

Schools Forum Agenda

Thursday, 21 June 2018

4.30 pm – 6.30pm, Council Chamber - Civic Suite
Lewisham Town Hall
London SE6 4RU

For more information contact: Janita Aubun tel. 020 8314 7030
Email: Janita.aubun@lewisham.gov.uk

Item	Pages
1. Apologies and Acceptance of Apologies	
2. Declaration of Interests	
3. Minutes of the Meeting - 15 March 2018	1 - 9
4. Matters Arising	
5. DSG End of Year Financial Report	10 - 15
Report on: Schools Final Out-turn balances at end of 2017-18. Updates on other finance matters	
6. Internal Audit Report 2017-18	16 - 24
7. Contributions to Capital Works	25 - 28
8. School Energy Billing Proposal	29 - 34
9. Schools Forum - Terms of Office Update	35 - 39
10. Any Other Business	

Future Meetings

04 October 2018
06 December 2018
17 January 2019
21 March 2019

All meetings will be held between 16.30 and 18.30

Sub Group Meetings

High Needs Sub Group
05 June 2018 Postponed to 25th June 18 September 2018 20 November 2018 05 March 2019

Agenda Item 3

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 15th March 2018

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

		Attendance				
		22/6	05/10	07/12	17/01	15/03
Primary School Headteachers						
Liz Booth	Dalmain	✓	✓	✓	a	✓
Paul Moriarty	Good Shepherd	✓	✓	✓	✓	✓
Michael Roach	John Ball	✓	✓	✓	✓	a
Sharon Lynch	St William of York	a	✓	✓	a	✓
Keith Barr	Kender	✓	✓	✓	✓	✓
Nursery School Headteacher						
Nikki Oldhams	Chelwood	✓	✓	a	✓	✓
Cathryn Kinsey	(Substitute)			s		
Secondary School Headteachers						
Jan Shapiro	Addey & Stanhope	a	a	a	✓	a
David Sheppard	Leathersellers Federation	a	✓	✓	✓	✓
Mark Phillips	Deptford Green	✕	✓	✕	✕	✓
Clare Cassidy	Sedgehill			a	✓	✓
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	✓	✓	✓
Pupil Referral Unit Headteacher						
Heather Johnston	Abbey Manor			✓	✓	✓
Primary School Governors						
Rosamund Clarke	Perrymount	✓	✓	✓	✓	✓
Dame Erica Pienaar	John Ball	✓	a	✓	a	✓
Keith D'wan	King Alfred Federation	a	✓	x	a	a
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	✓	✓	✓	✓
James Pollard	Addey & Stanhope	✓	✓	✓	✓	✓
Ruth Elliot	Watergate	✓	✓	✓	✓	✓
Academies						
Declan Jones	Haberdashers' Aske's	✓	a	✓	✓	✕
14-19 Consortium Rep						
Gordon Gillespie	14-19 Consortium	✕	✕	✕	✕	✕

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

Also Present	
Selwyn Thompson	Head of Financial Services
Yusuf Shaibu	CYP Interim Group Finance Manager
Hayden Judd	Principal Accountant - Schools
Sara Williams	Executive Director for CYP
Claudia Smith	Senior Education Advisor - CYP
Ruth Griffiths	Service Manager – Access, Inclusion & Participation
Kay Goodacre	Education & Funding Skills Agency, DfE
Tushar Singh	National Education Union
Lea Bonnell	NUT
Janita Aubun	Clerk

1. Apologies and Acceptance of Apologies

Apologies received from Jan Shapiro, Keith D'Wan and Michael Roach.
Apologies accepted.

Interim Group Finance Manager for CYP, Yusuf Shaibu, introduced to Forum.

2. Declaration of Interests

Clare Cassidy, agenda item 5 – Financial Report.
Heather Johnston regarding agenda item 8 – High Needs Sub Group – Abbey Manor College.

3. Minutes of the Meeting held 17 January 2018

Minutes were agreed.

4. Matters Arising

No matters arising.

5. Financial Report

Schools Budget Monitoring Returns

Report presented to Forum regarding Budget Monitoring returns which were due end January 2018. Forum were informed that 2 returns remain

outstanding to date, and these are schools with no school business managers. This is nonetheless a significant improvement on the overall rate of return.

As at end February 2018, 13 schools were forecasting deficits with a total projection of £4.4m.

School Contingency Bids Update

The contingency fund has provision which requires schools to manage the first 5% reduction in ISB allocation and for Schools Forum to replace the amount lost which is in excess of that 5%.

Forum were made aware of the following 3 schools which faced a 5% fall between 2016/17 and 2017/18:-

	Fall in funding above 5%	School's Budget Position
Primary A	£126,267	Viable budget plan
Primary B	£7,500	Only just balanced budget plan
Secondary C	£337,566	Large Deficit

With Secondary School C deficit position, Officers are satisfied that the school is on course to address this.

3 and 4 Year Old Hourly Funding Rate

Discussions were held with members about the current calculations and how it is possible to set an indicative hourly rate of £5.00 - which is slightly more than the £4.94 rate that providers were previously advised of, prior to the start of 2017/18 financial year.

The DfE current allocation is based on January 2017 pupil data and this is to be further updated January 2018 and 2020.

High Needs Block

Forum were informed that the high needs block is forecasting a balanced budget position for 2017/18. This is unusual if you compare this to other boroughs and Forum suggested that transparency in discussions, benchmarking locally and nationally, has contributed to this.

It was noted however, that due to increases in demand, there is likely to be budget pressures 2018/19 – 2021/22.

Accounts Closure 2017/18

Our timetable for closing the financial accounts 2017/18, has been brought forward to May 2018 and this is driven by Central Government. Owing to the fall of the Easter Holidays, Forum were advised, and schools have already been informed, that this means that schools will need to submit their closing returns by 27 March 2018.

Forum required assurance that their week 53 transactions be promptly produced, bearing in mind the earlier closing timetable and also because some schools have peri-bursars who are only in for 0.5 days at a time.

Decision:

Forum agreed the following:-

- Noted the latest position on budget monitoring returns.
- The revised minimum funding guarantee final estimate at 0.28%
- School contingency bids A, B and C, as set out in the body of the report.
- 3 and 4 year old hourly funding rate.
- Noted the capital reserve update and are expected to be presented with a proposed plan for usage at the next schools forum June 2018.
- Noted the position of the Schools Financial Value Standard.
- Noted the early closing of accounts process for 2017/18.

6. High Needs Sub Group – New Woodlands – Primary PRU

Forum were presented with a report detailing the Lewisham Primary Phase Alternative Provision as a result of the New Woodlands School transition plan which was put in place September 2016.

High Needs Sub Group and Schools Forum are proposing to commission Lambeth Primary PRU to provide Primary Alternative places for Lewisham children as well as transport to the provision, until September 2019. From September 2019 there on, it is proposed that a permanent solution to our Primary Phase Alternative Provision be implemented.

Discussions were held regarding schools voluntarily paying towards the placement cost from the AWPU, based on the length of the placement and Forum looked at the issue of contingency funding. It was suggested that the contingency fund may be inadequate however and the terms of reference may not cover.

Forum also felt that it would be unfair to penalise a school because of the distance the parents live.

Officers informed Forum that if schools did not agree to pay 50% of the transport costs, these costs will need to be met from the Alternative Provision budget within the High Needs Block.

Decision:

- **Recommendation NOT agreed** that schools pay 50% of the transport cost for the child referred to in section 3 of 15th March 2018 Schools Forum report, to attend the Lambeth Primary PRU and that this be capped at £4,875.

7. New Woodlands Outreach Service

Forum were provided with a report which outlines the reviews undertaken by the local authority new Woodlands Outreach Service.

1st stage review was undertaken in 2016 with a 2nd stage review in April 2017. 2nd stage review looked at the development, testing and implementation of a new model for Lewisham's behaviour outreach support. Members of the Advisory strongly supported a combination of an enhanced and two-team model that offers schools a range of support services.

