

# Schools Forum Agenda

Thursday, 22 June 2017

**4.30 pm – 6.30pm** , Committee Room 2 - Civic Suite  
Lewisham Town Hall  
London SE6 4RU

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<b>Item</b>	<b>Pages</b>
<b>1. Apologies and Acceptance of Apologies</b>	
<b>2. Declaration of Interests</b>	
<b>3. Minutes of the Meeting 16 March 2017</b>	<b>1 - 7</b>
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<b>6. Recording Managed Moves</b>	<b>21 - 23</b>
<b>7. DSG End of Year Financial Position</b>	<b>24 - 29</b>
To report to Forum on the year-end balances for schools and the DSG	
<b>8. School Budgets 2017/18 and Financial Update</b>	<b>30 - 34</b>
This paper updated members with the latest position in a number of financial areas	
<b>9. Schools Finance Support</b>	<b>35 - 42</b>
This report considers the finance support available to schools	
<b>10. Early Years Sub Group Report</b>	<b>43 - 46</b>
Progress on the implementation of the 30 hours of childcare and the latest on Nursery School Funding	
<b>11. Any Other Business</b>	

## **Future Meetings**

05 October 2017  
07 December 2017  
18 January 2018  
15 March 2018

All meetings will be held between 16:30 and 18:30pm.

## **Sub Group Meetings (Provisional)**

<b>High Needs Sub Group</b>	<b>Funding Task Group</b>	
21 September 2017	20 September 2017	*
23 November 2017	22 November 2017	*
01 March 2018		

**\* These meeting dates are subject to receiving the outcome of the consultation.**

# Agenda Item 3

## LEWISHAM SCHOOLS FORUM

### Minutes of the meeting held on Thursday 16<sup>th</sup> March 2017

Membership (Quorum = 40% i.e. 8)      ✓ = present      ✗ = absent      a = apologies  
s = substitute

		Attendance				
		30/06	06/10	08/12	17/01	16/3
<b>Primary School Headteachers</b>						
Liz Booth	Dalmain	✗	a	✓	✓	✓
Paul Moriarty	Good Shepherd	a	✓	✗	✓	a
Michael Roach	John Ball	✓	✓	✓	✓	✗
Sharon Lynch	St William of York	a	✓	✓	✓	✓
Keith Barr	Kender	✓	✓	✓	✓	✓
<b>Nursery School Headteacher</b>						
Nikki Oldhams	Chelwood	a	✓	✓	a	✓
Cathryn Kinsey	(Substitute)				s	
<b>Secondary School Headteachers</b>						
Jan Shapiro	Addey & Stanhope	✓	✓	a	✓	✓
David Sheppard	Leathersellers Federation	a	✓	✓	✓	✓
Mark Phillips	Deptford Green		✓	✓	a	✓
Ruth Holden	Bonus Pastor		✓	a	a	a
<b>Special School Headteacher</b>						
Lynne Haines	Greenvale	✓	✓	✓	✓	✓
<b>Pupil Referral Unit Headteacher</b>						
Dr Liz Jones	Abbey Manor	a	✓	✓	a	✓
<b>Primary School Governors</b>						
Rosamund Clarke	Perrymount	✓	✓	✓	✓	✓
Dame Erica Pienaar	John Ball	✓	✓	✓	✓	a
Keith Dwan	King Alfred Federation	✓	✓	✗	✓	a
<b>Secondary &amp; Special School Governors</b>						
Pat Barber	Bonus Pastor	a	✓	✓	✓	✓
James Pollard	Addey & Stanhope	a	✓	a	a	a
Ruth Elliot	Watergate	✓	a	✓	✓	✓
<b>Academies</b>						
Declan Jones	Haberdashers' Aske's	a	✓	✓	✓	✓
<b>14-19 Consortium Rep</b>						
Gordon Gillespie	14-19 Consortium	✗	s	✗	a	✗

Early Years - PVI						
Dawn Nasser	Rose House Montessori				✓	✓
Diocesan Authorities						
Sara Sanbrook-Davies	Southwark Diocesan Board of Education			✓	✓	✓
Stephen Bryan	Education Commission – Catholic Diocese Southwark	✓	✓	x	a	a
Yvonne Epale	Education Commission – Catholic Diocese Southwark (Substitute)					s

Also Present	
Sara Williams	Executive Director CYP
Dave Richards	CYP Group Finance Manager
Hayden Judd	Principal Accountant - Schools
Kate Bond	Head of Standards & Inclusion
Diane Parkhouse	HR Manager – LB Lewisham
Claudia Smith	LB Lewisham
Ruth Griffiths	14-19 Strategic
Janita Aubun	Clerk

## 1. Apologies and Acceptance of Apologies

Apologies received from Paul Moriarty, Ruth Holden, Dame Erica Pienaar, Keith D'wan, James Pollard and Stephen Bryan.  
Apologies accepted.

Substitute for Education Commission – Catholic Diocese of Southwark, Yvonne Epale.

## 2. Declaration of Interests

There were no declaration of interests.

## 3. Minutes of the Meeting held 17 January 2017

Minutes were agreed.

## 4. Matters Arising

No matters arising.

## 5. Apprentice Levy

Forum were presented with a report on the new government Apprenticeship Levy and Public Sector Targets for Apprenticeships, and the ensuing implications for Schools and the Council.

The report included a search engine link which schools can use to look for suitable apprenticeship courses.

<https://findapprenticeshiptraining.sfa.bis.gov.uk/Apprenticeship/Search>

### **Decision:**

- Report noted and HR will bring a report to the June Forum which will highlight the pros and cons in order to make a decision.

## **6. IR 35**

Forum were briefed on the reform of the legislation which takes effect from 6<sup>th</sup> April 2017 relating to contractors working via intermediaries and providing their services to public authorities.

Employers will now be required to determine whether the IR35 rules apply to agency workers, interims and contractors i.e. determine the employee status. For individuals coming into schools to do one-off jobs, there is an employment status test website which schools can use to help ensure the worker is paying the correct amount of tax.

<https://www.tax.service.gov.uk/check-employment-status-for-tax/setup>

Or alternatively schools can contact Lewisham payroll who can determine it for you.

Note, HMRC may fine schools if they make an incorrect determination and the school is likely to be liable for the contributions.

### **Recommendation**

- Forum agreed that schools familiarise themselves with the employment status test tool but confirm their findings with Schools' HR for clarity and to avoid any errors.

## **7. New Woodlands – Funding Places 2017-2018**

Report to consider the recommendations of the High Needs Sub Group (HNSG) on the future funding of places at New Woodlands School, in light of the Transition Plan to move its legal status to a special school. An amended tabled paper was also presented in consideration of the above.

Forum were informed of the financial pressure on the High Needs Block and on schools budgets. A discussion was held around the new funding rates for a New Woodlands School place being based on pupil premium money following the child, and that schools contribute to the placement cost, pro-rata. i.e. school to be charged for the time the pupil is at New Woodlands.

### **Recommendation**

- Forum agreed the proposals in paragraph 6 of the report as to the new funding arrangements for a place at New Woodlands School.
- Forum noted that the SEN children on roll at New Woodlands will be banded with the new universal banding system which is in line with the other Special Schools. This is to be implemented wef 1 April 2017.
- Forum agreed that the new funding rates for a New Woodlands place would be based as detailed below, and that schools will contribute to the placement cost on a pro-rata basis.

**Basic Entitlement**

Primary      £3,726

Secondary    £5,125

(figures based on 2016/17 entitlement, may be subject to change for 2017/18)

**Plus Pupil Premium**

Primary      £935

Secondary    £1,320

- Forum agreed that the HNSG continue to monitor the progress of the Transition Plan for New Woodlands and that an annual report be presented to Forum by Autumn 2017.

## 8. Financial Update & Budget Monitoring

Forum were updated on a number of key financial developments:-

### National Funding Formula

Funding task group met 7<sup>th</sup> March and have drawn up a draft consultation response – this was presented to Forum.

The outcome of the National Funding Formula consultation is pending and the funding task group will be meeting late in the summer term or in autumn to discuss this.

### Budget Monitoring

Indications are that the schools carry forward will be £6.1M, compared with a forecast of £7.2M at December 2016.

9 schools have outstanding budget monitoring and Forum were informed of the timetable for reminders to schools.

### Schools Financial Value Standards (SFVS)

14 schools who have not yet returned their SFVS. Deadline is 31 March 2017. Finance will be writing to schools next week to chase and Forum are asked to remind their representative groups.

### Special Schools Budget

Forum advised that The DfE have given the LA approval to disapply the Minimum Funding Guarantee.

Note that a transitional funding protection of approximately £200k for Drumbeat had been set up against their re-organisational process and this is to come from the start of post 19 provision reserve.

### Mutual Funds

Catering contract:-

Contract is approximately £50M, managed by Chartwells. There is a forecast surplus and in accordance with former Schools Forum decisions, the residual balance will be returned to schools. Finance will be writing to schools next week with the new reduced charges.

### Recommendation

Forum agreed the following:-

- To endorse the funding task groups response to the fair funding consultation.
- Note the lobbying undertaken by CASE and London Councils.
- Note the budget monitoring position.
- Agree the special school funding allocation that
  - I. Adds back the £0.5M reduction.
  - II. Provides transitional protection to the schools that are losing funding.
- Agree £40K allocation to support an additional resource for the Fair Access, Elective Home Education and Alternative Provision Service.
- To note the now £0.25M overspend forecast on the High Needs Block.
- Note the Schools Financial Value Standard position.
- Note the Oracle Enterprise Resource Planning position.
- Note the position on the early Closing of the Accounts.
- Agree that the catering trading account surplus, be distributed to schools on the same basis as the charges.

## **9. Scheme of Delegation, Finance Manual & Schools Forum Terms of Reference**

This report looked at the budget and budget monitoring escalation process. Forum were also presented with details of the support to be given to schools when a budget deficit is likely. Also included was a proposal to review a new Terms of Reference for Schools Forum.

### Budget Monitoring Escalation Process

New timetable agreed that is half the length of that proposed. I.e.

1 day after deadline - email from Schools Finance to Head

1 week after deadline - letter from Kate Bond to Head

2 weeks after deadline - letter from Sara Williams requesting a meeting with Head and Chair

### Budget Plans

Suggestions were made as to a draft budget plan being submitted to Finance by November 2017. Largely endorsed but the Chair noted this could be problematic for Special Schools due to their highly variable pupil numbers.

### Deficit Schools – Challenge and Support Process

Finance have drawn up a process and timetable for the above and a diagram illustrating this was presented to Forum. It is proposed that is included in the Finance Manual.

### Schools Forum Terms of Reference

An updated version has been included in the report.

### Scheme of Delegation

No changes were proposed.

