

Minutes of the Finance Work Group Meeting held on Wednesday, 8 November 2017 in G.03, Sans Souci

Present:	
David Lewis (Chair)	TU Representative
Andrew Wilkins	Governor, Hazel Oak
Andrew Williams	Bentley Heath Primary
Charlotte Shadbolt	Governor, Heart of England
Lynn Clark	Marston Green Juniors
Rosemary Cotton	Langley Academy
Lynne Russell	Castle Bromwich Infants
Chris Key	Tudor Grange
Janet Marsh	Governor, Sharmans Cross
Tracey Lake	Knowle CofE Primary
Jane Hutchinson	Monkspath Primary
Jane Davenport	Reynalds Cross
Steve Fenton	Business & Performance Manager, SMBC
Ian Murray	Financial Operations, SMBC
Linda Sheridan	Financial Operations, SMBC
Stuart McHale	Finance Manager, SMBC
In attendance for part of the meeting:	
Chris Lowe	Procurement, SMBC
Betty Lynch	Local Safeguarding Children Board
Stephen Eccleston	Local Safeguarding Children Board
Yesrib Azam	Catering, SMBC
Lisa Morris	Early Years, SMBC
Tom Cure	Family Information Service, SMBC
Nicky Eatherington	Admissions, SMBC
Observers:	
Antoinette Fisher	Governor, Dorridge Primary (Forum Chair)
Minutes taken by Alison McWilliam, Senior Forum Administrator	

Item	Action
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4	Att.

The service is also looking at introducing a Fixed Price/Consultancy model for schools that only want some parts of the service.

Specific Concerns Around Schools Showing Losses eg. Marston Green Juniors

Schools showing a loss/debt are predominantly junior and special schools that have a Handback contract with Catering. 57 Handback contracts are predicted to be in a total deficit of £173k in 2017-18. Debts have accumulated in schools where income achieved from school meal uptake is lower than the cost of Catering providing the service. (Uptake at MGJ is 46% against a national average of 55%). The differential shows as a loss (or undercharge) to the school.

Losses will be offset through an income risk reserve, accumulated from income from schools with a high level of uptake, where income is higher than the cost of providing the service. There may also be some cross-Council subsidisation.

UFSM at Infants has led to high-level uptake in this sector, with these schools making a greater contribution to the Catering Service than Junior and Special schools.

To alleviate the problem, schools currently showing losses are encouraged to work with Catering to increase uptake and therefore income to achieve a breakeven point, and/or consider increasing the selling price. Schools can determine their own selling price, but Catering make a recommendation based on usage, take-up etc. and have made a recommendation to Cabinet to raise the price of a meal in 2018 to take account of additional costs associated with implementation of the living wage.

Transaction Charges

Schools have started to ask Catering to fund Parent Pay transaction charges. The school selling price does not include this and never has and schools are expected to collect their own income. Consideration could be given to increasing rates to cover the cost of transaction charges. It was noted that the introduction of Parent Pay has led to efficiencies and reduced costs for schools.

Loss of Capital Funding for Equipment

Catering Service purchases around £120-150k of equipment each year, a cost that is not reducing year-on-year. In a bid to reduce this, the Service is commissioning a survey to look at repairs, maintenance and suppliers.

It was agreed to invite YA back to a future meeting.

Fwd Plan

5 Monitoring Statements – Ian Murray

Reference 'Non-delegated DSG 2017/18 Forecast'

As requested, Statements will now be set out across each of the 4 separate blocks.

Schools Block

Contingency is overspent by £86k, due to on-going claims on the old Insurance Scheme which ended on 1 April 2017.

Pupil Growth is overspent by £100k and it is proposed that the budget is increased to £350k for 2018-19.

Central Block

There are small underspends on School Admissions and Schools' Forum, equating to £75k

Early Years Block

More will be known about the impact of the 30 hours of free childcare by December.

There is likely to be a variance against the budget.

High Needs Block

Reference 2017/18 Non-delegated High Needs Block Out-turn'

The only significant change from September is the £100k underspend against Education Extra, due to exclusions income.

There is no forecast yet against Independent School Places, however early indications are for a potential overspend. Ann Pearson will be delivering a paper to the EdSEND meeting on this.

Overall, a £325k underspend is anticipated.

SF stressed that this is the last year there can be any interchange between Blocks, as next year Blocks will be ringfenced, so any overspend on the Schools Block will need to be dealt with before next year. SF will also stress this at Forum on 4 December.

Forum

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Early Years Service – Lisa Morris*Reference Appendix F of School Funding 2018-19 – Central Services Report*

- EY Advisers work with any setting on the Early Years Ofsted Register that delivers EYFS (pre-school nursery, reception, child-minders, etc.) and those on the Childcare Register.
- The service provides quality assurance, information, advice and training and there is a statutory aspect around learning and development to ensure statutory assessments take place and are accurate.
- The current team of five staff (plus a member who supports inclusion) is undergoing a Management of Change programme.
- The service works with settings to ensure the Borough is delivering high quality provision. Ofsted Good or Outstanding ratings have risen from 74% in 2014 to 93% in 2017.
- Part of the role is about sufficiency of quality provision and briefings are held with potential new childminders to encourage them to set up in Solihull.
- Annual visits are made to settings to evaluate and identify training and INSET support. Training includes health and safety, safeguarding, curriculum and learning and moderation around assessment.
- At least every four years a team member visits schools to check moderation processes and accuracy of judgements for children age 5, to ensure submissions to the DfE are accurate.
- With the implementation of the 30 hours, more schools are taking on 2 year-olds, wraparound and after school provision and the team is supporting a variety of settings to meet the increased demand. However some settings are cautious about offering the 30 hours due to the level of funding.