Next Steps

Forum were informed that the Local Authority will be exploring the longer term plans for the Outreach Service in the summer term and this will include considering whether this Service should be aligned with the primary PRU, aligned with an existing service or with those already under review.

A progress report is to be provided to Schools Forum in the summer 2018.

Also during the summer term, further preparatory work is to be undertaken and the progress of this will continue to be monitored by the Advisory Board, with regular updates to Schools Forum.

Decision:

Forum agreed the following:-

- That the New Woodlands Outreach Service remain under the management of New Woodlands School for 2018-2019, with the proviso that the New Woodlands Advisory Board led by the Chair and the Consultant Senior Education Advisor provide additional support the Outreach Manager to provide clear strategic objectives for the Outreach Service and provide oversight of its work for the interim period of 2018-2019.
- That the New Woodlands Advisory Board continue through to July 2019 to provide strategic direction and oversight to the Outreach Service.
- To note that a decision about the longer term plans for the Outreach Service (September 2019 and beyond) will be made by October 2018. This will be considered in line with decisions about the primary PRU and other services currently under review.
- Ask that the Advisory Board provide the Forum with termly updates on the progress of the Outreach Service during 2018-2019.
- To note the work undertaken by the New Woodlands Advisory Board and thank members of the Advisory Board for their contribution to date.

8. High Needs Sub Group – Abbey Manor College

Report presented to Forum which sets out the proposed pupil places funding allocation for Abbey Manor College, (Lewisham's Secondary Pupil Referral Unit), for the 2018/19 financial year.

Pupil Place Funding 2018/19

The local authority was provided with benchmarking data for PRU Top Up funding, following the comparison of the pupil place (non-SEN and group tuition) funding for all LA PRUs in London, including statistical neighbours. This exercise showed one third of LA PRUs had similar costs to Lewisham, another third had costs exceeding £14K and the remaining third had costs lower than Lewisham with Lewisham falling within this bracket. It was deduced that Abbey Manor College is significantly behind other local authorities and our neighbouring borough PRUs. Forum also discussed how our PRU is one of the most challenging in London to run, so we would expect that they would receive the highest level funding.

It is proposed that the increase for Abbey Manor College for 2018/19 will bring the PRU in line with all London local authority PRUs and our statistical neighbours:

- Core: £10,000 per pupil for 160 places
- Top Up increase: £14,000 per pupil for 160 places
- To fund the college on the fully funded basis during 2018/19

Decision:

Forum agreed the following:-

- To increase the Top Up allocation to £14,000 per pupil for 160 places and fund the PRU on the fully funded basis during 2018/19, and this is to be reviewed this time next year.

9. Banding – Resource Base Provision & Mainstream Funding

Forum were given an update on the banding for mainstream schools and resource base provisions, following Schools Forum agreement to the revised funding arrangements from banding review.

Forum were advised that all schools have since been contacted regarding their revised banding either by letter or visit from officers. There are no longer 3 bands.

Schools that were 'gain to lose' funding, have been protected until July 2018. Changes in funding will be implemented as of April 2018 except for schools that were due to lose funding and these schools will be protected until July 2018.

From September 2018, this will be fully implemented to all schools.

Forum are to be advised whether the level of protection for special schools has ended.

Next Steps

The final phase of the banding descriptors will be a review of funding for children with an EHCP in nursery or early years settings. This financial modelling will be undertaken during March with a report to Forum in the summer term 2018.

Decision:

Forum agreed the following:-

- To note the developments on the review of a universal banding system.
- To note the continued pressures on the High Needs Block as outlined in the High Needs Block forecast report.

10. Section 251 Benchmarking

Forum looked at a report which illustrated how local authority spend on education services compared with spend by its statistical neighbours.

Forum were informed that Local Authorities are required to submit an annual Section 251 statement to the DfE in April of each year which shows our expenditure plans for the next financial year.

Benchmarking Results 2017/18

Rank 1 reflects the highest spending local authority.

Forum were advised to exercise a degree of caution when reviewing comparisons however, as not all authorities categorise their expenditure in exactly the same way and may organise services differently.

High Needs

Lewisham is ranked number 2 for high needs (approximately 39% higher than the average spend). This is mainly due to the high level top-up funding for maintained schools in England, which in the high needs block of £51m is circa £19.8m.

Next Steps

Lewisham is a member of two CIPFA benchmarking clubs; the Children Social Care benchmarking club and the Special Education Needs club. The latest SEN benchmarking report is to be discussed at the High Needs Sub group.

Decision:

Forum agreed the following:-

- To note the position for Lewisham Schools as reported in the benchmarking analysis.

11. Scheme of Delegation to Schools

Agenda item deferred.

12. Schools Forum Terms of Office

Forum were presented with a report to update members on the terms of office that are coming to an end and the need to rebalance the membership to reflect changes in pupil numbers.

Expiring Tenures

Forum were informed that 8 members have their terms expiring June 2018; 3 primary heads, 1 secondary head, 1 academies, the nursery school head and 2 secondary school governor heads.

Rebalancing School Forum Membership

It was recognised that Forum membership needs to be reviewed and rebalanced for fairness of representation from the various school categories and the current and proposed representation was detailed to members.

It was highlighted that members are to be voted for by their constituent groups and Forum identified that an additional Academy representative needs to be appointed and there needs to be a reduction of 1 Primary member with effect from June 2018 (end of term of office).

Forum also raised concern that all through schools appeared to have no representation.

Decision:

Forum agreed the following:-

- Recommended membership rebalancing to reflect pupil numbers.
- That affected schools re-elect representatives or elect new members for expiring terms, through their consultatives.

13. Schools Forum Work Programme 2018/19 and Dates of Meetings

Forum were asked to review the proposed dates and future work plan of the meetings for Schools Forum over the coming year.

It was made clear to members that the list of agenda items is not exhaustive and is fluid. The proposed work plan is broadly in line with the preceding year and additional tasks are likely to be added.

14. Any Other Business

Item 11 – Scheme of Delegation to Schools, has been deferred and is to be brought back to next Forum.

No other business was raised.

Meeting closed 6:25pm.

SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER (S) RESPONSIBLE	OUTCOME/ CURRENT POSITION
Forum 17 January 2018, Item 6 - Catering	Contracts Review.		Forum in Summer 2018.
Forum 15 March 2018, Item 5 – Financial Report	Item to published in Schools Mailing regarding Catering		Pending
Forum 15 March 2018, Item 9 – Banding – Resource Base Provision & Mainstream Funding	Clarification sought regarding level of protection for special schools.	Claudia Smith	Pending
Forum 15 March 2018, Item 11 – Scheme of Delegation	For update and review	Yusuf Shaibu/Selwyn Thompson	Pending
Forum 15 March 2018, Item 13 – Schools Forum Work Programme 2018/19 & Meeting Dates	Continue updating the work programme	Yusuf Shaibu	Ongoing

Agenda Item 5

Schools Forum			
REPORT TITLE	DSG End of Year Financial Position 2017/18		
KEY DECISION	Yes	Item No.	5
CLASS	Part 1	Date	21 June 2018

1. Purpose of the Report

This report considers the schools' carry forward position and the final position on the Dedicated School Grant at the end of the financial year to March 2017/18.