### Recommendation

Forum agreed the following:-

- The budget and budget monitoring support and challenge should form part of the Finance Manual.
- Forum agree the revised terms of reference, with the addition of the PRU.

## **10. Work Programme 2017/18**

Schools Forum were provided with the dates and work plan for future meetings of the Forum over the coming year.

The meetings include Schools Forum, Funding Task Group, High Needs Sub Group and the Early Years Sub Group.

## **11. Any Other Business**

Letter from Baring Primary School dated 15 March - not tabled.  
No other business was raised.



Meeting closed.

Date of next meeting:-

22 June 2017 4.30 to 6.30pm

#### SCHOOLS FORUM ACTION SUMMARY

<b>ITEM</b>	<b>ACTION TO BE TAKEN</b>	<b>OFFICER (S) RESPONSIBLE</b>	<b>OUTCOME/ CURRENT POSITION</b>
<b>Sub Group Membership March 2016</b>	Add Secondary Head to Formula Consultation Task Group	Ruth Holden	TBC
<b>Forum 16 March 2017, Item 5 – Apprenticeship Levy</b>	Report to Schools Forum	Diane Parkhouse	June 2017 schools forum
<b>AOB</b>	Officers to draw up a central calender to include SFVS, SAO meetings etc.	Kate Bond	Pending

# Agenda Item 5

AUDIT PANEL		
<b>Report Title</b>	Internal audit report for the School Forum for 2016-17	
<b>Key Decision</b>	No	Item No. 5
<b>Ward</b>	All	
<b>Contributors</b>	Head of Corporate Resources	
<b>Class</b>	Part 1	Date: 22 June 2017

## 1. Purpose of this report

- 1.1. This report presents the Schools' Forum with a summary of the 2016-17 (fiscal year) internal audit work in schools.

## 2. Recommendations

- 2.1. That the Schools' Forum note the report.

## 3. Background

- 3.1. All schools maintained by the Council currently have an internal audit every three years. Members' agree the schools' audit plan around February / March for the following fiscal year (April to March). The Royal Borough of Greenwich, along with the new in-house team conducted the audits during 2016-17.
- 3.2. Internal audit use the same scope for testing at each school. The scope covers nine high-risk (non-teaching) areas which include; Procurement (purchasing), Governance, Asset Management, Banking, Budget Monitoring, Income, Recruitment, Payroll, and Data Security (DPA).
- 3.3. Internal audit assesses the controls in these risk areas and provides an opinion on the effectiveness of them to Governors, School Senior Management, and Senior Management at Lewisham Council. The overall assurance opinion categories are Substantial, Satisfactory, Limited and No Assurance.
- 3.4. Where appropriate, internal audit will make recommendations to help management improve these controls to minimise the risks. Recommendations are ranked using three levels, High, Medium and Low.
- 3.5. At the time of writing this report, three school reports were still at draft. However, they are included in the report as if they are finalised as the content and assurance opinion is not to expected to significantly change, if at all.

## 4. Audit assurance opinion

- 4.1. In 2016-17, 27 schools had an internal audit review. The number of schools with a Limited or No assurance opinion remains low.
  - No Assurance - one school (still at draft)

- Limited - one school
- Satisfactory - 14
- Substantial - 11

The definitions of the assurance opinions and the categories of the recommendation are in Appendix 2.

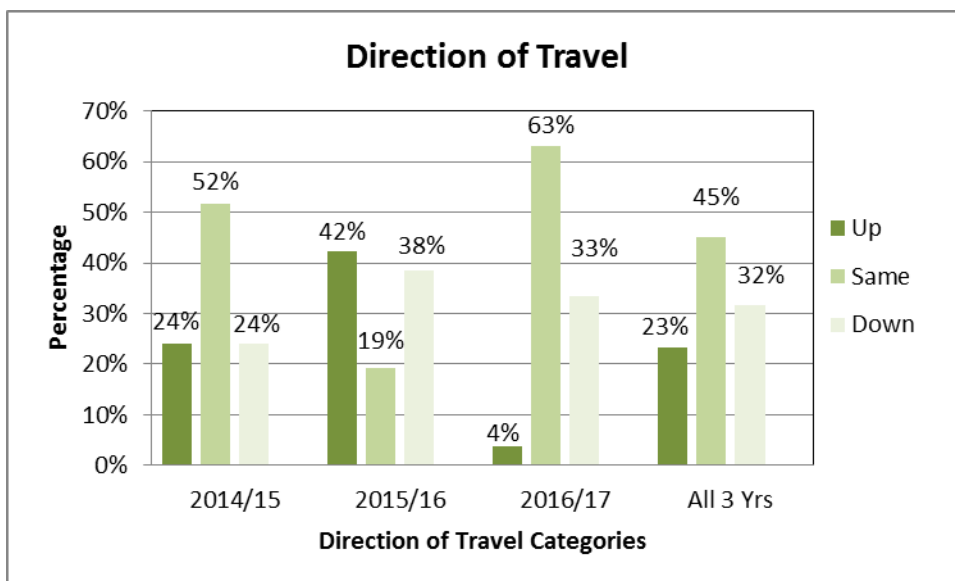
4.2. The overall assurance opinion for the year for all the schools' is Satisfactory. This is consistent with previous years. Councillors are informed of this opinion in the annual assurance report to be presented to them at the June 2017 Audit Panel meeting. The annual assurance report feeds into the Annual Governance Statement (AGS), which forms part of the Council's financial accounts.

4.3. A list of the schools that had an audit can be found in Appendix 1. It details the audit opinion, number of recommendations made, and the date of the final report (where applicable).

**5. Direction of travel**

5.1. In addition to providing an assurance opinion, internal audit also notes the direction of travel for each school. It compares the audit assurance opinion from the last audit (normally three years earlier) to the current assurance opinion.

5.2. The graph below (graph 1) show the direction of travel for schools for the last three years and the cumulative direction of travel.



Graph 1

5.3. It shows that for 2016/17:

- 33% of audits have a lower audit opinion than last audit. This is in line with the cumulative total of 32%,
- 63% of audits have the same audit opinion. This is higher than the cumulative total of 45%, and
- 4% of audits had an improved audit opinion. This is lower than cumulative of 24%.

- 5.4. It should be noted however, that having a lower opinion, does not necessarily mean they have a negative opinion. They could have moved from Substantial to Satisfactory, which are both positive opinions.
- 5.5. Equally, those schools' whose opinion remained the same, could mean the school continues to have a negative opinion.

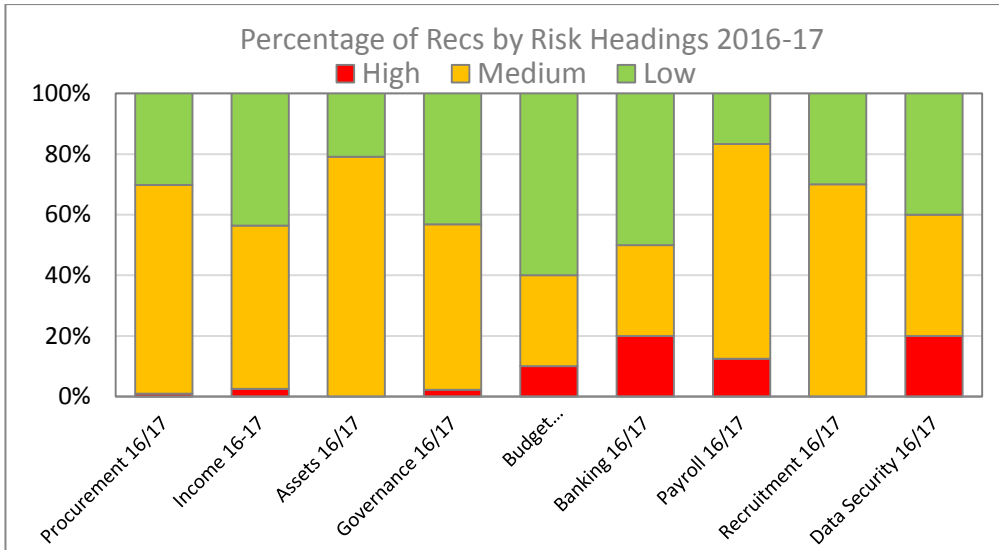
**6. Follow-up reviews**

- 6.1. Where a school has had a negative assurance opinion, (Limited or No Assurance), internal audit will conduct a formal follow-up review, normally nine months after the final report. This allows time for the agreed actions to be implemented and assessed.
- 6.2. The auditor will review the status of all the agreed High and Medium recommendations made. A brief report is provided to Senior Management at the school, Chair of Governors, and relevant Senior Management at the Council. These follow-up reviews are in addition to any updates provided by the school to the CYP Directorate.
- 6.3. For 2016-17, the two schools that had negative opinions in 2015/16 had their follow up reviews done in April and May 2016. The status of the recommendations at the time of the follow-up are set out in the table below.

Audit Followed – Up	Original Opinion	Original Final Rpt Date	Follow-up Rpt Date	Implemented	In Progress	Not Implemented	Total
Adamsrill Primary	Limited	26/08/15	26/04/16	9	5	2	16
Watergate Special	Limited	11/08/15	09/05/16	11	1	1	13

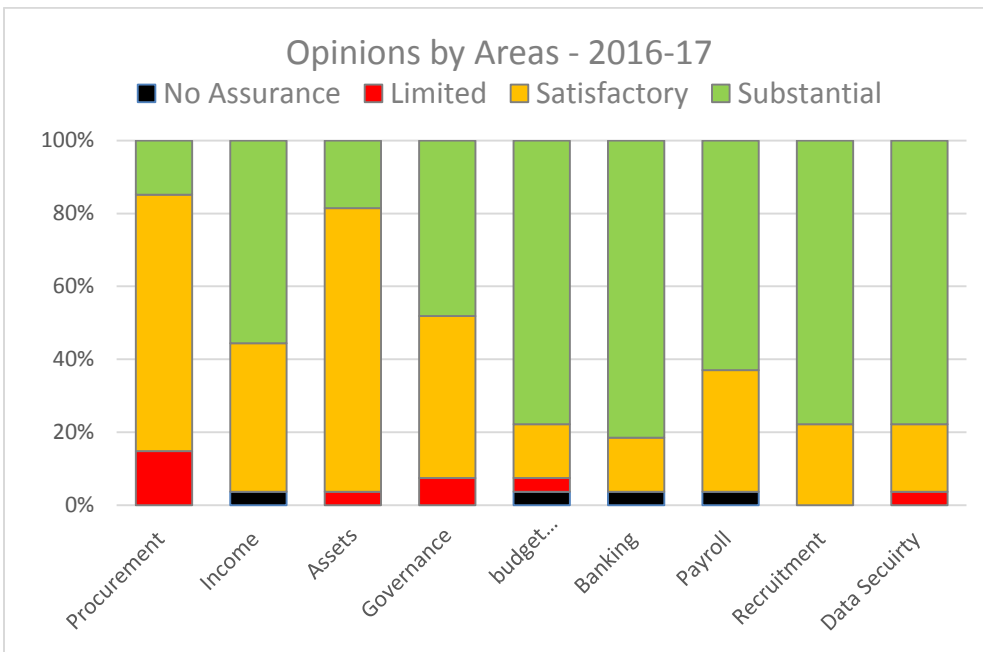
**7. Recommendations and Audit Opinions by Risk Headings.**

- 7.1. The auditor will make recommendations where improvements to controls are required. These are categorised as High, Medium and Low.
- 7.2. The graph below (graph 2), shows the percentage of recommendations made during 16/17, by risk heading and category of recommendation. A definition of the categories can be found at appendix 2.
- 7.3. The graph shows the highest percentage of High recommendations made were in Banking, Payroll and Data Security.
- 7.4. The highest percentages of Medium recommendations were made in Procurement, Assets, Payroll and Recruitment



Graph 2

7.5. In addition to the overall assurance opinion, an assurance opinion on the individual risk areas are also provided. This gives the stakeholders a more detailed look at what areas they need to concentrate their resources to improve controls. The graph below, (graph 3)



Graph 3

- 7.6. Here you can see that the risk areas where the negative opinions were given are mainly in Procurement, Governance and Budget Monitoring.
- 7.7. The main areas where the majority of recommendation are made are Procurement, Governance, and Assets.
- 7.8. The main findings in Procurement are:
- Non-compliance with the procurement levels set by the Council, EU regulations and the school's own procurement levels.

