

## Minutes of the Finance Work Group Meeting held on Tuesday, 12 September 2017 in Room 1, Civic Suite

**Present:**

David Lewis (Chair)	TU Representative
Andrew Wilkins	Governor, Hazel Oak
Lynn Clark	Marston Green Juniors
Rosemary Cotton	Langley Academy
Lynne Russell	Castle Bromwich Infants
Mike Ison	Grace Academy
Janet Marsh	Governor, Sharmans Cross
Tracey Lake	Knowle CofE Primary
Jane Hutchinson	Monkspath Primary
Jane Davenport	Reynolds Cross
Steve Fenton	Business & Performance Manager, SMBC
Ian Murray	Financial Operations, SMBC
Linda Sheridan	Financial Operations, SMBC

**In attendance:**

Chris Lowe	Procurement, SMBC
Lizi Bird	Records Management, SMBC

**Observers:**

Antoinette Fisher	Governor, Dorridge Primary (Forum Chair)
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Minutes taken by Alison McWilliam, Senior Forum Administrator

Item		Action
	DL welcomed everyone to the first meeting of the new academic year and introductions were made around the table.	
1	<b>Apologies for Absence</b> Apologies were received from Lynda Mackay, Chris Key, Andrew Williams, Charlotte Shadbolt and David Miller.	
2	<b>Minutes of Previous Meeting (14.6.17)</b> The minutes were accepted as a true and accurate record of the meeting.	
3	<b>Matters Arising (14.6.17)</b> <b>Page 2 – High Needs Block</b> – The current status of the Statement to EHCP conversion process will be raised at the EdSEND meeting on 18 September. The grant to fund the work will end next year, following which conversion costs will have to be absorbed. <b>2017/18 Membership</b> – AF is in discussion with Merstone/Forest Oak about filling the special school bursar vacancy. All other Matters Arising are included on the agenda.	EdSEND AF
4	<b>Ratification of Chair and Vice Chair for 2017/18</b> The appointment of DL and AW as Chair and Vice Chair respectively was ratified.	
5	<b>Review of Terms of Reference – David Lewis</b> <i>Reference 'Draft 2017/18 Finance Work Group Terms of Reference'</i> DL drew attention to the highlighted points in Section 2. Amendments are required due to changes in the way SEND business will now be conducted (Forum SEND and SSSAB SEND groups have been stood down and a single new group set up, the first meeting of which will take place on 18 September) and to take account of additional powers granted to Forum by the DfE (including transfer arrangements for funds between the Schools Block and High Needs Block). Members agreed the amendments, which will now go to Forum on 9 October for ratification.	Forum