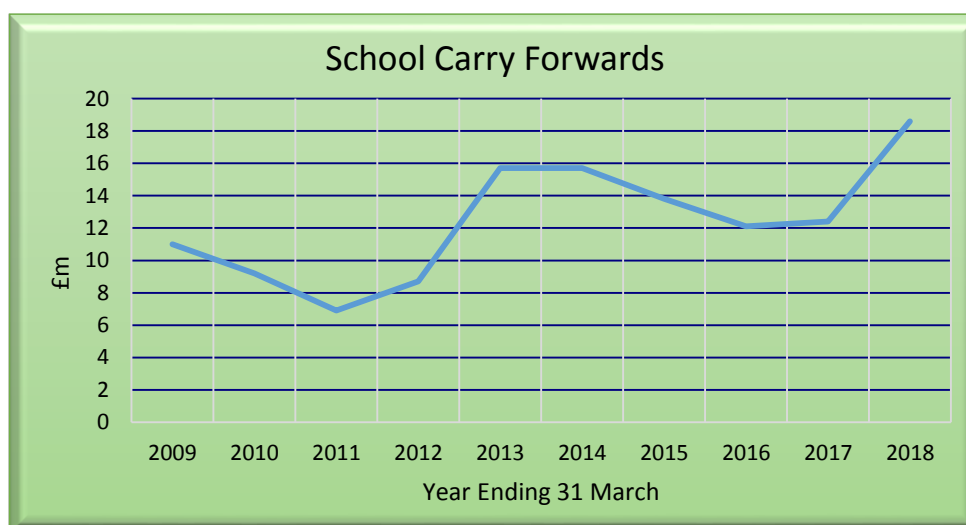
2. Recommendation

The Forum

- i) Note the balances held by schools.
- ii) Note the position on the DSG
- iii) Roll forward the mutual fund balances into 2018/19

3. Schools' Carry Forwards

- 3.1 Appendix A (tabled) contains a list of school carry forwards at the end of the 2017/18 financial year (31 March 2018). The total year end balances in schools was £18.6m (£18.3m without external funds). The balance at the end of the previous year stood at £12.4m (31 March 2017), a rise of £5.9m.



- 3.2 There were 9 schools in total with deficit balances totalling £1.5m at the end of 2017-18 financial year. From the 9 schools, 3 are primary schools, 3 secondary, 1 each of All through, Special and Nursery schools. Three of the schools in deficit have loans totalling £0.6m. There are a further 6 schools who are not showing a deficit but are benefiting from loans totalling £2.4m. This is because the council has shifted from giving licensed deficits to using loans for schools experiencing financial difficulties. The aggregated school balances of £18.3 (excluding External Funds) are £5.9m higher than last year.
- 3.3 The average percentage balance for Primary schools is 10% surplus, for Secondary Schools is a 0.4% surplus (this includes All Through Schools) and for Special Schools it is an 8% surplus. For schools overall, the percentage carry forward is a 5% surplus. Overall this is an appropriate level of balances but it is clear that they are not evenly spread and in general secondary and all through schools are in a precarious financial position.

School Type	School Budget 2017/18	Carry Forward 2016/17	Carry Forward 2017/18	Change	% of School Budget
	£'000	£'000	£'000	£'000	
Primary	155,866	-12,683	-15,956	-3,273	10%
Secondary *Includes 3 All Th	75,945	2,815	-95	-2,910	0.4%
Special	20,396	-2,333	-2,130	203	8%
PRU	2,899	113	0	-113	0%
Nursery	1,729	-342	-135	207	6%
Total	256,835	-12,430	-18,316	-5,886	5%

- 3.4 A table showing the forecast end of year balances for 2017/18 for individual schools 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 £0.147m on the central DSG. There was an underspend of £1.4m on Early years. This underspend reflects the actual take up of 85% of all eligible 3-4 year olds; and a 60% take up for 2 year olds. Any over or underspend is potentially subject to adjustment as data used by DFE for 17-18 allocations are based on January 2017 census data
- 4.2 The High Needs Block was, in effect, balanced with a marginal £58k overspend. There are however underlying pressures within Special Needs services which generated £0.4m overspend, due to higher than expected demand for places. This was in part cancelled out by an underspend in Access, Inclusion and Alternative provision where anticipated growth only partly materialised. This is however expected to have a full year impact next year. Pressures in special educational needs and alternative provision continue and in the coming year (2018-19), there is a high risk of overspend. Lewisham shares this challenge with local authorities across the country.

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

	Growth Fund	Contingency	Non-Sickness Supply
	£	£	£
Brought Forward	(178,154)	(1,326,547)	503,606
Distributed To Schools	0	0	0
Offset	0	0	0
Sub-Total	(178,154)	(1,326,547)	503,606
De-Delegation Income	0	(650,000)	(1,684,997)
Budget	(1,092,000)	0	0
Spend To Date	1,139,289	471,333	1,116,038
Projected Spend	0	0	0
Sub-Total	47,289	(178,667)	(568,959)
Cumulative Total	(130,865)	(1,502,214)	(65,353)

5.3 It is proposed that the Growth Fund and Non-Sickness Supply balances are rolled forward into 2018/19 funds. The large contingency balance is being held in relation to the deficit balance at one of our secondary schools which has had an academy order issued.

6 Financial Support and HR support over the year.

The following support to schools has been delivered

- 13 Finance based training sessions
- 68 Finance visits to schools
- 36 HR health checks completed
- 11 reorganisations / redundancy and 5 consultations underway

We are continually looking at ways to support schools in improving financial management so as to reduce the financial risk exposure. One of those ways is to undertake a 3 year budget planning cycle so that there is more long term planning by schools. Further detail is provided later in this report on 3 year Budget planning exercise. Another tool that is being applied is risk profiling of schools on various criteria including Finance. This will enable early identification of financial risks and ensure that early action is introduced to manage these.

7. Schools Financial Performance and compliance

Over the past year there have been some key returns and submissions due from schools. In Summary;

- There was a 100% return rate of the Schools Financial Value Standard and all within the 31st March deadline
- Schools Finance has undertaken a review of the SFVS returns and looking at ways of improving the reliability, consistency and evidencing of these returns so that they serve as an effective tool for providing financial support and advise as well as identify early warning signs

8. Schools 3 Year Budget Plan

All but 5 budget plans have been received. All of these schools have been visited by Schools Finance (apart from one which was due to staff bereavement). We are unable to report on the timeliness of submission as a result of IT issues which necessitated re-submission after deadline.

Early analysis of the budget plans for 2018/19 shows that;

- Once all budget plans have been received, 14 schools are anticipated to be forecasting a deficit or to have a loan covering a deficit.
- The forecast cumulative revenue balances for the year 2018-19 total to a surplus of £13.9m, a reduction of £4.3. 70% of schools are forecasting an in-year deficit for 2018-19
- Its worthy of note that in 2017-18 cumulative budget plans totalled to £7.3m surplus compared to an actual figure of £15.6m (minus Loans drawn)
- Cumulative revenue balances are forecast to fall to a surplus of £8.6m by the end of 2019/20 and a deficit of £0.5m by the end of 2020/21

9. Loans to schools

There are 9 schools with loans with a balance totalling £3m. From this number 7 are Secondary schools and 2 are Primary. Work over the year concentrated of ensuring schools with deficits budgets had a sustainable budget recovery plan. Seven loans have been agreed and the agreements signed. 2 loans are pending signature

It is important to note that the loan is distinct to the cash released to schools. The bank account is automatically topped up so that school cannot run out of cash which prevents a school being in a position where they run out of cash to pay staff or suppliers.

10. Conclusion

Although the year on year carry forward figure is significantly higher at £5.9m and the number of Schools in deficit is lower than same period last year (13 compared to 9). There are still some underlying financial risks to note for 2018-19. There are proportionately more Secondary schools in deficit and requiring loans and this is an area that will be closely monitored in the coming year. There are other pockets of risks around Special Needs that require careful financial management.