- Purchase Orders (PO) not being raised (and therefore commitment to spend not approved).
- POs not completed prior to purchasing the goods or receiving the invoice.
- Lack of separation of duties in the procurement process.
- Not obtaining authorisation from the Council's payroll department to pay individuals from the schools bank account (rather than through payroll).
- Purchasing alcohol, gift vouchers, payment to staff social events and leaving / birthday presents out of schools main bank account.

7.9. The main findings in Governance:

- Lack of approval from Governing body for finance policy and / or local scheme of delegation.
- Finance policy not being updated with key changes.
- Register of interest forms not completed by governors or staff with financial responsibility (or staff that can influence spend).
- Voluntary Fund / School Fund not audited and/or presented to governors for approval.

7.10. The main findings for Assets Management:

- Lack of segregation of duties - the officer who maintains the asset register also completes the stock take.
- Asset register not in place or not containing all the appropriate assets.
- Annual stock take not done.
- Write off policy not in place.
- Write off of assets not documented or authorised.
- Assets not appropriately security marked.

7.11. The main findings for Budget Monitoring:

- Budgetary forecasting not done monthly
- Virements not approved, or authorised over officers limit
- Governors' not approving the budget on time, or minuting their approval
- Budget monitoring procedures not in place
- Incorrect input of agreed budget or revised budget on to the Finance system

7.12. Internal audit had previously stated that they would revise their assurance reporting. It was proposed that from 2017/16 to include specific assurances on these three areas on the front of the report.

7.13. However, on reviewing the audits in 16/17, Internal Audit felt that focussing on these three areas only, may divert the school's resources from where they most need to improve controls.

7.14. It was therefore agreed to include an assurance of the school's weakest areas of controls on the front page, rather than just Procurement, Assets, or Governance. It is envisaged however, that the majority of reports will include these on the front page.

## 8. Conclusion

- 8.1. Overall, although the assurance opinions remain positive for the majority of schools the same types of recommendations continue to be made in a significant proportion of schools in the same areas - governance, assets and procurement.
- 8.2. For the next round of audit reviews an assurance opinion on the main risks areas where controls need to be improved at the individual school, will be provided. This is in addition to the overall opinion for the whole audit.
- 8.3. To improve controls in schools and avoid the financial and reputational risks associated with any failure for these reasons, internal audit recommends that the Governors consider including a review of recommendations from internal audit and/or other reports as a regular agenda item. This will enable them to monitor the progress of actions to address recommendations and respond to any issues that may arise.

**9. Financial implications**

There are no financial implications arising directly from this report.

**10. Legal implications**

There are no legal implications arising directly from this report.

**11. Crime and disorder implications**

There are no crime and disorder implications arising directly from this report.

**12. Equalities implications**

There are no equalities implications arising directly from this report.

**13. Environmental implications**

There are no environmental implications arising directly from this report.

**14. Background Papers**

If there are any queries on this report, please contact David Austin, Head of Corporate Resources, on 020 8314 9114, or email him at: [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk) .

Appendix 1 - Schools' audited in 2015/16

Lead Dir.	School	Assurance level given	H	M	L	Areas / Risks tested during the review	Date of final report
SCH	Turnham Primary	No Assurance	8	24	6	Procurement, Banking, Budget Monitoring, Governance, Recruitment, Payroll, DPA, Income and Asset Management	At Draft
SCH	Lucas Vale Primary	Limited	3	19		As above	01/09/17
SCH	Clyde Nursery	Satisfactory	-	8	-	As above	25/11/16
SCH	Dalmain School	Satisfactory	1	5	-	As above	20/01/17
SCH	Deptford Park Primary	Satisfactory	-	6	2	As above	06/12/16
SCH	Marvels Lane Primary	Satisfactory	-	11	4	As above	09/03/17
SCH	Rangefield Primary	Satisfactory	-	6	12	As above	06/02/17
SCH	Rushey Green Primary	Satisfactory	-	10	5	As above	22/07/16
SCH	St Joseph's Catholic Primary	Satisfactory	-	9	8	As above	10/02/17
SCH	St Stephen's CE Primary	Satisfactory	-	11	2	As above	15/12/16
SCH	Torridon Infant	Satisfactory	-	8	7	As above	13/01/16
SCH	Horniman Primary	Satisfactory	-	9	5	As above	01/06/17
SCH	John Stainer Primary	Satisfactory	-	7	1	As above	03/02/17
SCH	Sandhurst Junior	Satisfactory	-	9	9	As above	15/03/17
SCH	Stillness Jnr	Satisfactory	-	11	2	As above	15/05/17



Appendix 1 - Schools' audited in 2015/16

Lead Dir.	School	Assurance level given	H	M	L	Areas / Risks tested during the review	Date of final report
SCH	Torridon Junior	Satisfactory	-	15	9	As above	16/03/17
SCH	Brindishe Green Primary	Substantial	-	3	3	As above	20/10/16
SCH	Brindishe Manor	Substantial	-	3	-	As above	20/10/16
SCH	Holy Cross Catholic Primary	Substantial	-	3	2	As above	22/07/16
SCH	Good Shepherd Catholic School	Substantial	-	3	1	As above	11/11/16
SCH	Myatt Garden Primary	Substantial	-	4	3	As above	25/11/16
SCH	St Mary's CE Primary	Substantial	-	3	7	As above	23/12/16
SCH	Drumbeat School (Special)	Substantial	-	7	10	As above	28/03/17
SCH	Rathern Primary	Substantial	-	4	3	As above	20/01/17
SCH	Sandhurst Infant	Substantial	-	8	7	As above	28/02/17
SCH	St Augustine's Catholic Primary	Substantial	-	2	10	As above	15/03/17
SCH	Stillness Infant	Substantial	-	6	5	As above	16/03/17

Appendix 2 - Definitions of audit opinions and categories of recommendations

Level	Definition
Substantial Assurance ★	A strong framework of controls is in place to ensure that the service area is more likely to meet their objectives. In addition, the controls in place are continuously applied or with only minor lapses.
Satisfactory Assurance ●	A sufficient framework of controls is in place, but could be stronger to improve the likelihood of the service area achieving its objectives. In addition, the controls in place are regularly applied, but with some lapses.
Limited Assurance ▲	There are limited or no key controls in place. This increases the likelihood of the service area not achieving its objectives. Where key do controls exist, they are not regularly applied.
No Assurance ■	There is no framework of key controls in place. This substantially increases the likelihood that the service area will not achieve its objectives. Where key controls do exist, they are not applied.

Definitions of Category of recommendations.

<b>High</b>	It is crucial that this recommendation is implemented immediately. This will ensure that service area will significantly reduce its risk of not meeting its objectives.
<b>Medium</b>	Implementation of this recommendation should be done as soon as possible, to improve the likelihood of the service area meeting its objective.
<b>Low</b>	Implementation of this recommendation would enhance control or improve operational efficiency.

Schools to be audited in 2017/18

Brent Knoll School  
Coopers Lane Primary  
Elfrida Primary  
Haseltine Primary  
Holy Trinity CE Primary  
John Ball Primary  
Childeric Primary  
Downderry Primary  
All Saints CE Primary  
Baring Primary  
Beecroft Garden Primary  
Brindishe Lee Primary  
Sir Francis Drake Primary  
St James' Hatcham CE Primary  
Greenvale Special  
Kelvin Grove Primary  
Perrymount Primary  
Eliot Bank Primary  
Gordonbrock Primary  
Grinling Gibbons Primary  
New Woodlands  
St Bartholomew's CE Primary  
St George's (was Christ Church CE Primary)  
St John Baptist CE Primary  
St Saviour's RC Primary  
St William of York Catholic Primary  
St Winifred's Primary Catholic Primary

<b>Audit name</b>	<b>Name of School - Children and Young People - 2017-18</b>
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**Background and Objective of the Service**

Lewisham schools are subject to a programme of internal audit visits as agreed with the Executive Director for CYP. The internal audit review covers the non-teach areas and will test the controls for compliance with:

- statutory legislation,
- financial regulations, and
- best practice.

These internal audits provide Governors, Senior management and other stakeholders with an independent assessment on the controls in place.

**Purpose of the Review**

The purpose of this internal audit is to provide an opinion on the effectiveness of the controls in place. If applicable, internal audit will make recommendations to management on how to improve these controls.