Challenges being faced by the team include:

- The size of the task (with around 350 settings and 52 infant/primary schools) for a small team, particularly one undergoing Management of Change. The team must focus on targeting support to the people who need it most.
- Improvements need to be made to some of the Solihull rankings for EYFSP data, possibly through moderation. Teachers have high expectations of children and we need to ensure Solihull does not expect more than other authorities.
- There continues to be an inequality gap at age 5 and the team needs to support all learners in making progress and attaining.
- The level of 30 hours funding is a barrier to increasing capacity for some providers.

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Family Information Service – Tom Cure*Reference Appendix E of School Funding 2018-19 – Central Services Report*

TC talked through the key functions of the Service:

- Part of the original service was to help parents find childcare and support services and this remains a significant aspect, with the Information Helpline crucial in communicating with parents, particularly with the 30 hours free childcare and 2 year old offer.
- Solihull's uptake has increased considerably to around 76% (this is quite high nationally) due to the free provision and this is likely to increase further. There are 900 children in PVI settings and 1800 in school nurseries this term.
- FIS took on the busy FSM function two years ago, which includes checks to ensure maximum uptake and that school census data is accurate.
- FIS also process EY Pupil Premium applications for 3-4 year-olds and additional funding through the Inclusion Fund and Disability Access funding.
- The Service manages the updates for the Local Offer website, which is an on-going area for improvement.

In future FIS anticipates working more closely with schools to advertise what they can offer and plans to be the one-stop place where parents and practitioners come to find options.

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Procurement Update – Chris Lowe*Reference 'School Contracts November 2017' report*

CL reported the following:

- Childcare Vouchers– the Procurement Board has agreed to make a direct award against the current ESPO framework, so the new contract will be in place up to 2018, with an option to extend to 2019.
- Window Cleaning – the 44 primaries and 1 secondary school contacted were generally happy to continue the contract with ACE and this has subsequently been extended for a further 12 months, with the option to extend further. Schools were advised to discuss their individual requirements directly with ACE.
- Grounds Maintenance – the contract may be brought in with other corporate contracts to see if they can be managed more effectively.
- School Cleaning - several schools have reported a disappointing service; this will be closely monitored before potentially going out to the market.
- Cashless Catering System – although there are options to extend the contract, the existing system does not meet the requirements of schools and the Catering service. It is therefore currently under review by Catering and IT, with a view to using an alternative supplier.
- Home to School Transport - further routes have been put up for auction on the DPS, with 70 expressions of interest and 25 signing up to join the scheme. CL is working with colleagues in School Transport to manage the 77-route service.

Awareness of corporate contracts – CL has spoken to schools about requests for services such as coach hire and translation services and has directed them to corporate contracts wherever possible.

JM reported that Fairways had advised her school of impending changes to contract conditions for grounds maintenance. It was agreed that Fairways should be talking to Procurement about any changes,

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Admissions Service – Nicky Etherington*Reference 'School Admissions Service' report*

NE raised key items from the report:

- All schools must comply with the School Admissions Code, the Appeals Code and related legislation and the LA has a statutory duty to co-ordinate intake admissions to all publicly funded schools in the Borough.
- All Solihull academies buy the service, providing parents with the advantage of a one-stop shop for finding school places.
- The new Solihull AP Academy (free school) has requested details about the processes; they are required to comply with the Code, as per other schools.
- The team is pro-active and investigates areas where there are a high level of queries. This helps to reduce the number of high-cost appeals and disputes; of 150 secondary appeals last year, only 2 were successful.
- Visits are made to primaries in Year 5 to explain the process - particularly focusing on schools with a mix of pupils from in and out of the Borough.
- Around 20-30 fraudulent applications a year are withdrawn at the outset and around 5-10 are identified after places have been allocated.
- There has been an increase in contact from parents, with around 40,000 calls per annum.
- Increasingly information is published on-line and offers are now emailed rather than posted.
- The service deals with a total of 11,500 applications annually, around a 1/3 of which are from out-of-borough applicants.
- The service manages around 200 applications for the WMG Academy.
- Year 2 is a particular problem for Solihull, with only 4 spaces across the Borough.
- The success of the service is very much down to the good relationship with and co-operation of head teachers.