Yusuf Shaibu

Group Finance Manager (Interim) – Children and Young People

Contact on 020 8314 9442 or by e-mail at
Yusuf.Shaibu@Lewisham.gov.uk

Code	School	2017/18 Budget*	Pupil No's**	2016/17 Balance***	2017/18 Balance***	Movement		2017/18 Excess Balance	Balance As %age Of Budget	2016/17 Excess Balance	Balance As %age Of Budget	2016/17 Capital Balance	2017/18 Capital Balance
EMBA E72000	Adamsrill Primary School	3,570,482	569	-368,124	-661,637	-293,513	Rise	375,999	19%	100,486	-10%	-26,559	-22,413
EMJE E73301	All Saints' CE Primary School	1,018,942	234	183,020	47,300	-135,720	Rise	0	-5%	0	18%	-5,358	0
EMBC E72878	Ashmead Primary School	1,862,048	293	-239,088	-204,826	34,262	Fall	55,862	11%	99,687	-13%	-9,003	0
EMBE E72023	Athelney Primary School	3,489,996	467	-166,072	-303,495	-137,423	Rise	24,295	9%	0	-5%	-13,064	-11,620
EMBHE72029	Baring Primary School	1,603,669	265	-20,343	7,800	28,143	Fall	0	0%	0	-1%	-13,766	-17,825
EMGA E72068	Beecroft Garden Primary School	3,181,481	442	-485,803	-416,890	68,913	Fall	162,372	13%	253,177	-15%	-298	-8,809
EMCRE72304	Brindishe Green Primary School	4,250,282	687	-351,694	-473,400	-121,706	Rise	133,377	11%	31,203	-8%	0	-8,946
EMBK E72887	Brindishe Lee Primary School	1,559,319	263	-138,731	-121,345	17,386	Fall	0	8%	13,095	-9%	-2,855	-8,013
EMGV E72381	Brindishe Manor Primary School	2,769,025	483	-213,152	-272,621	-59,469	Rise	51,099	10%	0	-8%	0	0
EMBV E72108	Childeric Primary School	3,043,064	463	-157,803	-148,087	9,716	Fall	0	5%	0	-5%	0	-8,950
EMBP E72127	Cooper's Lane Primary School	3,838,073	668	-229,619	-321,775	-92,156	Rise	5,729	8%	0	-6%	-9,000	-9,001
EMBR E72148	Dalmain Primary School	2,544,814	436	-191,514	-191,159	355	Fall	0	8%	0	-8%	-18,464	-20,953
EMBV E72158	Deptford Park Primary School	4,453,057	599	-562,854	-615,459	-52,605	Rise	259,214	14%	186,476	-13%	-4,192	-13,103
EMCA E72163	Downerry Primary School	2,998,530	503	-268,590	-363,494	-94,904	Rise	123,612	12%	19,992	-9%	0	-9,427
EMCC E72187	Edmund Waller Primary School	2,756,799	466	-124,046	-129,340	-5,294	Rise	0	5%	0	-4%	-16,985	-11,256
EMGF E72197	Elfrida Primary School	3,347,580	497	-287,097	-438,390	-151,293	Rise	170,584	13%	32,045	-9%	-4,286	-23,680
EMCE E72815	Eliot Bank Primary School	3,000,799	495	-381,488	-450,527	-69,038	Rise	210,463	15%	142,609	-13%	-26,668	-21,451
EMCH E72811	Fairlawn Primary School	2,620,302	470	-238,359	-238,107	252	Fall	0	10%	56,079	-10%	-312	0
EMCK E72225	Forster Park Primary School	3,558,880	538	-315,769	-571,749	-255,980	Rise	287,038	16%	18,007	-9%	-68,693	-28,827
EMJK E73344	Good Shepherd RC Primary School	1,724,933	257	-240,914	-257,776	-16,861	Rise	119,781	15%	111,186	-14%	0	0
EMJR E72529	Gordonbrock Primary School	3,802,801	648	-454,427	-603,515	-149,087	Rise	299,291	16%	160,058	-12%	-30,000	-25,050
EMCV E72267	Grinling Gibbons Primary School	1,761,968	288	1,627	-105,160	-106,787	Rise	0	6%	0	0%	-18,580	-7,422
EMCP E72289	Haseltine Primary School	3,620,710	525	-299,176	-436,371	-137,195	Rise	146,714	12%	0	-8%	0	-3,982
EMCV E72307	Holbeach Primary School	3,083,794	501	-104,071	-77,447	26,623	Fall	0	3%	0	-3%	-16,307	-8,572
EMJM E73661	Holy Cross RC Primary School	1,537,123	242	-153,942	-195,601	-41,659	Rise	72,631	13%	37,509	-10%	0	0
EMJP E73360	Holy Trinity CE Primary School	1,344,609	182	-150,863	-198,634	-47,771	Rise	91,065	15%	47,676	-11%	0	0
EMDA E72870	Horniman Primary School	1,553,652	254	-125,233	-140,462	-15,229	Rise	16,170	9%	9,553	-8%	-11,652	-26,790
EMDC E72782	John Ball Primary School	3,125,560	606	-154,283	-91,723	62,560	Fall	0	3%	0	-5%	-8,223	-2,609
EMDE E72342	John Stainer Primary School	2,461,161	393	-233,546	-382,408	-148,862	Rise	185,515	16%	51,458	-9%	-12,402	-20,497
EMDH E72347	Kelvin Grove Primary School	4,181,229	636	-148,077	-45,656	102,421	Fall	0	1%	0	-4%	-1,685	-5,181
EMDK E72349	Kender Primary School	2,832,480	455	-49,516	-183,052	-133,537	Rise	0	6%	0	-2%	-8,581	-7,837
EMDV E72911	Kilmorie Primary School	3,064,461	656	-105,036	-39,852	65,183	Fall	0	1%	0	-3%	-20,981	-29,747
EMDP E72374	Launcelot Primary School	3,144,166	440	-302,154	-476,571	-174,417	Rise	225,038	15%	57,826	-10%	-13,890	-18,608
EMDV E72390	Lucas Vale Primary School	2,828,133	450	-224,313	-370,953	-146,640	Rise	144,702	13%	1,496	-8%	-1,400	-10,361
EMHC E72403	Marvels Lane Primary School	2,608,904	397	-56,277	-71,356	-15,078	Rise	0	3%	0	-2%	-17,540	-8,516
EMEE E72869	Myatt Garden Primary School	3,235,704	499	-539,855	-591,593	-51,738	Rise	332,737	18%	298,126	-17%	-9,227	-7,656
EMJV E73588	Our Lady and St Philip Neri RC Primary School	2,054,407	312	-215,790	-268,450	-52,660	Rise	104,098	13%	58,510	-11%	0	0
EMEH E72871	Perrymount Primary School	1,901,468	221	-145,018	-89,863	55,155	Fall	0	5%	0	-8%	0	0
EMEK E72491	Rangefield Primary School	3,052,779	451	-274,745	-315,524	-40,779	Rise	71,302	10%	26,214	-9%	-11,599	-20,837
EMEV E72493	Rathfern Primary School	3,232,126	508	-319,910	-451,520	-131,610	Rise	192,950	14%	57,107	-10%	-18,951	-15,432
EMEP E72529	Rushey Green Primary School	3,650,475	639	21,087	-1,956	-23,043	Rise	0	0%	0	1%	-1	-1
EMHK E72536	Sandhurst Infant School	2,177,200	367	-180,025	-251,181	-71,156	Rise	77,005	12%	23,223	-8%	-1,869	-9,431
EMHE E72535	Sandhurst Junior School	2,298,110	350	-261,818	-302,580	-40,761	Rise	118,731	13%	87,130	-11%	-6,908	-22,638
EMER E72818	Sir Francis Drake Primary School	1,590,878	229	-176,162	-193,215	-17,053	Rise	65,945	12%	54,087	-11%	-207,590	-50,011
EMKE E73416	St Augustine's RC Primary School and Nursery	1,373,246	216	-143,655	-147,917	-4,262	Rise	38,058	11%	36,089	-10%	0	0
EMKE E73420	St Bartholomew's CE Primary School	2,316,589	373	-237,097	-285,704	-48,608	Rise	100,377	12%	62,960	-10%	0	0
EMJH E73325	St George CE Primary School	1,906,051	210	-344,740	-373,744	-29,004	Rise	221,260	20%	203,326	-18%	0	0
EMKH E73454	St James Hatcham CE Primary School	1,277,418	187	-84,024	-28,011	56,013	Fall	0	2%	0	-7%	0	0
EMKK E73472	St John Baptist CE Primary School	1,238,232	210	-50,296	-77,500	-27,204	Rise	0	6%	0	-4%	0	-35
EMKM E73478	St Joseph's RC Primary School	1,726,886	268	-9,547	30,880	40,427	Fall	0	-2%	0	-1%	0	0
EMJR E73374	St Margaret's Lee CE Primary School	1,495,298	234	-248,737	-229,776	18,961	Fall	110,152	15%	137,760	-17%	0	0
EMKP E73315	St Mary Magdalen's RC Primary School	1,183,285	186	-20,265	-29,208	-8,943	Rise	0	2%	0	-2%	0	0
EMKR E73518	St Mary's CE Primary School	1,532,308	221	-91,885	-131,637	-39,752	Rise	9,053	9%	0	-6%	0	0
EMKV E73548	St Michael's CE Primary School	1,418,603	216	-90,427	-116,093	-25,666	Rise	2,605	8%	0	-6%	0	0
EMLA E73594	St Saviour's RC Primary School	1,333,009	228	-46,388	-64,186	-17,798	Rise	0	5%	0	-3%	0	0
EMLC E73597	St Stephen's CE Primary School	1,709,982	266	-211,532	-291,234	-79,702	Rise	154,435	17%	89,420	-12%	0	0
EMLE E73650	St William of York RC Primary School	1,553,684	262	-167,289	-231,492	-64,203	Rise	107,198	15%	49,963	-11%	0	0
EMLK E73612	St Winifred's RC Primary School (plus infant and Junior)	2,430,488	410	-302,924	-267,669	35,255	Fall	79,004	11%	115,445	-12%	0	0
EMHP E72571	Stillness Infant School	1,947,762	307	-285,569	-335,791	-50,221	Rise	179,970	17%	142,839	-15%	-9,320	-16,657
EMHV E72570	Stillness Junior School	2,091,842	331	-303,803	-552,629	-248,826	Rise	385,282	26%	148,979	-15%	-14,291	-13,144
EMHV E72606	Torriford Infant School	2,204,073	311	-106,400	-223,177	-116,777	Rise	46,851	10%	0	-5%	-7,567	-8,539
EMHR E72605	Torriford Junior School	2,322,718	368	-46,980	-108,806	-61,826	Rise	0	5%	0	-2%	-5,518	0
EMJC E75200	Turnham Primary School	3,468,435	418	-406,712	-483,007	-76,296	Rise	205,532	14%	116,891	-12%	-19,082	-136,928
		155,865,882	24,356	-12,682,834	-15,956,323	-3,273,489	Rise	5,791,576	10%	3,137,687	-8%	-692,667	-700,755
EMMF E74323	Prendergast Ladywell School	7,020,014	948	263,588	289,577	25,990	Rise	0	-4%	0	4%	-168,667	-160,983
EMSA E75201	Prendergast Vale School	6,694,378	849	-769,921	-695,992	73,929	Fall	160,441	10%	281,752	-12%	-48,090	-15,933
EMRH E74636	Trinity Lewisham School	5,795,513	858	377,936	5,286	-372,650	Rise	0	0%	0	7%	-102,916	-122,468
		19,509,905	2,655	-128,397	-401,128	-272,731	Rise	160,441	2%	281,752	0%	-319,673	-299,384
EMQA E74600	Addey and Stanhope School	4,947,504	566	54,631	40,005	-14,626	Rise	0	-1%	0	1%	0	0
EMQH E74802	Bonus Pastor Catholic College	5,545,398	792	347,310	-32,796	-380,107	Rise	0	1%	0	6%	0	0
EMMA E74249	Conisborough College	7,241,190	878	356,864	-50,967	-407,831	Rise	0	1%	0	5%	-695	-10,890
EMNA E74047	Deptford Green School	7,464,886	893	320,864	-302,728	-623,592	Rise	0	4%	0	4%	0	0
EMNH E74289	Forest Hill School	8,664,744	1,334	808,191	-3,690	-811,881	Rise	0	0%	0	9%	-96,561	-109,926
EMRP E74646	Prendergast School	5,753,639	949	-137,757	-241,027	-103,271	Rise	0	4%	0	-2%	0	-39,594
EMPH E74267	Sedgehill School	8,499,931	930	845,788	910,559	64,771	Fall	0	-11%	0	10%	0	-28,283
EMPP E74204	Sydenham School	8,317,711	1,392	347,040	-13,292	-360,333	Rise	0	0%	0	4%	0	0
		56,435,003	7,734	2,942,932	306,064	-2,636,868	Rise	0	0%	0	5%	-97,256	-188,693
EMVA E77038	Brent Knoll School	4,712,315	154	-358,018	-821,864	-463,846	Rise						