**Main Risks Identified**

<b>Risk 1</b>	<p><b>Procurement</b></p> <p>Not having adequate procurement controls in place, or not adhering to them, could leave the school open to financial abuse. This could have an adverse effect on the budget and spending power of the school.</p>
<b>Risk 2</b>	<p><b>Income</b></p> <p>Controls may not be in place to ensure that the income is collected on a timely basis, stored and banked securely. This may result in the loss of revenue leading to budget issues.</p>
<b>Risk 3</b>	<p><b>Asset security</b></p> <p>Failure to maintain an accurate and up-to-date inventory / asset register could facilitate the loss or theft of school assets. This could leave the school needing to purchase new assets that are not budgeted for.</p>
<b>Risk 4</b>	<p><b>Governance</b></p> <p>Not having strong governance arrangements are in place, could put Governors at risk of not fulfilling their statutory responsibilities. This could lead to financial failure and reputational damage to the school.</p>
<b>Risk 5</b>	<p><b>Budget monitoring</b></p> <p>Failure to monitor budgets on a timely and regular basis may result in large over or underspends. This could impact the budget for future years, restricting any improvement plans the school may have.</p>

## Terms of Reference

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<b>Risk 6</b>	<b>Banking</b> Regular and timely reconciliation of bank accounts may not take place. This may allow bank account errors or fraud to go undetected resulting in loss of monies to the school.
<b>Risk 7</b>	<b>Payroll</b> If there are insufficient controls over payroll processes, it could lead to a breach of HM Revenue & Customs regulations, over/ under payments or fraud going undetected
<b>Risk 8</b>	<b>Recruitment</b> Non-compliance with Home Office, Safer Recruiting, and Disclosure and Barring Service requirements, could lead to recruiting inappropriate staff. This may result in fines and potentially put children at risk.
<b>Risk 9</b>	<b>Data Security</b> Access to both computerised and manual data may not be restricted to prevent breaches of the Data Protection Act 1998. This could lead to individual or corporate fines.

### Section 3 – Areas to be reviewed

#### Areas to be Reviewed

The list of items required for the audit will accompany this terms of reference in the confirmation email sent to the school. Internal audit will normally only review the transactions and documents for the last rolling year. Internal audit will review and test in the following areas:

##### **Procurement**

- Purchase Orders,
- Delivery notes or other evidence of receipt of goods or services,
- Invoices,
- Quotations and/or tenders
- Procurement card transaction and reconciliations
- Petty cash vouchers, receipts and reconciliations
- Contract register and Contracts

##### **Income**

- Income collection procedures, including raising of invoices
- Banking of income
- Lettings procedures and policy
- Dinner money procedures including debt recovery

##### **Asset Security**

- Asset register
- Security of assets
- Write off policy

##### **Governance**

- School's own finance policy and procedures
- Minutes of full governing body and finance committees
- Register of interests
- DBS for Governors
- Voluntary Fund / School Fund

##### **Budget Monitoring**

- Budget monitoring procedures

## Terms of Reference

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- Financial information presented to governors
- Virement procedures

### Banking

- Bank accounts
- Bank reconciliations

### Payroll

- Salaries paid
- Payroll reconciliations
- Deductions and payments to relevant bodies (if applicable)

### Recruitment

- Starters and leavers
- Pre-employment checks
- DBS checks for staff

### Data Security

- Registration with the ICO
- Security of data
- Back up of data

### Distribution list

Head Teacher	
Chair of Governors	
School Business Manager/Bursar/SAO	
Head of Standards and Achievement	Kate Bond
Head of Corporate Services	David Austin
Internal Audit Contract Manager	Julie Hetherington
Principal Auditor/Auditor	

### Expected Audit Timeline and Terms of Reference (ToR) Issue & Agreed Dates

<b>Audit Start Date</b>		<b>Due Audit End Date</b>	
<b>Draft Report Issued</b>		<b>Final Report Issued</b>	
<b>Date of Issued of ToR</b>		<b>Date ToR Agreed</b>	

### Auditor Statement

The auditor has declared in relation to this review, that they have no known impairment to their independence, that they will remain impartial throughout the review and have no conflict of interests to declare.

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Funding for Managed Moves between Lewisham schools</b>		
<b>KEY DECISION</b>		<b>Item No.</b>	<b>6</b>
<b>CLASS</b>		<b>Date</b>	<b>22 June 2017</b>

## 1. Purpose of Report

As part of the Lewisham Alternative Provision Review one of the key actions has been to review and improve the Fair Access Protocol and the Managed Moves processes and protocols to ensure fairness and equity and transparency of funding streams.

As a result the revised Primary Fair Access Panel has considered the best way to incentivise schools to take a fair share of managed moves and to be able to manage the varied levels of risk associated with individual arrangements. This report looks at how this could happen.

## 2. Recommendation

- a) That the Schools Forum agree a voluntary code of practice of funding following a managed move between primary schools.
- b) That the funding be based on the AWPU unit only.

## 3. Claiming AWPU for managed moves

- 3.1 It was considered at Primary Fair Access Panel on 9th May 2017 that:
  - Schools should be able to claim funding for managed moves using an agreed formula.
  - Managed Moves would be reported at every Fair Access Panel.
- 3.2 This would incentivise managed moves as an intervention for children being considered for or at risk of permanent exclusion and therefore encourage schools to maintain balanced numbers of children coming into and going out of schools on managed moves.

## 3.3 Proposed model for calculating the cost of Managed Moves

- 3.3.1 The AWPU rate is currently £3,735.55 for primary and £5,134.61 for secondary pupils. The calculation is based on three dates:

1. The start date of the Managed Move
2. The date of the October pupil census following the Managed Move
3. The April following the October pupil census (when the funding is received by the school).

3.3.2 If a child starts a Managed Move in November, they will be entitled to 17/12 of the AWPU. This is because the child will appear on the schools census for the first time in the October census following the Managed Move and the funding will arrive to the school in the April following the census ie 17 months later. This is the most funding a school could receive for a successful Managed Move.

3.3.3 If a child starts a Managed Move in September, they will be entitled to 6/12 of the AWPU. This is because the child will appear on the schools census for the first time in October census (one month later) and the funding will arrive to the school in the April following the census ie 17 months later. This would be the smallest amount of funding for a successful managed move. (see Appendix 1 for funding calculator)

3.4 Currently there are no plans to support claiming back AWPU funding for the duration of an unsuccessful managed move.

### **3.5 Raising invoices for Managed Moves**

It is proposed that the Inclusions and Reintegration Officer (Access, Inclusion and Participation Team) would raise invoices termly to **reimburse schools** providing Managed Moves on agreed dates/deadlines, set annually. This would both provide administrative support for schools, thus potentially incentivising Managed Moves, and will encourage schools to register Managed Moves centrally at the local authority (which is a legal requirement), providing valuable data.

### **3.6 Reporting back to schools and the local authority**

The local authority will use Managed Moves data, together with other data collected from schools (e.g. on permanent exclusions and Fair Access Panel referrals), to provide reports to schools on Managed Moves and the work of the Fair Access Panel.

This will provide a much needed strategic overview which will:

- 1.6.1. Help schools and the local improve understanding of, and outcomes for the borough's most vulnerable children.
- 1.6.2 Meet local authority targets for reducing Permanent Exclusions
- 1.6.3 Prevent other, less quantifiable negative outcomes for children of statutory school age in the borough.

## **4. Recording Managed Moves**

4.1 Fair Access Panel members propose that schools would self score an impact rating for the child based on a combination of their behaviour, SEN needs, and family background, all of which would affect the interventions the school would be required to make to ensure the success of the Managed Move.

4.2 The record sheet also offers an opportunity to monitor the reintegration placements for children at New Woodlands and Abbey Manor College.



Data captured will be regularly reported on and reviewed and it is anticipated that over time, the process will be refined, providing increasingly accurate and informative data to schools and the local authority.

# Agenda Item 7

Schools Forum			
REPORT TITLE	DSG End of Year Financial Position		
KEY DECISION	Yes	Item No.	7
CLASS	Part 1	Date	22 June 2017

## 1. Purpose of the Report

This report considers the schools' carry forward position at the end of the financial year and the final position on the Dedicated School Grant at the end of the financial year.

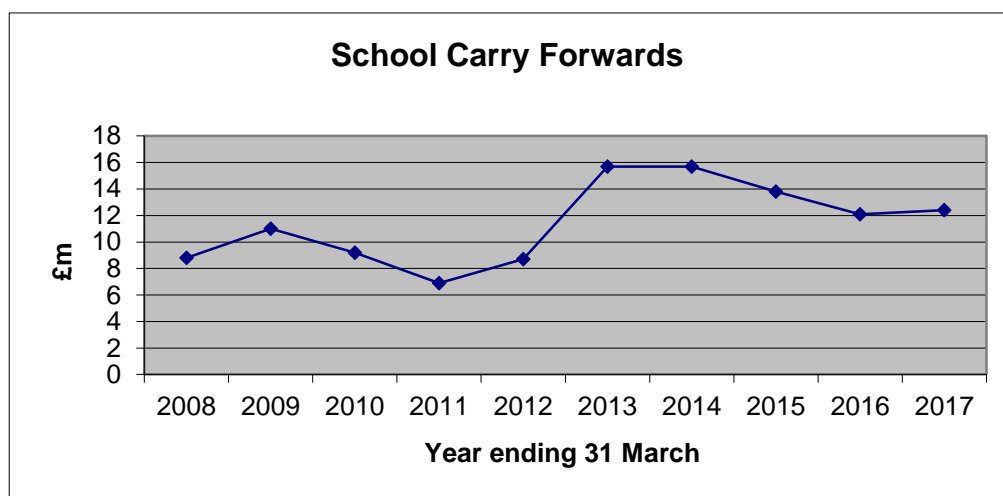
## 2. Recommendation

The Forum

- i) Note the balances held by schools.
- ii) Note the position on the DSG
- iii) Roll forward the mutual fund balances into 2017/18

## 3. Schools' Carry Forwards

- 3.1 Appendix A (tabled) contains a list of school carry forwards at the end of the 2016/17 financial year (31 March 2017). The total year end balances in schools was £12.6m (£12.4m without external funds). The balance at the end of the previous year stood at £12.1m (31 March 2016), a rise of £0.3m.



- 3.2 The reporting of school carry forwards is subject to accounting regulations and the requirements specified under the national consistent financial report. For example internal payments on PFI schemes, advance payments of future years' federation funding and balances held on behalf of other schools. When surveyed in the past these adjustments have totalled £2m. As the Schools Forum agreed not to operate a Balance Control Mechanism this year no data was collected. The individual school balances have to be considered with this in mind.
- 3.3 There were 9 secondary schools, 3 primary schools and one pupil referral unit which had a deficit budget at the year end. There are 6 schools with an agreed budget recovery plan and the other schools are working with Local Authority officers to agree the plan. Overall school balances stand at £12.4m, if you exclude external funds, this is £0.3m higher than last year. This should be set against the fact that secondary schools have a cumulative deficit of £3.7m, with nine of the 11 secondary schools ending the year in deficit.
- 3.4 The average percentage balance for Primary schools is an 8% surplus, for Secondary Schools is a 4% deficit and for Special Schools it is a 12% surplus. For schools overall, the percentage carry forward is a 5% surplus.