6	<p><b>Monitoring Statements – Ian Murray</b>  <b><u>High Needs Block</u></b>  <i>Reference 2017/18 Non-delegated High Needs Block Out-turn'</i>  The 2017/18 HN budget was increased by around £1m (additional £735k for Top-ups and a £406k Contingency for increased in-year provision).  <b><u>Non-delegated DSG</u></b>  <i>Reference 'Non-delegated DSG 2017/18 Forecast'</i>  The main changes and items of note are:</p> <ul style="list-style-type: none"> <li>• Despite a significant overspend against Pupil Growth last year, this year's spend is expected to be only slightly over the £250k budget and currently stands at £308k. NB. This budget cannot be increased.</li> <li>• There is £53k overspend on Contingency, partly due to residual costs associated with on-going claims on the old Insurance Scheme which ended on 1 April 2017.</li> <li>• Assuming no further overspends, a budget surplus of £225 is anticipated.</li> <li>• It is too early yet to predict Early Years outcomes and DL asked that this (including the impact of the 30 'free' hours) form an agenda item for the November meeting.</li> <li>• £1.2m was carried forward from 2016/17 for ARC development, about half of which will be used this year, with the remainder carried forward to next year.</li> </ul> <p>In future monitoring statements will be presented to show spend across the four separate blocks (Early Years, High Needs, Central Services and Schools Block).</p>	Fwd Plan  IM
7	<p><b>Secretary of State Announcement/Meeting with DfE – David Lewis</b>  <i>Reference 'Meeting with Nick Gibb on School Funding' and 'Justine Greening Statement to Parliament on School Funding'</i>  As part of the school funding reforms and following two formal Consultations, a series of meetings have taken place. On 18 July Caroline Spelman arranged for a group of head teachers and Forum representatives from her Meriden Constituency to attend a meeting with the Schools' Minister. The key points of the meeting were:</p> <ul style="list-style-type: none"> <li>• An additional £2.6b will be put into the system over 2018-19 and 2019-20. (This is new money for schools, funded from sugar tax, free school expansion programme and Department efficiency gains.)</li> <li>• The NFF will be introduced next year as a 'soft' formula, with money continuing to be allocated through the LA and with the LA retaining responsibility for allocating to schools through their local funding formula. From 2020-21, money will be distributed directly to schools under a 'hard' formula.</li> <li>• Minimum funding for secondary schools will be £4,800pp/pa by 2019-20.</li> <li>• Modest additional funding for High Needs; Solihull may receive a slight increase of 0.5%.</li> <li>• Pupil Premium will continue, but will not form part of the Funding Formula.</li> <li>• The high number of Solihull primary schools set to lose money under the NFF appears to be due to the higher weighting the Borough has previously given to primaries. Under the NFF, the proposed ratio is 1:1.29 (primary/secondary).</li> <li>• CS argued strongly for the higher funding that Birmingham schools receive to follow the pupils attending Solihull schools. Ministers hinted that pupils with the same characteristics would be funded at the same rate wherever they attended school and following the meeting CS announced in the local press that under the NFF, Solihull schools would receive the higher level of funding for Birmingham-based pupils. However, it seems likely that the protection afforded by 'no school will lose money' will mean that, in reality, this will not happen.</li> <li>• Ministers stressed the importance of reading at primary level and the EBacc for secondaries.</li> </ul> <p>Overall, the meeting was felt to be very positive.</p>	
8	<p><b>Schools Revenue Funding 2018/19 – Steve Fenton</b>  <i>Reference 'Schools Revenue Funding 2018-19' report</i>  The NFF announcement, setting out the funding each authority will receive is imminent and a detailed paper will be brought to the November meeting for debate. In August the DfE published its Operational Guide and SF's report explains key areas, tailored to</p>	Fwd Plan