Agenda Item 6

AUDIT PANEL		
Report Title	Internal Audit Report for the School Forum for 2017-18	
Key Decision	No	Item No. 6
Ward	All	
Contributors	Head of Corporate Resources	
Class	Part 1	Date: 21 June 2018

1. Purpose of this report

- 1.1. This report presents the Schools' Forum with a summary of the 2017-18 (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 2017-18.
- 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.
- 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, one school report was still at draft. However, they are included in the report as if they are finalised as the content and assurance opinion is not unlikely to change significantly.

4. Audit assurance opinion

4.1. In 2017-18, 27 schools had an internal audit review. These are listed in Appendix 1. This is the first year where no 'Limited' or 'No Assurance' opinion assurance reports were issued.

- No Assurance - None
- Limited - None
- Satisfactory – 10 (including the one at draft stage)
- Substantial – 17

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

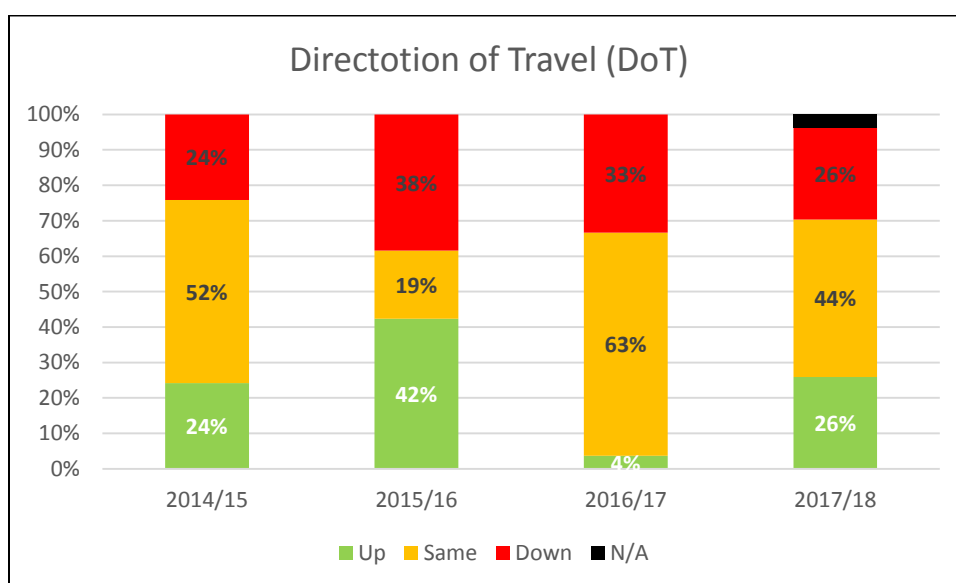
4.2. The overall assurance opinion for the year for all the schools' is Satisfactory. This is consistent with previous years. Councillors are informed of this opinion in the annual assurance report to be presented to them at the July 2018 Audit Panel meeting. The annual assurance report feeds into the 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 four years.



Graph 1

5.3. It shows that for 2017-18:

- 26% of audits have a lower audit opinion than last audit.
- 44% of audits have the same audit opinion,
- 26% of audits had an improved audit opinion, and
- 4% was not applicable. This means they had not been audited previously (in this case, an infant and junior merged into one school).

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 (although not in this year as there were no limited or no assurance opinions issued).

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 2017-18, the school that had negative opinions in 2016-17 had their follow up reviews done in January 2018. The status of the recommendations at the time of the follow-up are set out in the table below.