	School Budget 2016/17	Carry Forward 2015/16	Carry Forward 2016/17	Change	% of school budget
	£'000	£'000	£'000	£'000	
Primary	153,388	-10,542	-12,683	-2,141	8
Secondary	76,124	1,712	2,815	1,103	-4
Special	19,739	-3,051	-2,333	718	12
PRU	2,682	53	113	60	-4
Nursery	1,862	-313	-342	-29	18
<b>Total</b>	<b>253,795</b>	<b>-12,141</b>	<b>-12,430</b>	<b>-289</b>	<b>5</b>

Figures Exclude External Fund Balances

- 3.5 A table showing the forecast end of year balances for 2017/18 will be tabled at the meeting

#### **4. Dedicated Schools Grant Outturn**

- 4.1 At the end of the financial year there was a small surplus of £0.12m on the central DSG. There was an overspend of £0.3m on early years and £0.3m on Special Educational Needs. This was offset by an underspend on capital expenditure to revenue.

- 4.2 The pupil referral unit was overspent at the year end by a considerable sum and this has been brought forward to consider the position. The Schools Forum following a review of the High Needs Block agreed savings of £401k last March and these have not been achieved.

The unit has been asked to provide a revised staffing model bringing the budget back in line but has not so far provided this. A new head teacher has been appointed and Local Authority officers will work with her to draw up a new financial plan for Abbey Manor College.

## 5. Mutual Funds

- 5.1 The Schools Forum has a number of mutual funds that it manages on behalf of schools. At the end of the year, any balances are returned to schools or rolled forward to the next year. The end of year position is described below.

- 5.2

	<b>Growth Fund</b>	<b>Contingency</b>	<b>Non-Sickness Supply</b>
	£	£	£

<b>Brought Forward</b>	<b>-247,083</b>	<b>-726,549</b>	<b>158,993</b>
<b>Distributed To Schools</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Offset</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>-247,083</b>	<b>-726,549</b>	<b>158,993</b>

<b>De-Delegation Income</b>	<b>0</b>	<b>-649,998</b>	<b>-799,993</b>
<b>Budget</b>	<b>-1,092,000</b>	<b>0</b>	<b>0</b>
<b>Spend To Date</b>	<b>1,160,929</b>	<b>50,000</b>	<b>1,144,606</b>
<b>Projected Spend</b>	<b>0</b>	<b>1,310,355</b>	<b>0</b>
	<b>68,929</b>	<b>710,357</b>	<b>344,613</b>

<b>Cumulative Total</b>	<b>-178,154</b>	<b>-16,192</b>	<b>503,606</b>
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- 5.3 It is proposed that the Growth Fund and Non-Sickness Supply 2016/17 balances are rolled forward and combined with the 2017/18 funds. The Non-Sickness Supply charges for 2017/18 have been increased to take account of the overspend situation.

## **6 Financial Support and HR support over the year.**

The following support to schools have been delivered

- 17 Finance based training sessions
- 66 Finance visits to schools
- 50 HR health checks completed
- 10 reorganisations / redundancy consultations underway

There have been some changes developed in order to assist schools in their financial management. This has included issue new self checking budget monitoring and budget planning toolkits.

## **7. Schools Financial Performance and compliance**

This has been some notable improvements over the past year

- There was a 100% return rate of the Schools Financial Value Standard
- All but three schools have made a budget submission return to the local authority. The deadline was brought forward a full month to the 1 May this year and most schools met that date. At this time last year 20 schools had not submitted their budget returns.
- Last year 19 schools were balancing their budget so that it read zero, for 2017/18 there is only one.

It was forecast that there were going to be 17 schools in deficit in 2017/18, this is now down to 13. There were expected to be 50 schools operating in-year deficits last year but by the end of the year this was down to 32. Although the number of schools with in-year deficits is still a concern, the tighter budget monitoring this year has reduced costs and the carry forwards have stabilised at a cumulative total of £12m. This will give schools some protection against the financial difficulties that lie ahead.

## **8. Loans to schools**

Work over the year concentrated of ensuring schools with deficits budgets had a sustainable budget plan. Five loans have been agreed and the agreements are being signed.

It is important to note that the loan is distinct to the cash flow and the amount of the money a school has in its bank account. The bank

account is automatically topped so that school cannot run out of cash which prevents a school being a position of where they run out of cash to pay staff or suppliers. Once the loan is agreed the sum will be credited to the school account and the school will no longer show a deficit. However the school will need to budget for the loan repayments.

## **9. Conclusion**

Schools face challenging financial circumstances. The carry forwards would indicate that this is more acute in the secondary sector than the primary sector so far.

Dave Richards

Group Finance Manager – Children and Young People

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Schools Forum Item 7  
22 June 2017 Appendix A

