report

8.1 N/a

9. List of other relevant documents

9.1 Na/