<p>Solihull's own circumstances. SF raised the following points:</p> <ul style="list-style-type: none"> <li>- There will be a 0.5% pp increase for every school in 2018-19.</li> <li>- For secondary schools per pupil funding will be at least £4,800, although, depending on Solihull's allocations this may have to be phased over two years.</li> <li>- The MFG will continue as a means of aiding transition, but LAs will have some flexibility. Further information is required as to how this will work.</li> <li>- 6.4 LAs will be able to transfer up to 0.5% from the Schools' Block (NB. £132k should read £700k) with Forum approval. The transfer can be at either schools' or the LA's request and circumstances can include where the LA needs to move funding to the HNB to manage an overspend, or for example where schools want to increase top-up funding to incentivise inclusiveness. All groups need to be aware of these options, although at present there is no proposal to seek a transfer before November.</li> <li>- 6.5 Solihull's plan is to move to the NFF as quickly as possible, relying on the MFG and other protections to ease the transition. Once the national data is available, SF will work up the values, with AWPU as the balancing figure. For secondary schools, moving to the £4,800pp will take two years, dependent upon funding allocations.</li> <li>- The 0.5% increase does not specifically apply to special schools, however we could think about increasing top-ups by 0.5%, on the grounds that special schools are facing the same financial pressures as mainstream.</li> <li>- 6.7 Retained Duties for ALL schools – in December 2016 Forum agreed to the £566k grant being pass-ported through from the Schools Block to the LA for the LA to deliver a range of fixed cost statutory functions (shown in Appendix 3) - in the knowledge that these services cost a lot more to deliver than this sum. At the November FWG meeting, IM and Stuart McHale will bring more detail on these services to enable FWG/Forum to agree to the annual pass-portal of funds for next year.</li> <li>- General Duties for maintained schools only – in December 2016 maintained schools agreed a £60pp top-slice (just under 1.5%) as part-year funding for services provided by the LA (shown in Appendix 3). For 2017/18, the LA may seek up to £70pp, the full year cost of services. The LA is preparing more detail which will be brought to the November FWG meeting and taken to the December Forum meeting for maintained schools to vote on.</li> <li>- School Improvement Service – is being driven by Phil Leivers in separate conversations with SSSAB and schools. PL will present a paper to the October Forum meeting. There is also a sum of money that schools can bid for which will be dealt with separately.</li> <li>- 6.8 Central Services - it may be difficult to generate a report attached to each activity described in the DfE document as the description of tasks does not necessarily represent the way the LA carries them out, so some areas will be grouped together. However, it is important that schools have transparency in what they are paying for.</li> <li>- 6.9 De-delegation - the LA expects the current arrangements to continue into 2018/19 with Forum's agreement (TU duties and primary contingency [funding redundancy costs for maintained schools]).</li> <li>- 6.10 Growth Fund – the £250k should be sufficient this year as more use is being made of the Pupil Number Variation route.</li> </ul> <p>The next step is for SF to carry out modelling based on funding allocations and for schools to see what this means for their budgets.</p> <p>Notes:</p> <ul style="list-style-type: none"> <li>• It is difficult to estimate what the 0.5%pp increase could mean for schools as it is dependent on what the % is based upon and how it will interact with the MFG. If it is possible to produce a financial tool for schools, this can be done quickly.</li> <li>• The increased funding will not cover schools 8% real-term increased costs.</li> <li>• SF's paper can be shared with the Business Managers' Group.</li> <li>• It is imperative that the LA engages with Schools Forum and schools and SF agreed that once modelling has been done, there will be active communication with all parties. This may include a consultation with all schools during November, meetings with certain groups (Heads' Partnership 16 November), etc.</li> </ul>	<p>Fwd Plan Forum</p> <p>Fwd Plan Forum</p> <p>Forum</p>
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	<ul style="list-style-type: none"> <li>Details on HN funding will be brought to the FWG in November and will also go to the Education SEND group.</li> </ul>	Fwd Plan EdSEND
9	<p><b>LSCB Grant Update – David Lewis</b></p> <p>A presentation to FWG on the work of Solihull's LSCB has been delayed as officers are awaiting details on how Boards will operate following Government reforms. In the meantime, head teachers have raised some concern about the DSL and Managing Allegations training funded through the £13,500k grant agreed annually by Forum. Forum annually agrees two elements of funding:</p> <p><b>£26,500</b> School-specific Safeguarding Training (includes Safer Recruitment and Awareness training), which is delivered by Lorraine Lord and HR (LL presented to FWG in March 2017). Training is delivered by sector and includes governors.</p> <p><b>£13,500</b> Schools' contribution to multi-agency funding (includes Social Services, Police, etc.) for the running of the LSCB plus statutory DSL and Managing Allegations training. With increasing time being spent on child protection issues and in DSL meetings and whilst understanding that some training is taking place, heads have raised concern that an insufficient number of school staff are being trained up, that waiting lists are too long and that schools and the LA could be failing in their statutory duties.</p> <p>DL and AF agreed to email Phil Leivers and Sally Hodges with these concerns, enquire about the cost of the training and whether it could be split out from the LSCB running costs and attempt to clarify the current position, including what the Board expects from a DSL.</p>	DL, AF, AMc
10	<p><b>Records Management – Lizi Bird</b></p> <p><i>Reference 'Records Management Update' report</i></p> <p>Recent focus has been on alerting schools to the new Data Protection law, (from May 2018) through training and briefing sessions for all school staff and governors, plus individual school visits where required and this will continue during Autumn and Spring terms. Eleven schools have not yet engaged in the training and LB will continue to follow up with them. It is imperative that schools are fully aware of the new regulations as there will be fines for non-compliance.</p> <p>LB plans to survey schools to establish if there are other areas schools require help with and will produce newsletters as a means of getting information out to schools.</p> <p>JM asked about data protection linked to personal information shared by schools with 3<sup>rd</sup> party organisations. LB urged schools in this position to check the company's record on security (the LA has a form with a series of questions) and have a contractual agreement drawn up, documentation for which is available via the SMBC Extranet, via this link: <a href="https://extranet.solgrid.org.uk/management/ictim/infoqov/SitePages/DataProtectionContractors.aspx">https://extranet.solgrid.org.uk/management/ictim/infoqov/SitePages/DataProtectionContractors.aspx</a></p> <p>It was suggested that this area be included in the upcoming survey and newsletter.</p> <p>Members agreed that the £30k funding be recommended to Forum for a further year.</p>	Link  Forum
11	<p><b>Procurement Update – Chris Lowe</b></p> <p><i>Reference 'School Contracts September 2017'</i></p> <p>CL reported the following:</p> <ul style="list-style-type: none"> <li>The Home to School DPS system is now in place; 57 suppliers have expressed a desire to join the scheme and more may come on board in time. 63 routes have been put up for auction and work is on-going to award these and set up terms and conditions with providers.</li> <li>Microsoft Licences have recently been awarded and schools' Web Filtering licences have been extended.</li> <li>The School Cleaning framework is not working as well as it should, possibly due to lack of competition in suppliers. The team will be reviewing the contract this year, with a view to going out to the market again in 2018, if necessary.</li> <li>The Window Cleaning contract (primary schools) ends in November 2017, but is likely to be extended for a further year, with a view to re-visiting next year. Some schools are unhappy with what appears to be a low-cost service and may be happy to pay more for an improved service. The team will survey schools for feedback.</li> <li>The Childcare Voucher contract is noted as expiring in March 2016, however it appears to still be in place, CL agreed to look into this.</li> </ul>	CL  CL