School	2016/17 Budget*	Pupil No's**	2015/16 Balance***	2016/17 Balance***	Movement	2016/17 Excess Balance	Balance As % of Budget	2015/16 Excess Balance	Balance As % of Budget	2015/16 Capital Balance	2016/17 Capital Balance	
Adamsrill Primary School	3,345,473	532	-255,235	-368,124	-112,890	Rise	100,486	11%	7,556	8%	-19,201	-26,559
All Saints' CE Primary School	1,080,390	235	34,343	183,020	148,677	Fall	0	-17%	0	-3%	-5,358	-5,358
Ashmead Primary School	1,742,517	264	-200,971	-239,088	-38,117	Rise	99,687	14%	68,480	12%	-1,828	-9,003
Athelney Primary School	3,426,860	462	-147,423	-166,072	-18,649	Rise	0	5%	0	4%	-3,808	-13,064
Baring Primary School	1,620,965	246	-6,444	-20,343	-13,899	Rise	0	1%	0	0%	-6,841	-13,766
Beecroft Garden Primary School	2,907,829	396	-419,298	-485,803	-66,505	Rise	253,177	17%	217,503	17%	-11,940	-298
Brindishe Green Primary School	4,006,140	669	-183,867	-351,694	-167,827	Rise	31,203	9%	0	5%	-15,280	0
Brindishe Lee Primary School	1,570,458	265	-107,556	-138,731	-31,175	Rise	13,095	9%	0	7%	-13,584	-2,855
Brindishe Manor Primary School	2,701,934	457	-202,463	-213,152	-10,689	Rise	0	8%	0	8%	-598	0
Childeric Primary School	3,038,689	430	-205,411	-157,803	47,609	Fall	0	5%	0	7%	-12,378	0
Cooper's Lane Primary School	3,879,895	607	-371,308	-229,619	141,689	Fall	0	6%	103,687	11%	-1,154	-9,000
Dalmain Primary School	2,482,260	419	-87,071	-191,514	-104,442	Rise	0	8%	0	4%	-15,840	-18,464
Deplford Park Primary School	4,704,727	601	-485,669	-562,854	-77,185	Rise	186,476	12%	130,836	11%	-23,706	-4,192
Downmerry Primary School	3,107,477	463	-343,163	-268,590	74,573	Fall	19,992	9%	117,128	12%	0	0
Edmund Waller Primary School	2,615,198	472	-81,027	-124,046	-43,019	Rise	0	5%	0	3%	-16,705	-16,985
Elfrida Primary School	3,188,158	479	-81,753	-287,097	-205,344	Rise	32,045	9%	0	3%	0	-4,286
Eliot Bank Primary School	2,985,988	503	-323,308	-381,488	-58,180	Rise	142,609	13%	101,802	12%	-18,870	-26,668
Fairlawn Primary School	2,715,989	469	-311,235	-273,359	37,877	Fall	56,079	10%	107,303	12%	0	-312
Forster Park Primary School	3,722,029	494	-419,703	-315,769	103,934	Fall	18,007	8%	159,802	13%	0	-68,693
Good Shepherd RC Primary School	1,621,606	244	-175,135	-240,914	-65,779	Rise	111,186	15%	56,303	12%	0	0
Gordonbrook Primary School	3,679,618	605	-371,006	-454,427	-83,421	Rise	160,058	12%	109,167	11%	-30,000	-30,000
Grintling Gibbons Primary School	1,927,018	265	-127,404	1,627	129,032	Fall	0	0%	0	7%	-38,929	-18,580
Haseltine Primary School	3,763,196	514	-321,007	-299,176	21,831	Fall	0	8%	44,015	9%	0	0
Holbeach Primary School	3,170,208	469	-244,043	-104,071	139,972	Fall	0	3%	7,209	8%	-4,977	-16,307
Holy Cross RC Primary School	1,455,409	228	-110,244	-153,942	-43,698	Rise	37,509	11%	1,441	8%	0	0
Holy Trinity CE Primary School	1,289,834	188	-149,388	-150,863	-1,474	Rise	47,676	12%	52,110	12%	0	0
Horniman Primary School	1,445,999	254	-74,672	-125,233	-50,560	Rise	9,553	9%	0	6%	-19,103	-11,652
John Ball Primary School	2,903,448	556	-67,792	-154,283	-86,491	Rise	0	5%	0	3%	-2,836	-8,223
John Stainer Primary School	2,276,102	370	-232,096	-233,546	-1,450	Rise	51,458	10%	75,777	12%	-5,523	-12,402
Kelvin Grove Primary School	4,322,641	649	-162,113	-148,077	14,036	Fall	0	3%	0	4%	-17,211	-1,685
Kender Primary School	2,842,203	454	-93,849	-49,516	44,334	Fall	0	2%	0	4%	0	-8,581
Kilmorie Primary School	3,174,388	596	-193,784	-105,036	88,748	Fall	0	3%	0	6%	-15,494	-20,981
Launcelot Primary School	3,054,098	460	-245,865	-302,154	-56,289	Rise	57,826	10%	17,068	9%	-8,982	-13,890
Lucas Vale Primary School	2,785,210	430	-225,343	-224,313	1,030	Fall	1,496	8%	12,806	8%	-8,791	-1,400
Marvels Lane Primary School	2,705,544	400	-75,209	-56,277	18,932	Fall	0	2%	0	3%	-8,831	-17,540
Myatt Garden Primary School	3,021,610	469	-367,032	-539,855	-172,823	Rise	298,126	18%	151,621	14%	-6,804	-9,227
Our Lady and St Philip Neri RC Primary School	1,965,998	326	-149,655	-215,790	-66,135	Rise	58,510	11%	9,256	9%	0	0
Perrymount Primary School	1,942,519	225	-141,387	-145,018	-3,631	Rise	0	7%	0	8%	-6,864	0
Rangefield Primary School	3,106,846	460	-244,376	-274,745	-30,369	Rise	26,214	9%	13,574	8%	-17,975	-11,599
Rathfern Primary School	3,285,043	491	-346,697	-319,910	26,786	Fall	57,107	10%	110,189	12%	-18,564	-18,951
Rushey Green Primary School	3,677,768	605	117,248	21,087	-96,161	Rise	0	-1%	0	-3%	0	-1
Sandhurst Infant School	1,960,027	340	-72,711	-180,025	-107,315	Rise	23,223	9%	0	4%	0	-1,869
Sandhurst Junior School	2,183,602	350	-127,345	-261,818	-134,474	Rise	87,130	12%	0	7%	-3	-6,908
Sir Francis Drake Primary School	1,525,935	204	-198,954	-176,162	22,792	Fall	54,087	12%	83,129	14%	-12,303	-207,590
St Augustine's RC Primary School and Nursery	1,344,574	209	-96,330	-143,655	-47,325	Rise	36,089	11%	0	8%	0	0
St Bartholomew's CE Primary School	2,176,705	378	-176,785	-237,097	-60,312	Rise	62,960	11%	17,720	9%	0	0
St George CE Primary School	1,767,675	239	-243,596	-344,740	-101,144	Rise	203,326	20%	123,855	16%	0	0
St James Hatcham CE Primary School	1,359,801	195	-49,484	-84,024	-34,540	Rise	0	6%	0	4%	0	0
St John Baptist CE Primary School	1,177,539	208	-4,815	-50,296	-45,482	Rise	0	4%	0	0%	0	0
St Joseph's RC Primary School	1,715,986	293	2,439	-9,547	-11,986	Rise	0	1%	0	0%	0	0
St Margaret's Lee CE Primary School	1,387,210	226	-150,083	-248,737	-98,653	Rise	137,760	18%	50,236	12%	0	0
St Mary Magdalen's RC Primary School	1,155,824	193	15,735	-20,265	-36,000	Rise	0	2%	0	-1%	0	0
St Mary's CE Primary School	1,515,861	210	-47,712	-91,885	-44,173	Rise	0	6%	0	3%	0	0
St Michael's CE Primary School	1,406,146	221	-45,970	-90,427	-44,457	Rise	0	6%	0	3%	0	0
St Saviour's RC Primary School	1,359,549	219	-47,035	-46,388	647	Fall	0	3%	0	4%	0	0
St Stephen's CE Primary School	1,526,395	248	-123,072	-211,532	-88,460	Rise	89,420	14%	5,131	8%	0	0
St William of York RC Primary School	1,466,576	238	-107,435	-167,289	-59,854	Rise	49,963	11%	0	8%	0	0
St Winifred's RC Primary School	2,343,494	388	-100,115	-302,924	-202,810	Rise	115,445	13%	0	0%	0	0
Stillness Infant School	1,784,130	294	-137,531	-285,569	-148,038	Rise	142,839	16%	2,699	8%	-8,578	-9,320
Stillness Junior School	1,935,304	348	-225,130	-303,803	-78,674	Rise	148,979	16%	84,666	13%	-6,477	-14,291
Torrion Infant School	2,192,694	328	-67,802	-106,400	-38,598	Rise	0	5%	0	3%	-4,063	-7,567
Torrion Junior School	2,221,313	368	-26,928	-46,980	-20,053	Rise	0	2%	0	1%	-8,765	-5,518
Turnham Primary School	3,622,757	455	-311,598	-406,712	-95,114	Rise	116,891	11%	74,382	11%	-9,641	-19,082
<b>153,388,169</b>	<b>23,860</b>		<b>-10,541,669</b>	<b>-12,682,834</b>	<b>-2,141,165</b>	<b>Rise</b>	<b>3,137,687</b>	<b>8%</b>	<b>2,116,449</b>	<b>7%</b>	<b>-427,805</b>	<b>-692,667</b>
Prendergast Ladywell School	6,646,131	875	173,040	263,588	90,548	Fall	0	-4%	0	-2%	-194,331	-168,667
Prendergast Vale School	6,102,110	826	-521,695	-769,921	-248,226	Rise	281,752	13%	80,812	9%	-213,269	-48,090
Trinity Lewisham School	5,667,272	790	231,140	377,936	146,797	Fall	0	-7%	0	-4%	-7,585	-102,916
<b>18,415,513</b>	<b>2,491</b>		<b>-117,516</b>	<b>-128,397</b>	<b>-10,881</b>	<b>Rise</b>	<b>281,752</b>	<b>1%</b>	<b>80,812</b>	<b>5%</b>	<b>-415,185</b>	<b>-319,673</b>
Adley and Stanhope School	5,474,637	609	-118,304	54,631	172,936	Fall	0	-1%	0	2%	0	0
Bonus Pastor Catholic College	5,560,817	774	122,776	347,310	224,535	Fall	0	-6%	0	-2%	0	0
Conisborough College	7,403,294	888	-104,342	356,864	461,206	Fall	0	-5%	0	1%	-34,126	-695
Deptford Green School	7,094,147	909	453,497	320,864	-132,633	Rise	0	-5%	0	-6%	0	0
Forest Hill School	9,272,271	1,381	129,313	808,191	678,878	Fall	0	-9%	0	-1%	-131,098	-96,561
Prendergast School	5,622,720	926	-96,478	-137,757	-41,279	Rise	0	2%	0	2%	0	0
Sedgehill School	8,681,217	1,157	1,310,574	845,788	-464,786	Rise	0	-10%	0	-13%	-29,644	0
Sydenham School	8,599,397	1,318	132,133	347,040	214,907	Fall	0	-4%	0	-1%	0	0
<b>57,708,500</b>	<b>7,962</b>		<b>1,829,168</b>	<b>2,942,932</b>	<b>1,113,764</b>	<b>Fall</b>	<b>0</b>	<b>-5%</b>	<b>0</b>	<b>0%</b>	<b>-194,868</b>	<b>-97,256</b>
Brent Knoll School	4,252,487	151	-442,760	-358,018	84,742	Fall	17,819	8%	164,499	13%	-52,062	-46,074
Drumbeat	5,629,403	164	-934,193	-470,856	463,337	Fall	20,504	8%	531,535	19%	-9,623	-63,871
Greenvale School	3,889,071	115	-585,613	-581,753	3,859	Fall	270,628	15%	330,820	18%	-15,493	-23,206
New Woodlands School	1,429,128	19	-292,558	-136,688	155,870	Fall	22,358	10%	115,666	13%	0	-1,890
Watergate School	4,539,081	107	-796,366	-785,660	10,706	Fall	422,533	17%	494,554	21%	-2	-7,559
<b>19,739,170</b>	<b>556</b>		<b>-3,051,489</b>	<b>-2,332,975</b>	<b>718,515</b>	<b>Fall</b>	<b>753,841</b>	<b>12%</b>	<b>1,637,073</b>	<b>16%</b>	<b>-77,180</b>	<b>-142,600</b>
Chelwood Nursery School	808,698	92	-21,258	-17,705	3,552	Fall	0	2%	0	3%	-2,564	-4,528
Clyde Nursery School	1,053,181	92	-291,665	-324,470	-32,805	Rise	240,215	31%	216,054	31%	0	-4,741
<b>1,861,879</b>	<b>184</b>		<b>-312,923</b>	<b>-342,175</b>	<b>-29,252</b>	<b>Rise</b>	<b>240,215</b>	<b>18%</b>	<b>216,054</b>	<b>2%</b>	<b>-2,564</b>	<b>-9,269</b>
Abbey Manor College	2,681,716	100	52,811	112,983	60,173	Fall	0	-4%	0	5%	-7,983	-7,506
<b>2,681,716</b>	<b>100</b>		<b>52,811</b>	<b>112,983</b>	<b>60,173</b>	<b>Fall</b>	<b>0</b>	<b>-4%</b>	<b>0</b>	<b>5%</b>	<b>-7,983</b>	<b>-7,506</b>
<b>253,794,947</b>	<b>35,153</b>		<b>-12,141,618</b>	<b>-12,430,464</b>	<b>-288,846</b>	<b>Rise</b>	<b>4,413,495</b>	<b>5%</b>	<b>3,825,065</b>	<b>6%</b>	<b>-1,125,585</b>	<b>-1,268,971</b>

\* Budget = XEFl = ISB plus Pupil Premium and other funding  
\*\* Pupil No's - October Census N to 6th FTE Excluding Subsidiary Registrations  
\*\*\* Excludes External Funds

# Agenda Item 8

Schools Forum			
REPORT TITLE	School Budgets 2017/18 And Financial Update		
KEY DECISION	Yes	Item No.	8
CLASS	Part 1	Date	22 June 2017

## 1. Purpose of the Report

This report considers the schools budget returns for the next three years and updates the Forum on the latest financial issues

## 2. Recommendation

The Forum

- i) Note the position on schools budgets,
- ii) Agree the Nursery School protection allocation,
- iii) Note the position of the growth fund and
- iv) Consider whether schools should come together to review the future of the finance package used by schools

## 3. Submission of Budget Plans

- 3.1 The deadline for schools to submit budget returns to the Local Authority was 1 May, a full month earlier than last year.
- 3.2 The paper under item 5 of this agenda stated that there were 13 schools with deficits at the year-end (31 March 2017). It is anticipated that there will be 13 schools in deficit at the end of March 2018. These are not all the same schools as some schools expect to recover their current deficit during 2017/18 but others are projected to go into deficit.
- 3.3 There are three schools who have not submitted a budget plan this year, two of which are working closely with the Local Authority Officers to develop plans. The third has been written to. Part of the delay has been caused by sickness absence in the school. At this stage last year there were 20 schools who had not submitted budget plans.
- 3.4 Currently officers are performing reasonableness and logic checks on the information provided by schools. Such checks include
  - Does the budget plan income agree with funding notification?
  - Is the carry forward quoted in the budget plan reasonable?
  - How do the budgets set compare to the previous year's expenditure?



- Are pupil numbers predictions realistic

3.5 A table showing the forecast end of year balances for 2017/18 will be tabled at the meeting.

#### **4. DSG central spend**

The central spend is expected to balance at the end of the current financial year as a result of the action taken by the Forum at its January meeting.

There will be a programme of rolling reviews of budgets over the coming year leading into the budget setting meeting in January.

These are scheduled as follows:-

##### **October**

- Education Support Grant
- Growth Fund
- Looked After Children (Education)

##### **December**

- New Woodlands Outreach
- Drumbeat Support
- Participation
- Inclusion Fund

#### **5. Nursery Schools Protection**

##### **5.1 Background**

- The Early Years funding reforms have cut the nursery school funding hourly rate from £7.70 to £4.94.
- The DfE have announced protection for nursery schools.
- This is calculated by a complex formula and the amount of funding provided will not be confirmed until 4 months after the end of the financial year.
- This creates a large amount of uncertainty which makes it difficult for the nursery schools to budget for this and future years.
- The proposal below is in line with the DfE's intention to protect the funding (for statutory hours) and modelling of the likely protection amount.

##### **5.2 Allocation**

- The following is proposed in order to provide schools with enough certainty to plan for the coming three years.

- For 2017/18,
  - the nursery schools funding rate for statutory hours (15 hours universal, free entitlement and 30 hours working families entitlement) will be protected at £7.70.
  - Additional Free Hours will be funded at the new rate of £4.94.
  - a lump sum of £100k will be split equally between the two schools with the aim of assisting the schools with the impact of the reduced AFH funding rate.
  