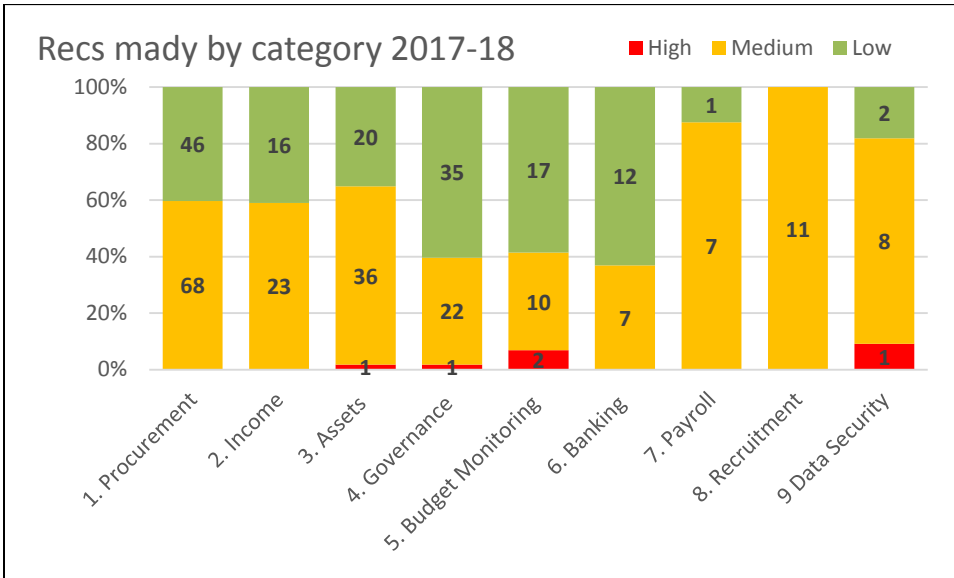
Audit Followed – Up	Original Opinion	Original Final Rpt Date	Follow-up Rpt Date	Implemented	In Progress	Not Implemented	Total
Turnham Primary	No Assurance	04/07/17	22/01/18	9	18	6	33

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.

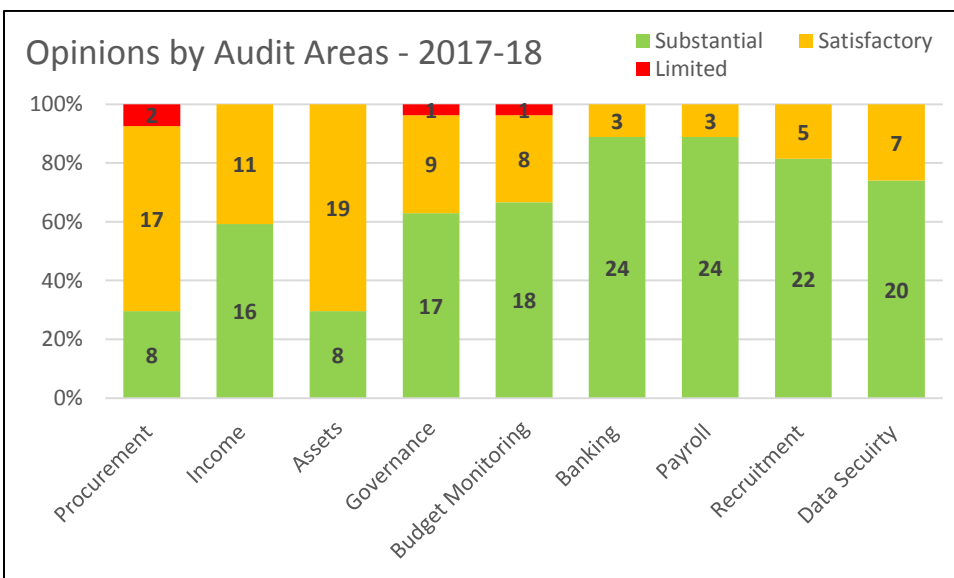
7.2. The graph below (graph 2), shows the percentage of recommendations made during 17-18, by risk heading and category of recommendation. A definition of the categories can be found at appendix 2.

- 7.3. The graph shows that high recommendations were made in respect of controls for Assets, Governance, Budget Monitoring and Data Security.
- 7.4. The top four areas where the majority of Medium recommendations were made were in regarding Procurement, Income, Assets and Governance controls.



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. Please see the graph below, (graph 3).



Graph 3

- 7.6. Here you can see that the risk areas where the negative opinions were given in Procurement, Governance and Budget Monitoring.

- 7.7. The main areas where the most recommendations are made, (including low), are in 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.
 - IR35 rules around contractor payments are not adhered to (i.e. are they classed as contractors or do they need to be paid via the school's payroll so that correct deductions can be made).
 - 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, or not fit for purpose.
 - 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 prior to disposal.
 - Assets not appropriately security marked.
- 7.11. The main findings for Budget Monitoring:
- Budgetary forecasting / monitoring not done monthly.
 - Incorrect input of agreed budget or revised budget on to the finance system.
 - Governors' not approving the budget on time, or minuting their approval
 - Virements not approved or authorised over officers limit

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, budget monitoring and procurement.
- 8.2. Given the growing financial pressures on schools, any lack of detailed budget monitoring is a concern. This issue increases the risk of school budget failure, that

could result in deficit / or lower than expected carried forwards. Due to this, internal audit will categorise recommendations made about budget forecasting from Low to Medium from 2018-19. This may impact on the number of Medium recommendations or opinions given in 2018-19.

Internal audit suggest some points to improve the budget monitoring and therefore reduce the risk of overspend, please see below.

- Perform monthly budget forecasting, and not just relying on the returns sent to the Council twice a year.
- Input the budget for the year on the finance system as agreed by Governors. This includes all income, not just expenditure.
- Not just concentrating on expenditure budgets. While this of course is important, without knowing the income, the school would be at risk of overspending. If income does not come in as expected, then the school is in danger of overspend, even if the expenditure budget appears to be under control.

8.3. Internal audit continues to recommend 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 .

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	All Saints Primary School	Substantial	-	3	11	Procurement, Income, Assets, Governance, Budget Monitoring, Banking, Payroll, Recruitment and Data Security.	06/03/18
SCH	Brindishe Lee Primary School	Substantial	-	6	7	As above	30/04/18
SCH	Childeric Primary School	Substantial	-	3	8	As above	24/07/17
SCH	Eliot Bank Primary School	Substantial	-	-	2	As above	20/12/17
SCH	Gordonbrock Primary School	Substantial	-	1	1	As above	09/02/18
SCH	Grinling Gibbons Primary School	Substantial	-	1	1	As above	19/04/18
SCH	Greenvale Special School	Substantial	-	5	10	As above	10/10/17
SCH	Haseltine Primary School	Substantial	-	4	3	As above	28/09/17
SCH	Kelvin Grove Primary School	Substantial	-	8	4	As above	22/11/17
SCH	New Woodlands Special School	Substantial	-	3	2	As above	19/04/18
SCH	Perrymount Primary School	Substantial	-	7	6	As above	12/09/17
SCH	St Bartholomew's CE Primary School	Substantial	-	5	3	As above	19/04/18
SCH	Sir Francis Drake Primary School	Substantial	-	9	6	As above	22/05/18
SCH	St John the Baptist	Substantial	-	5	3	As above	19/10/17
SCH	St George's C of E Primary School	Substantial	-	1	2	As above	08/03/18

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	St William of York Primary School	Substantial	-	6	1	As above	07/03/18
SCH	St Winifred's Catholic Primary School	Substantial	-	4	1	As above	02/05/18
SCH	Baring Primary School (Draft)	Satisfactory	3	12	3	As above	DRAFT
SCH	Beecroft Garden Primary School	Satisfactory	-	16	4	As above	14/05/18
SCH	Brent Knoll School	Satisfactory	-	15	10	As above	25/01/18
SCH	Coopers Lane Primary School	Satisfactory	-	10	9	As above	14/03/18
SCH	Downderry Primary School	Satisfactory	-	9	7	As above	26/07/17
SCH	Elfrida Primary School	Satisfactory	-	12	6	As above	06/03/18
SCH	Holy Trinity CE Primary School	Satisfactory	-	9	11	As above	06/12/17
SCH	John Ball Primary School	Satisfactory	-	9	9	As above	26/09/17
SCH	St James Hatcham CE Primary School	Satisfactory	-	18	10	As above	01/05/18
SCH	St Saviour's RC Primary School	Satisfactory	-	12	10	As above	19/12/17

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.