	<ul style="list-style-type: none"> <li>• Some schools are not purchasing from the corporate Water Cooler contract, where there are significant savings to be made.</li> <li>• The Cashless Catering (thumb print) system with NRS ends in August 2018. The existing arrangements have been in place since 2011, technology has moved on and schools want a more manageable system in terms of data and manipulation. The team will work with Catering IT and schools to come to a new arrangement.</li> <li>• For furniture, stationery and equipment, the aim is best value for schools and a supplier has approached Procurement with a request for preferred supplier status. This would involve a full tendering process which will be taken up next year.</li> <li>• It is hoped that improvements to the SMBC Extranet, plus attendance at bursars' meetings by the Procurement Officer, will help to keep schools informed of the various corporate contracts.</li> </ul> <p>Heads raised concern at the high level of charges associated with Parent Pay; charges used to be levied per transaction, but are now charged at 1.29% of the spend and are in addition to catering costs. However, it was noted that any costs associated with collecting dinner money have always been the responsibility of the school, not Catering.</p>	
12	<p><b>Catering Costs – Lynn Clark</b></p> <p>LC reported a mounting loss (currently £12k) against catering at Marston Green Junior School and it appears that all Solihull junior schools are reporting a similar loss. LC asked if this was due to the cost of each dinner being higher than Catering's charge and at non-junior schools the difference was covered by UFSM. It was agreed that this would be followed up and that Catering would be invited to attend the November meeting.</p>	Fwd Plan
13	<p><b>Next Meeting – 9.30am Wednesday, 8 November 2017 at Sans Souci</b></p>	