- For 2018/19, subject to any amended proposals from the DfE
  - the nursery schools funding rate for statutory hours (15 hours universal, free entitlement and 30 hours working families entitlement) will be protected at £7.70.
  - Additional Free Hours will be funded at the new rate of £4.94.
  - a lump sum of £50k will be split equally between the two schools with the aim of assisting the schools with the impact of the reduced AFH funding rate.
  
- For 2019/20, subject to any amended proposals from the DfE, the schools should budget on the basis of
  - the nursery schools funding rate for statutory hours (15 hours universal, free entitlement and 30 hours working families entitlement) being protected at £7.70.
  - Additional Free Hours being funded at the new rate of £4.94.
  
- 2019/20 would be the first year that any overpayment of protection in the preceding two years would be reclaimed from the two schools.
  
- Any amount to be reclaimed for a particular year would be calculated by comparing the amount provided by the DfE with the cost of funding the statutory hours at £7.70 rather than £4.94, plus the lump sum for that year.
  
- Any reclaim would be phased over the remaining years of protection, but not necessarily evenly.
  
- For budgeting purposes the schools should assume a reclaim of £75k in 2019/20 as this will act a) as a reminder of the possibility and b) as prompt to develop outline plans for this level of savings.

## **6. Growth Fund**

Schools Forum made a decision earlier this year that schools would not receive additional funds for recycling a bulge class, as the funding initially was only there to aid cashflow as a result of the lag to funding,

and having the bulge in Year 6 moving straight into Reception means the school will still have the same number of pupils that funding would be based upon.

However, due to the timing of this decision by Schools Forum (happening after schools had made the decision to recycle), and the fact that the information sent out by the council was not explicit regarding the fact that no additional funding would be committed, we had no alternative but to 'top-up' funding on a pro-rata figure based on schools most recent declaration of Year 6 bulge class numbers.

This is a once-off, additional funding amount as a result of the timing of Schools Forum decision and the lack of explicit communication to the contrary. From this point forward, Schools Forum's decision will stand for future recycled bulge classes, which will be made explicit in any further communication on this topic.

## **7. Apprentice Levy**

We now have two months of levy sitting in the digital account waiting to be spent. Whilst it may be problematic for schools to consider taking on new apprentices in the current climate it is worth looking at upskilling existing staff. The rules around training for existing staff are quite strict and any course undertaken must be developmental rather than around current roles. For example, basic admin staff can look towards training to become School Business Managers or can undertake financial management training.

Charlotte Gibson who is the Council's apprenticeship co-ordinator has offered to advise schools on how to go about sourcing particular training. Charlotte has a number of useful links and networks which will make the process easier for schools. Charlotte can be contacted on 020 8314 6452

## **8. NEET**

School Forum allocated £50k to support the local authority in tracking of 16-18 year olds to ensure that they are participating in Education, Training or Employment. The requirement to track and support 16 and 17 year olds will continue, but the upper age limit has been reduced to the end of the academic year in which the young person has their 18th birthday. There is no change to the requirement to track young people with special educational needs or disabilities (SEND) up to their 25th birthday.

The Participation Team within the local authority has CYP targets of:

% 16-18 NEET – under 5%

% 16-18 year old not knowns – end of January 17 - under 10%

The ongoing challenge for the Participation Team has been to ensure that the not knowns do meet the target of 10% or lower. The additional resource from Schools Forum has meant that the Participation Team can react to monitoring the not known cohort more effectively.

At the end of April 2017 the participation figures were:

NEET – 2.3% (141 YP)  
Not knowns – 1.2% (73 YP)  
Combined – 3.6% (214 YP)

This has enabled the outcome to be better than our statistical neighbours: Lambeth 4.8%, Greenwich 4.5%, Islington 4.3%, Brent 4.2%, Waltham Forest 4.0% and Southwark 3.8%.

## **9. Schools' Financial Package**

One software provider selling a MIS and finance package to schools is undergoing change. The organisation has entered into an agreement with another company for the transfer of its MIS business. The deadline for migration of pupil information has been given as October 2017, whilst the annual contract with the provider runs until the end of March 2018. Approximately 40 schools use this provider's finance package and whilst confirmation of the position is being sought, it is possible that schools could be in a position of an unsupported financial package.

Where there are a number of different packages in use, the support the LA can offer to schools is limited by a lack of knowledge and the need to retain staff. It would appear that a review of the finance package needs of schools needs to take place and consideration given as to whether the packages should be standard. It would seem the only way to achieve this is by schools working in partnership.

While significant resources would be required it may be initially that a group of schools should come together to discuss the next steps.

## **10. Conclusion**

Schools face challenging financial circumstances. Essential to managing this is early identification of problems and suitable management action. The proposals in the paper will aid that and the support and challenge will assist schools in ensure they have proper financial management in place.

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<b>SCHOOLS' FORUM</b>			
<b>REPORT TITLE</b>	<b>Finance Support To Schools</b>		
<b>KEY DECISION</b>	<b>No</b>	<b>Item No.</b>	<b>9</b>
<b>CONTRIBUTORS</b>	<b>Head of Financial Services and Group Finance Manager, Children &amp; Young People</b>		
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>22 June 2017</b>

## 1. Purpose of the report

- 1.1 This report looks at the current support available and provided to schools from the local authority and considers whether this is an appropriate level of support over the short to medium term given the increasing financial burdens through cost pressures and budgets that are likely to be cash frozen on a per pupil basis.

## 2. Recommendation

- 2.1 It is recommended that the Schools' Forum note the contents of this report.

## 3. Background

### Responsibilities

- 3.1 The 1988 Education Reform Act removed the financial control of schools from local authorities and has given this to the governing body of the school, and by extension, head teachers. The local authority has some continuing responsibilities however, specifically in relation to community schools, in that it employs school staff and owns the land and buildings. However, it does not 'run' the school on a day-to-day basis or have the ability to anticipate the decisions of the head teacher and governors. Interventions by the local authority are very problematic and have to be considered only in extreme cases. To illustrate this, while the local authority will give advice on the appointment of a head teacher, the decision lies with the governing body.
- 3.2 Councils provide some services to schools, but the schools are not obliged to take them up and can choose to look elsewhere. This can include diverse activities like school meals, payroll services and financial services.
- 3.3 Under the School Standards and Framework Act 1998, local authorities are required to draw up a scheme for financing schools ("the Scheme"). This scheme sets out the financial relationship between the local authority and the

maintained schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the local authority and on the schools. Any proposed revisions to the scheme are subject to consultation of Schools Forum for approval pursuant to regulation 27 of The Schools and Early Years Finance (England) Regulations 2015. The Scheme for Lewisham is updated annually, in consultation with the Schools Forum.

- 3.4 In line with national requirements which have been in place for many years, the Scheme gives schools freedom to exercise choice over their spending plans. Like other local authorities, Lewisham can only impose regulations which are consistent with the need for accountability and control over expenditure of public funds. The Scheme expects all schools to set a balanced budget and manage within the resources made available to them. This is specifically a duty on the governing body of the school.
- 3.5 The Scheme provides that in exceptional circumstances a school may have a local authority loan to cover a deficit. Under this provision, the school is able to apply to the local authority for a loan which will be paid back in subsequent years. A local authority loan to cover a deficit is usually granted where a school has found itself in a deficit position due to changes in circumstances e.g. a significant fall in pupil numbers. The loan will be granted on the basis that some cost reductions may not be possible immediately, either logistically (contracts with staff or service providers or because of risks of detrimental impact on the curriculum) or because the reduction in staffing levels may be temporary so that it does not make sense to incur unnecessary redundancy costs.
- 3.6 Before a loan is approved, the school must be able to demonstrate that through its recovery plan it will be able to pay back the loan over the agreed timescale.
- 3.7 Under the scheme, any loan in respect of a deficit that is in excess of £500k must be approved by the Mayor as it remains a serious matter for a school to accumulate a deficit of this size. The agreement of smaller loans against deficits is delegated to the Executive Director for Children and Young People.
- 3.8 The school's governing body is responsible for setting the school's budget within its resources and are required to continually monitor the spending. The governing body is required to send a budget to the local authority by 1<sup>st</sup> May each year and budget monitoring returns at the end of September and December.

#### Budget pressures

- 3.9 There is now a significant increase in the number of schools in deficit. There are nine secondary schools and three primary schools in deficit, plus the pupil referral unit.
- 3.10 Over the next three years, schools face the impact of the national funding formula and unfunded cost pressures. Depending on the outcome of the

elections and the finer details of the political parties manifesto pledges, schools especially in London, could face spending pressures of up to 11%.

### Statutory Roles

- 3.11 The statutory roles of the local authorities with respect to finance are as follows:
- Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (schedule 1, section 20d)
  - Administration of grants (schedule 1, section 20e)
  - Authorisation and monitoring of expenditure not met from schools' budget shares (Schedule 1, section 20f)
  - Formulation and review of local authority schools funding formula (Schedule 1, section 20g)
  - Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Schedule 1, section 20i)

## **4 School Finance Support Team**

- 4.1 The support is delivered in two distinct ways, firstly as an offer to all schools and then through a service level agreement (SLA). The SLA is split into two services, one for technical accounting support and one for strategic budget planning advice.
- 4.2 The finance support team currently comprises three officers: a principal accountant, an accountant and an assistant accountant. The team is then managed by finance manager covering all the children and young people's directorate. This role is split evenly in theory on a 50:50 basis, but in practice the schools' role absorbs more time.
- 4.3 The schools finance team functions are wider than just direct support to schools it includes:

### Forum

- Schools Forum Report
- High need sub group
- Early years sub group
- Funding task group
- Response to consultations
- Formula notification
- Schools Forum mutual funds monitoring

### Monitoring

- Budget analysis
- Schools monitoring returns
- Support on audit reports
- Escalation process
- Monitoring central budget including high needs

### Accounting

- School bank accounts
- VAT
- Bank reconciliation
- Grant claims
- Transaction reports
- Closing the accounts
- Transaction processing
- School queries \*
- SLA processing
- CFR
- Capital (PFI, etc)

\* During term time an average of about 400 emails are received per month.

### Other

- Catering contract accounting
- Statistical returns
- Freedom of Information Requests
- Scheme of Delegation
- Finance Manual
- Advice to directorate and Members (reports, emails, correspondence)
- Training
- Induction for new business managers
- Interview assistance
- Benchmarking

- 4.4 Sometimes a long list can hide the amount of work involved. For example, for the local authority to check a school budget plan, it takes on average half a day. Therefore, the workload for all schools would be 42 days or over 8 weeks. This is similar with the budget monitoring returns, both for the September and December.
- 4.5 If a school is in deficit this level of support can grow significantly and can be between a week or two weeks dedicated time and in some cases even more. With some 13 schools now in deficit this is a significant demand.
- 4.6 The workloads is such that a risk approach was adopted to this in 2010, Further staffing reductions in 2015 then changed these risk levels such that the concentration was on those schools with significant problems.