High	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.
Medium	Implementation of this recommendation should be done as soon as possible, to improve the likelihood of the service area meeting its objective.
Low	Implementation of this recommendation would enhance control or improve operational efficiency.

Lewisham Schools Forum		
Report Title	School contributions to capital minor works programme	
Key Decision	Yes	Item No. 7
Ward		
Contributors	Officers from Estate Management, Programme Manager, SGM Capital Programme Regeneration and Place	
Class		Date: 21 June 2018

1. Purpose of the Report

The purpose of this report is to review schools contribution to the minor works capital programme.

2. Recommendation

- i. Agree to the contribution from schools to capital works being proportional in line with devolved Formula Capital (DFC) and the table below in 5.1

3. Summary

This School Condition Allocation (SCA) for 2018/2019 is £3,347,558.

This report proposes a fairer and more affordable methodology for calculating school contributions to capital works at their premises. The revised method will allow schools to contribute an affordable amount which can be covered by their devolved formula capital allocation.

4. Background

In the past Schools have been asked for a flat rate of 5% contribution towards minor capital works at their premises.

Last year £100,000 from the SCA was set aside and schools were invited to bid for 'small works' to this fund for which they would be required to make a 50% contribution.

Aside from the small works fund, capital works have been managed by the Capital Programme Delivery team and are included in a design and build term contract with Pinnacle (who receive a fee of 5.13% of the works cost).

As well as the SCA, schools receive a small amount of capital funding directly from the Department for Education. This Devolved Formula Capital (DFC) is allocated based on pupil numbers as follows;

- £4000 +
- £11.25 per pupil for primary school pupils
- £16.88 per pupil for secondary school pupils
- £22.50 per pupil for post 16 pupils
- £33.75 per pupil for special / PRU school pupils

The amount of DFC varies from school to school. Last year some schools received an allocation of less than £5000 and some received more than £25,000. For schools with a lower allocation this can mean that their contribution to the minor capital works programme, including small works, must come from other general funding and could impact on their ability to provide educational services.

5. Alternative Contribution

Using the alternative method below, contributions would be proportional to the amount of DFC schools receive.

If schools are encouraged to carry out some small works themselves with funding support from the SCA the amount paid to the term contractor could be reduced. However, the capital programme delivery team would continue to manage any works of a specialist nature via the term contractor regardless of their value.

5.1 We propose setting out contributions as follows;

Cost of capital work including small works	Typical works carried out by schools	Contribution from Schools with <£10,000 DFC	Contribution from Schools with >£10,000 DFC	Previous cost Capital 5%	Previous Small works 50%
£,1246	1)Patch repair to resurface playground with new tarmac	100%	100%	N/A	623
£8,000	2)Installation of electronic gates	£4,000	£8,000	N/A	£4,000
£18,000	3)Girls & boys	£2,700	£5,400	£900	N/A

	toilet refurbishment				
£45,000	4)Boiler plant room works	£4,500	£9,000	£2,250	N/A
£250,000	5)Replacement Roof,	Capped £5,000	Capped £10,000	£12,500	N/A

Explanation Notes:

1) Previously 50% £623

LBL pays remaining £623

Proposing;

Schools cover all cost of works £5,000 and under

2) Previously 50% £4,000

LBL pays remaining £4,000

Proposing;

Same as before because it's under £10,000

3) Previously 5% £900

LBL pays remaining £17,100

Proposing;

Schools cover between 15 & 30% of costs of work.

This would have been done under capital works

4) Previously 5% £2,250

LBL pays remaining £42,750

Proposing;

Schools cover between 10 & 20% of costs of work.

This would have been done under capital works

5) Previously 5% £12,500

LBL pays remaining £237,500

Proposing;

Contribution towards works will be capped at £5,000 for schools receiving <£10,000 through DFC and £10,000 for schools receiving >£10,000 through DFC.

This would have been done under capital works

The advantages /implications of proportional contributions as above are;

- Schools are unlikely to be asked to contribute an amount higher than the capital received through DFC.
- Schools will project manage the smaller works (<£10,000) unless they are of a specialist nature. This means that there will be a lower cost to the works overall, less pressure on the Capital Programme Delivery team and no payment made to the term contractor.
- The Capital Programme Delivery team will not collect the previous 5% school contributions for large works and this could impact on the budget overall, as it is likely to result in less capital funding available for the programme.
- The estate management team will be reliant on schools cooperation in carrying out some small works which could differ from their wants.

6. Conclusion

Despite some disadvantages, this will be a more efficient way to keep our school estate in good condition and will make better use of the resources available. In addition, there will be less pressure on schools to contribute to capital works from budgets other than that made available through DFC.

7. Further Information

Should you require any additional information regarding the items contained in this report, please contact Matthew Henaughan.

Email: Matt.Henaughan@lewisham.gov.uk

Schools Forum			
REPORT TITLE	Proposed Amendments to Schools Utility Payments		
KEY DECISION	Yes	Item No.	8
WARD	N/A		
CLASS	Part 1	Date	21 June 2018

1 Purpose of the Report

- 1.1 The purpose of this report is to seek Schools Forum agreement to a change in the way payments for schools' utilities (electricity/gas/water) are processed across the Council's corporate utility contracts, moving to centralised consolidated payments.

2 Recommendation

- 2.1 Schools Forum is recommended to agree that billing arrangements for schools using the Council's corporate utility contracts are processed by the Council's energy team and schools are then recharged through the Council financial system.

3 Background

- 3.1 Historically schools and third parties such as community organisations have joined the Council's corporate contracts and have paid their invoices independently, on receipt of a paper invoice.
- 3.2 This allows participating organisations to benefit from the increased purchasing power available through these contracts that are part of a London-wide public sector procurement initiative.
- 3.3 In the last few years there have been billing problems associated with suppliers implementing new software. This has resulted in disputes on invoicing that has led to a perception of debt by suppliers. Where this perception exists suppliers are able to impose late payment charges. Payment in advance of resolving debt issues has the significant benefit of avoiding these charges. Payment through a consolidated bill also offers opportunities to benefit from improved payment terms, as the costs for supplier are reduced.
- 3.4 As of February 2018 Corona's perception of debt (as yet unproven) for schools amounts to £13,064.39.

4 Impact

- 4.1 The impact of these systems failures have given rise to:
- Failure to issue invoices to the correct address
 - Inability to reconcile payments to invoices
 - Failure to issue electronic data to enable contract management
 - Changes in suppliers' electronic file format
- 4.2 Suppliers' information systems are highly automated, dealing with thousands of variables. There are often long lead in times for resolve debt cases due to:
- The length of communication chains
 - Flexibility of work patterns
 - Awaiting records from archives
 - Third parties settling some schools' accounts
 - Staff turnover/illness/annual leave
 - Competing priorities
 - Resource issues
 - Site tenure opacity
- 4.3 The above situation has led to a lot of officer time being spent on debt issues for schools and third party sites: contacting schools and interrogating the Council's financial system in an attempt to reconcile payments. The Council's energy team has also been hampered by inadequate invoice data from suppliers.
- 4.4 These difficulties can be compounded if full remittance data (Invoice Number, Amount Paid, Date Paid, and Account Paid to) is also not available.

5 The Proposal

- 5.1 The Council's energy team will instruct suppliers to merge all accounts to one single account that will then be paid via BACS and recharged to individual sites. This would allow the Council to use utility management software to validate billing and:
- Update database payment status in one step
 - Refute debt claims rapidly
 - Dispute missing invoices
 - Pro-actively target site specific invoicing histories
 - Access further cost savings

6 The benefits

- 6.1 In addition to financial benefit of using the Crown Commercial Services contracts for electricity and gas, the proposed change would offer a further saving of 4% off the energy cost component, which makes up approximately 48% of the delivered price (in other words approximately 2% of the overall cost, although this amount varies according to consumption).
- 6.2 The total estimated potential saving across the schools' portfolio for gas and electricity supplies is £40k. The average (median) saving is £470 but varies according to consumption, with nine schools register a reduction of under £100.

