

**Minutes of the Finance Work Group Meeting held on  
Tuesday, 7 March 2017 in Room 1, Civic Suite**

**Present:**

David Lewis (Chair)

Andrew Wilkins

Julie McCarthy

Lynn Clark

Lynda Mackay

Janet Marsh

Jane Hutchinson

Lynda Mackay

Steve Fenton

Ian Murray

Linda Sheridan

TU Representative

Governor, Hazel Oak

Coppice Juniors

Marston Green Juniors

Knowle Primary

Sharmans Cross

Monkspath Primary

Governor, Knowle CofE Primary

Business &amp; Performance Manager, SMBC

Financial Operations, SMBC

Financial Operations, SMBC

**In attendance:**

Lorraine Lord

SEIS (Safeguarding &amp; Vulnerable Children)

Minutes taken by Alison McWilliam, Senior Forum Administrator

Item		Action
1	<p><b>Apologies for Absence</b></p> <p>Apologies were received from Charlotte Shadbolt, Gaynor Elliott, Mike Ison, Rosemary Cotton, Tracey Lake and David Miller.</p> <p>It was noted that Paul Jackson (CBJS) and Simon Murphy (CTC Kingshurst) had stood down from Forum and Finance WG.</p>	
2	<p><b>Minutes of Previous Meeting (12.1.17)</b></p> <p>The minutes were accepted as a true and accurate record of the meeting.</p>	
3	<p><b>Matters Arising (12.1.17)</b></p> <p><b>Page 3 – Admissions Service</b> – Consideration will be given to taking this to Forum as an information item, particularly linked to the issue around housing developments.</p> <p><b>Page 5 – 2017/18 Budget Shortfall</b> – Following reluctant agreement at the last FWG to fund the £300k shortfall (due to pupil growth) from reducing the AWPU, on 8 February Forum members agreed instead to fund the shortfall from the forecast underspend. The money will then be recovered next year, when the additional DSG money comes in. All other Matters Arising are included in the agenda.</p>	DL
6	<p><b>Safeguarding Training – Lorraine Lord</b></p> <p><i>Reference 'Safeguarding and Vulnerable Groups' report.</i></p> <p>The Whole School training programme has been updated and aligned with 'Keeping Children Safe in Education 2016', local and national priorities. New additions to the programme include a paired role play disclosure activity and writing a referral, both of which have been well received. The aim is to ensure training covers all the statutory areas, whilst being personalised to individual schools' needs. A wide range of areas are covered, including the 'toxic trio' (mental health, domestic abuse, substance abuse), neglect, FGM, children missing from education, sexting and child sexual exploitation. A Safeguarding Lead handbook has been produced to support schools in dealing with the increasing complexity and requirements of safeguarding in education and this is updated as required. Each school must have at least one appropriately trained Designated Member of Staff for Child Protection and in Solihull 100% of schools are compliant. Designated Safeguarding Leads must be LSCB trained; this focuses on neglect, CSE and early help.</p> <p>DMS Conference days are planned for March and April, with over 200 delegates already booked on and an undertaking not to turn anyone away. This is a growing area for schools, bringing an increasing and more complex workload.</p> <p>Previous Governor training based on raising awareness was not felt to be strategic</p>	

4	<p>enough, so training is now based on Part 2 of Keeping Children Safe. Although the Solihull Education Improvement Service is under review, there is a commitment that Safeguarding training will continue to be delivered. Members commented as follows:</p> <ul style="list-style-type: none"> <li>• Case loads are increasing, so it is a strength for schools to have more staff trained.</li> <li>• Having the LA manage the training ensures that all Solihull schools receive the same training and policies.</li> <li>• The Governor training is very good.</li> <li>• Early Years have their own training and LL agreed to provide some figures on this.</li> </ul> <p>Members felt it was vital that the grant continued at the same level for next year. It was recommended that the annual grant of £26,500 be renewed for 2017/18.</p> <p><b>NFF Phase 2 Consultation – David Lewis, Steve Fenton</b>  <i>Reference 'Draft SSF Response to Consultation Questions' and 'Pay Cost Pressures for all School Budgets'</i></p> <p>The <b>NFF Phase 2</b> Consultation is out, with a deadline for submissions of 22 March. Solihull MBC will be making its own submission, Forum is composing its own response and DL encouraged schools and Individuals to submit their own responses. The f40 Group has been very active and has prepared a letter to the Prime Minister to be signed by representatives of all its member authorities, including Solihull.</p> <p>DL and SF ran through the key points raised in Forum's draft response:</p> <ul style="list-style-type: none"> <li>• We have criticised the formula as it does not satisfy the requirements for fairness or transparency and builds in historic under-funding due to the 3% floor on losses. Although the inequality might be narrowed, it is not eradicated and this will prevent any move towards fair funding.</li> <li>• The view is that funding should start from the basic cost of running a school or class and this should be the basis of the formula (not based on averages).</li> <li>• We have put in some figures based on the additional costs Solihull schools will have to meet (NI, pensions, apprenticeship levy, etc.). Even though Solihull receives an additional £3.9m, primaries lose £300k and this does not match the additional costs that schools will have to fund. (Reference <a href="http://schoolcuts.org.uk">schoolcuts.org.uk</a> website)</li> <li>• Even with Birmingham losing 3% and Solihull gaining 2.6%, the difference in funding between neighbouring authorities will continue to be unfair and Solihull will still be educating 6,000 Birmingham students with much less money.</li> <li>• We feel that the ratio between primary and secondary funding is too big.</li> <li>• We suggest more money is put into basic per pupil funding and less into AEN factors.</li> <li>• The reduction in lump sum from the maximum £175k (which Solihull gives) to £110k is an important factor for many of Solihull's small schools and makes the existence of some 1 and 2FE schools perilous.</li> <li>• Sparsity acts as another lump sum for schools that qualify.</li> <li>• Lagged funding for growth is hard for schools to manage when funding is too tight to allow any flexibility. We suggest that the LA or the EFA has a contingency to handle these increasing pressures.</li> <li>• The 3% floor is the crux of the problem and will prevent us from ever reaching 'fair funding'.</li> <li>• The formula needs to be adapted to the local area and have the ability to move funds around, so we advocate a soft formula and a longer transition period of, say 10 years, including the MFG.</li> </ul> <p>Members commented as follows:</p> <ul style="list-style-type: none"> <li>• Increasingly schools are spending a lot of time dealing with social problems.</li> <li>• There is concern that local MPs do not understand that Solihull's 2.6% gain and Birmingham's 3% loss still does not equalise funding between the authorities.</li> <li>• Insufficient funding is having a severe impact on recruitment and retention of senior staff. A deputy head in Birmingham is earning more than a head teacher in Solihull. Solihull schools seem to be providing a training ground for staff who then move into more senior posts in Birmingham and elsewhere.</li> </ul>	LL
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Generally we are happy with the **High Needs NFF**. Although Solihull stood to lose £2.25m, under the proposals no LA will lose money, so we will have static funding. This means that any increase in pupil numbers has to be funded from within this figure which will result in financial pressures. Particular issues include:

- We believe there is too much deprivation and that it should probably be 10% and 60% in population.
- We agree with maintaining flexibility between the Schools and HN blocks in order to manage the system. Without that, schools will have to manage within their funding allocation.
- There is concern that greater financial pressures could have implications for inclusion.
- New housing developments will impact on HN places, exacerbating an already stretched situation.

The Forum model will be circulated to all schools, governors and Forum members later this week. All schools are encouraged to take an active part in the consultation and in communicating their concerns to local MPs.

All  
members

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### **2016/17 Monitoring Statements for DSG and SEND – Ian Murray**

*Reference: '2016-17 Non-delegated HNB Out-turn'*

IM reported several changes since the last report.

- **Education Otherwise** – surplus of £318k which is predominantly exclusion income. This has put pressure on alternative provision including Education Extra and the Home Schooling Service; Solihull's PRUs are at full capacity.
- **SISS** - underspend of around £100k, largely due to income from traded services.
- **LACES** – underspend of £50k.
- **Independent School Fees** – showing a small underspend, but is expected to break even at year-end.
- **Top-up Post-16** – underspend of £400k is likely to continue this year, however a similar underspend in future years is unlikely.
- **Top-up Primary and Secondary Schools** (top-up payments to Solihull and ex-borough schools) - £580k overspend for a number of reasons: increased costs for Solihull pupils attending Solihull and ex-borough schools and the late receipt of invoices from Birmingham for places taken up in Birmingham schools in previous years (as far back as 2014). The delays in receiving invoices has made forecasting and budgeting very difficult, but Solihull is bound to honour these for up to 6 years. There is a trend to increase top-up funding (and a corresponding increase in EHCP applications). Members raised concern that this could be an on-going problem, with Solihull continually playing catch-up and possibly resulting in the need to make budgetary adjustments.
- Members felt this placed greater emphasis on the success of ARC provision, whilst being realistic about how many pupils the ARCs will be able to accommodate.
- The period-end surplus of £71,500 includes in-year funding of £295k for ARC provision.

*Reference 'Non-delegated DSG 2016/17 Forecast Out-turn'.*

Key areas to note include:

- **Revenue Contributions to Capital** of £150k, set aside for various capital projects, will not be used this year.
- **Remaining Non-delegated DSG** of £182k is made up of underspend against the Schools Forum budget of £15k and IT revenue projects which will not be used this year.
- **Schools Admissions** of £50k is income from academies for the service.
- A discussion is required around the £86k c/fwd for 2 year-old trajectory funding, whether this could be funded from existing budgets and the £86k used for other items or go into contingency.
- The £1.48m is committed to ARC developments and will be carried forward to 2017/18.
- A £435k surplus is anticipated for year-end, of which £260k is required to balance

	<p>school budgets (in order to maintain rates for schools at the existing funding levels). Any balance will be carried forward as a HN reserve for when the HN Block is ringfenced.</p>	
7	<p><b>Procurement – Darren Jakeways</b> It was agreed to carry forward this item to the 27 April meeting.</p>	Fwd Plan
8	<p><b>Any Other Business – David Lewis</b> <u>The Key advice and info service</u> DL reported that 58 schools have purchased a 1 year subscription to The Key for 2017/18 at a total cost of £44,500. SMBC will manage the invoicing directly with schools.</p>	
9	<p><b>Date of Next Meeting – 9.30am Thursday, 27 April 2017 at Room 1, Civic Suite</b></p>	