- 4.7 At one stage the team was much larger, incorporating a number of officers who supported schools directly, however these officers are no longer employed and some now act as peripatetic bursars with separate contractual arrangements with school. In 2010 and 2015, the team was further reduced as the austerity measures being faced by local government continued to impact.
- 4.8 The challenges are growing with a greater focus on finances from schools, governors, members and officers. This is coupled with tight deadlines and turnaround times. Despite this there is a requirement to make further finance team savings in 2018/19 and 2019/20.
- 4.9 There was a recognition of the problems faced and a short-term post until the end of July was recruited to in order to ensure that the earlier corporate deadline for closing the financial accounts could be achieved.

## **5 Are other Local Authorities more efficient?**

- 5.1 There is not a greater deal of evidence on benchmarking of costs. However a specific piece of work was undertaken across London to understand the position and Lewisham's finance team as a whole benchmarked significantly less than the others in terms of cost. There has been no work specifically on schools finance teams, however talking to colleagues the overall position of the finance team would appear to be reflected in the schools finance team.
- 5.2 Most other local authorities have maintained a significant numbers of staff in order to deliver the service level agreement.
- 5.3 The ratios of finance staff would equate to a member of staff to 40 schools for the strategic advice and a member of staff again to 40 schools for technical accounting service. Often there would be a big training arm and this would include financial training per se and also training on the local financial system within the school. Lewisham is in an unusual position as it has never insisted that schools use one system and now we have a number of systems. This is then difficult to support with staff who have the expertise to advise schools appropriately. Indeed most of the system knowledge of the schools own local finance system has now been lost as staff move on.

## **6 What we would like to do?**

- Encourage schools to plan their budgets in the autumn term
- Hold more training course on all aspects of schools' finance
- Move away from our risk based approach to budget challenge and support where resources allow.

## **7 Essential and desirable functions and the matching resources to workloads**

- 7.1 There is not necessarily a consensus regarding what is important and what is not. Particularly interesting in this debate was the confirmation of schools carry forwards. It is true there were delays in confirming carry forwards to schools and the purpose of this report is not to articulate those. It was

interesting to note the comments from schools about then not being able to send in their budget plan. From a finance perspective if a figure was not known an estimate would be made. If schools were to start planning in the autumn term then it would always be a case of an estimate having to be made. Quite often schools say they cannot estimate their income. This is a challenge, but one which most finance personnel are faced with, and the normal course of events would be to do some sensitivity analysis with estimates of likely, worst case and best case scenarios.

- 7.2 There is of course some balance in this and it is a difficult for bursars as they are often isolated in schools and have little peer support. This is not helped by a limited or even non-existent training offer from the local authority.

## **8. Bringing in staff experience and knowledge skill sets**

- 8.1 This has been more difficult than one would hope for. Across local government there has been significant reductions since 2010 and in the early years schools' budgets were in a reasonably healthy position and a lot of the more experienced staff either moved on or retired.

- 8.2 There are a number of key skill sets that staff need: the national funding mechanisms, how resources are allocated and a broad understanding of how schools operate. As we know, school funding is not straight forward and experience tells us that anybody coming into a schools finance team takes some time to acquire this knowledge. Schools finance does move people out of the normal technical accounting skills set most finance professionals have and into a skills set that includes communication, presentation, training, empathy, customer service and customer relations. Some of these are not natural attributes of an accountant.

- 8.3 With the post already advertised, our experience was that there is a dearth of people with these skills at the salaries we can offer.

## **9. Two new posts advertised**

- 9.1 There is a recognition that with the increased focus on schools finance that the set-up of the team is insufficient to meet not only current demands but future demand. In order to address this, one post has already been filled to help out on the technical side and a further post is being advertised to provide more direct support to schools, to provide greater training and work closer with schools on a number of financial issues that impact on them, particularly in the light of the experience of closing the accounts this year.

## **10 Future of the Service Level Agreement**

- 10.1 Should there be one? This is an interesting question; we have redesigned the SLA this year to provide more appropriate support. Probably the schools that need it most are those that are in deficit. However only one of the 13 have bought the service, with the remainder relying on the team to 'step in' as required. Is this fair on the schools who are buying the service?

Services for schools can be broken down as follows

## Finance services free to all schools

- Responsibilities under section 151 of the Local Government Act 1972
- ISB calculation and notification
- Administration of banking arrangements and cash advances
- VAT reimbursements
- Schools Finance manual
- Monthly financial transactions
- Bank reconciliation templates and guidance
- Budget plan templates and guidance
- Comments on budget plans if any on a risk based approach
- Comments on budget monitoring statements on a risk based approach
- Closing templates and guidance
- Notification of school balances
- Induction to new business managers
- Interview assistance
- Schools subscribing to the Strategic advice service will also receive
- Strategic advice on budget planning
- Assistance with preparation of multi-year budget plans
- Advice on future year pupils numbers and funding
- Benchmarking and Value for money advice and audit.

### Schools subscribing to the Technical accounting service will also receive:

- Advice on coding issues for capital and revenue funds and are within the CFR framework
- Assistance with meeting DfE financial standards
- On-site advice on reconciling schools accounting systems to CFR and local authority budgets
- General accounting guidance
- Visits to new headteachers / School Business Managers (SBMs) on request resolution of issues arising from internal audit recommendations.

10.2 The current income from schools for both these services is £38k. 19 schools subscribe to the strategic advice service and 17 to the technical accounting service. If all schools bought into both packages the income would £162k

## **11 Schools Local Financial System**

11.1 Lewisham is unusual in that there is not a standard local accounting package across all schools. This makes providing any support difficult, partly as the finance staff do not use the systems regularly and the plethora of systems in use. Retention of staff has become difficult and is finding staff with appropriate level expertise difficult. This has been seen particularly with the current issues with one currently widely used package.

Should you have any queries with this report or require any additional information, then please speak to:

**Selwyn Thompson**, Head of Financial Services on 020 8314 6932 or  
**Dave Richards**, Group Finance Manager Children and Young People or 020  
8314 9442

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Update on 30 Hrs of Funded Childcare Entitlement for Working Parents</b>		
<b>KEY DECISION</b>	Yes	<b>Item No.</b>	10
<b>CLASS</b>		<b>Date</b>	22 June 2017

## 1. Purpose of the Report

This report updates members on the progress around the implementation of the 30 hrs of funded childcare for working parents which begins in September 2017.

## 2. Recommendation:

- That there should be a review of the agreed charge that a maintained provision should make for any additional purchased hours and that schools should consider which of the charges shown should apply.

**Which of the rates shown below should be used as the standard charging rate for any additional hours a parent might wish to purchase?**

- The basic rate as provided by the new Early Years Funding formula = **£4.94** per hr
- A rate increase of 56p per hr = **£5.50** per hr
- A rate increase of 1.06 per hr = **£6.00** per hr

Schools should consider which of the rates best match their needs in terms of supporting delivery of provision.

The result of the consultation will be brought back to the next schools forum meeting and if agreed will be taken forward to mayor and cabinet with a recommendation on the standard hourly rate.

### 3. Background & Update

The Early years Sub Group has continued to meet since submitting its annual report on 8<sup>th</sup> Dec 2016 in which it made 3 recommendations for consideration in relation to the Early Years National Funding Formula. The Early Years Sub Group has met monthly during 2017 in order to consider the implementation of the 30 hours policy and the wide implications this has for the childcare market as a whole.

Agenda items have included:

- **Family information Service**
- *Are you Prepared, sustainability and managing change*
- *Capital Funding Outcomes* - Lewisham submitted 4 successful bids 3 are now proceeding
- **Managing the Inclusion Fund**
- *Locality information & other key issues*
- *Modelling delivery of 30 hrs*
- **Operational Guidance**
- **Childcare Choices** website and information
- **Early Years Partnership Board**
- **Setting a standard charge for additional hours**

Updates are provided below on the most relevant aspects:-

#### 3.1 Family information Service:

The family information service will act as a conduit for all information about early years. It will ensure that information is clearly available about services and provision, and is easily accessible to parents. It will also enable us to identify links and connections much more easily and therefore ensure that we are operating at optimum impact.

#### 3.2 Managing the inclusion Fund:

From April 2017 local authorities have been required to implement an Inclusion Fund. Lewisham has set aside £200k (*1% of the available funding*). This fund is available for providers to access to support children at SEN support and applications are being submitted by providers across the sector. It is being financially administered by the Early Years Quality and Sufficiency Team and will provide resources to support inclusion and intervention for a child with additional needs over a term.

### **3.3 The Operational Guidance:**

The operational guidance to support the delivery of the 30 hours extended entitlement has now been published.

This builds on the statutory guidance and is intended to support local authorities and providers understand in more detail the Department for Education's expectations about how the free entitlements should be delivered.

### **3.4 Childcare Choices – The Childcare Service System**

The Childcare Service System has also now gone live for parents with children up to the age of 4. This means that parents wishing to access the 30 hours free childcare entitlement from September, will now be able to apply using the system.

The systems that providers will use (*including nurseries and nursery classes*) to validate codes that parents provide them with is now established. Lewisham will use a web services system that will allow providers to initially check eligibility themselves, via an online portal.

Schools are in the process of offering places for the Autumn term.

### **3.5 Early Years Partnership Board:**

The sub group also considered the terms of reference and the make-up of the Early Years Partnership Board which will bring together stakeholder representatives working with children and young people across Lewisham to oversee the delivery of services that support children 0-5 and their families.

The EYPB's aim is to ensure that there is an overarching strategy that promotes joined up working and to monitor and evaluate the effectiveness and impact of the variety of approaches used across all agencies within the LB Lewisham.

### **3.6 Setting a standard charge for additional hours in maintained provision:**

One of the aspects given consideration is whether the agreed standard hourly rate that maintained provision *i.e. nursery schools and nursery classes* should charge parents for any additional hours they require should remain. The recommendation of the sub group was that it should continue, but be reviewed (*as this has not happened since 2010*) and that schools be consulted about any change to the rate.

There are implications for parents in increasing the charge, over the current EYNFF rate, however schools are facing considerable funding cuts and as a result of the EYNFF have already had to accommodate a decrease (*4% for primaries and 36% for nursery schools*) in the hourly rate for 3 & 4 yr olds.

At whichever rate the majority of schools select it would continue to provide a standard charge across maintained provision in Lewisham. It is logical for the Local Authority to be charging the same fee for the same service across the Borough.

It continues to provide an opportunity for a school to sell surplus places that would not have otherwise have been used. Any level of fee is beneficial to the alternative of not having the place filled. The only financial disadvantage is if the paying places led to extra staff being required, therefore resulting in extra costs.

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