- 10 **LSCB Grant – Betty Lynch, Steve Eccleston**
Reference 'Report to Schools Forum Finance WG', letter to Head Teachers and 'LSCB Annual Report 2016-17'
 As outgoing LSCB Manager (SE is the incoming Manager), BL explained the role of the LSCB as:
- Co-ordinating provision of services where there are safeguarding concerns, including multi-agency training and co-ordinating emerging issues
 - Communicating to the general and professional community around safeguarding children
- The Board's 3 key priorities are:
- Protecting children at risk of Child Sexual Exploitation (CSE)
 - Working with Family Support around negligence
 - Early Help
- A range of sub-groups sit underneath the Board and David Peplow is the independent Chairperson.
- In response to the specific questions FWG has raised, BL responded as follows:
- Future of the LSCB – The Board will continue in its current form until March 2019 at the earliest. Guidance will be worked through to ensure the new arrangements in place are robust to commence delivery from April 2019. All changes will be consulted on with stakeholders, including Forum.
- Funding – The Board has been very successful as a result of multi-agency contributions and the Council, including schools, fund 53% of the cost. This funds the Chair, multi-agency training and communications functions, as summarised in the annual report.
- DSL Training – The LSCB provides multi-agency training, designed specifically with schools in mind and delivered on a modular basis. DSLs must undertake Module 2 within their first academic year of employment and top-up annually from a range of other modules. After 2-4 years, DSLs may need to repeat Module 2.
- Issues have arisen where new head teachers have been unable to access Module 2 in the September they commence employment due to the restricted number of places (6). Since David Peplow's recent letter to schools, concerns seem to have been resolved. Members suggested that improvements could be made to the post-training Evaluation Form.
- 11 **School Funding inc. Central Services and High Needs – Steve Fenton**
Reference 'School Funding 2018-19 – Central Services' report
 Under the new arrangements, 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.
- Appendix G – Previously centrally retained services were funded from a top-slice of schools' budgets. However, from 1 April 2018, under the NFF, they will sit within a new Central Services Block and the majority of items will not be top-sliced (EY will continue to be top-sliced). Therefore, should any of these services cease, the funding would not go back to schools. Schools were asked to agree the on-going need for these services and the associated costs in terms of delivering value for money.
- Growth Fund (£350k) – This is now a separate component of the Schools Block, with funding based on actual spend and paid with a one year time lag. A £100k increase is suggested for 2018-19 to respond to current costs. Money will fund set-up costs to equip a classroom for a bulge class for a single year. The majority of growth is funded through Pupil Number Variation.
- Central Services Block
 This is a new DSG block and is no longer schools' funding. It includes Admissions (reported above), Licencing Fees (undertaken by the EFA, so Forum does not need to approve it) and servicing of Schools Forum.
- Retained Duties
 These are the statutory functions that the LA undertakes on behalf of ALL schools (see Appendix D). The LA receives a grant of around £600k and supplements this with around £1m to fund a total service cost of £1.6m. Costs shown are pre-Management of Change for the SEIS service. Any service and associated cost removed from the programme would reduce the LA subsidy, the money would not go back to schools.

	<p>Forum must approve this cost and SF asked whether we have about the right balance? <u>Central Services Based on Historic Commitments</u> These costs are based on either a staff cost or an on-going contractual commitment. Services were previously funded from a top-slice of school budgets but under the NFF, the DfE will provide the exact amount to undertake the services. However FWG will still request annual reports to ensure each service is fit for purpose and providing value for money. Should any service cease, or Forum vote to end a service, the DfE will retain that level of funding, it will not go back to schools.</p> <p>ExCom – Is a 20 year European grant to maintain community IT facilities in north Solihull, now operated by Unity Collaborative. Members asked for a report on how the funding is being used and this will be brought to a future meeting.</p> <p>Prudential Borrowing – Is the 23 year mortgage on the north Solihull build programme.</p> <p><u>Early Years Block</u> This is centrally held and top-sliced from the hourly rate; each £100k equates to around 5p in the hourly rate. No more than 5% can be deployed in Central Services, Solihull currently spends about 4.5%. Forum recently approved the £250k Inclusion Fund, around £35k of payments have been made since September. This is applicable to all children in Solihull settings, irrespective of where they live. If the £100k Contingency Fund overspends, the hourly rate would have to be reduced the following year to claw it back; this would not be popular with providers.</p> <p><u>De-delegated Services</u> (mainstream only) Primary school contingency was reduced to £100k last year and pays for ad hoc items such as retrospective applications to join the teachers' pension fund and staff exit costs. Although the current TU Facilities Time arrangements will continue into next year, the service is under review through SSSAB. SF will make a recommendation to Forum on 4 December.</p>	<p>Fwd Plan</p> <p>Forum</p>
12	<p>School Funding – General Duties – Stuart McHale <i>Reference 'School Funding 2018-19 – General Duties' report</i> Under the new NFF arrangements, the LA still has a range of statutory functions and duties to undertake (Appendix C) for maintained schools which were previously funded through the Education Services Grant. The expectation now is that maintained schools will agree to fund these, through a top-slice, to be approved by Forum and as allowed for in the new regulations. 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 in the current financial climate 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 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. SMcH will take a recommendation to Forum on 4 December.</p>	<p>Forum</p>
13	<p>Next Meeting – 9.30am Monday, 8 January 2018 in Room 1, Civic Suite</p>	