- 6.3 The 4% saving requires that the portfolio be settled within four days of receipt. In the current situation this potential saving is unattainable, given the communications limits outlined earlier.
- 6.4 Gaps in school data would disappear. Portfolio payments would help to ensure invoices are delivered on time as suppliers seek to ensure their payments.
- 6.5 Knowing the payment periods for each meter (monthly/quarterly) the energy team could then follow up on invoicing not delivered.
- 6.6 Reductions in Council officer and School Bursar/Business Manager time, as the energy team's access to settlement data for the portfolio will allow officers to quash debt queries far more rapidly than ever before.
- 6.7 Where schools engage third parties to settle their Utilities invoicing they may be in a position to reduce costs by allowing the council to do so.

7 Readiness

- 7.1 Corporate utility supplies are already paid through this method. The Council's energy team has successfully tested our utility management software against the newly implanted Oracle payment system. The corporate utility management software ensures full invoice transparency, recording not only the invoice number but also metering and consumption details as well as the required cost centre codes and financial data.
- 7.2 The energy team is also preparing to roll out the utility management 'Web Module' which will allow participants to view invoicing in Excel format, produce comparisons between financial years and monitor budget targets against spend across all utilities. This is expected to be tested and ready by the end of summer.
- 7.3 Business continuity arrangements are in place to anticipate IT failures with manual processes that can still allow us to meet the requirements for the payment discount. The utility management database is also 'backed up' on a daily basis. The third level of data safeguarding is via the web module where our data resides on supplier servers.
- 7.4 Those who have experienced utility debt disputes will know how time consuming it is to resolve the issues. Single portfolio payment would allow the energy team to have permanent access to full payment details of all participants; using the Council's payment system as well as the utility management database. This is an important point as suppliers can revisit invoicing at any point within the past six financial years plus the year in hand. When these situations arise re-billing takes place (statutory regulations require that invoicing reflects all changes known to the supplier); the worst case scenario allowing up to 83 invoice revisions which takes some time to unpick.

8 Conditions

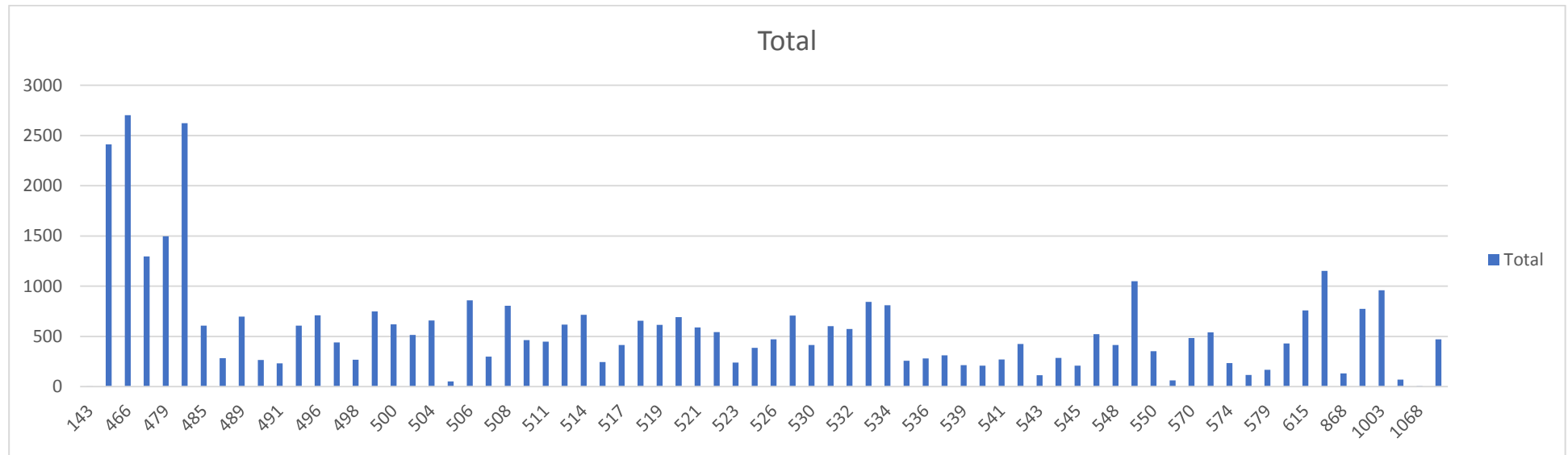
- 8.1 In order for portfolio payment to work, all participants to the Crown Commercial Services utilities contracts need to accept that their invoicing will be settled by the Council and recharged to the schools via the Council finance system.
- 8.2 Where schools engage third parties to settle their utilities invoicing it may be possible to continue these arrangements, as long as those third parties commit to paying within four days and that remittance data be made available to the energy team. This will need to be discussed on a case by case basis.
- 8.3 If this new model is agreed by Schools Forum, individual schools unwilling to commit to the portfolio payment model will need to make their own arrangements for utilities supplies.
- 8.4 Schools will be asked to register their consent to the portfolio payment model, or otherwise, by the 30th of September 2018 using the Services for Schools web portal, where the terms and conditions of the SLA will be amended. After this the energy team will inform the Crown Commercial Services of those sites which no longer wish to continue with their contracts, allowing those schools to have new suppliers in place by April 2019.

9 Further Information

- 9.1 Should clarification or discussion of any points raised in this paper may be directed via email to EnergyHelpDesk@lewisham.gov.uk where we aim to answer all queries within three days.

Potential Savings (Gas and Electricity)

Page 33



Savings are calculated using the following:

Supplier Price (quoted in Pence)
4% portfolio payment discount

Supplier Annual Quantity

Cost Element is 48% of Delivered Price

The calculation:

$$(((\text{Supplier Price} / 100) * 0.48) * \text{Supplier Annual Quantity}) * 0.04$$

Outline Timelines and Required Actions for Implementation

June/July	July	July	July	July	July/Aug	Aug	Aug	Aug	Aug	Aug/Sept	Sept	Sept
25-01	02-08	09-15	16-22	23-29	30-05	6-12	13-19	20-26	27-02	03-10	11-18	30
Resolve current Gas/Electric debt												
Notify Third parties in contracts												
Adapt historic invoicing, import to database, establish gaps.				Request Missing Invoicing	Update Web Module, add schools, upload data.							
				Cost Codes for schools	Update database with Cost Codes			Test and Resolve issues				
Engage with Schools Respond to Queries and Questions				Summer Break						engagement with schools continues		School Decision Day
												Go Live

Agenda Item 9

Schools Forum

21 June 2018

Item 9

Schools Forum			
REPORT TITLE	Schools Forum Terms of Office		
KEY DECISION	Yes	Item No.	9
CLASS	Part 1	Date	21 June 2018

1. Purpose of the Report

This report updates members on terms of office that are coming to an end for 8 schools and to update on agreed re- balancing of schools forum membership from last meeting

2 Recommendation

The Forum agree

- a. That affected schools re-elect representatives or elect new member for expiring terms
- b. That Schools forum is updated by Chair on outcome of nominations at next meeting reflecting rebalanced membership

3. Expiring tenures

- 3.1 8 out of 23 members have their terms expiring in June 2018. The list of members are summarised below and the affected schools need to re-elect or select new representatives which will then be ratified by respective membership group's Sub Committee.

Name	Position	Month/Year
Pat Barber	Secondary School Governor	Jun-15
Liz Booth	Primary Head	Jun-15
Declan Jones	Academies	Jun-15
Paul Moriarty	Primary Head	Jun-15
Nikki Oldhams	Nursery School Head	Jun-15
James Pollard	Secondary School Governor	Jun-15
Michael Roach	Primary Head	Jun-15
Dave Sheppard	Secondary Head	Jun-15

4. Rebalancing School Forum Membership

- 4.1 The membership of the Schools forum was reviewed and rebalanced for fairness of representation from the various school categories. At last Schools forum the rebalanced membership was agreed. The process now needs to be undertaken with each Sub Group to nominate membership in reflection of agreed representation structure. The table below shows the previous and agreed representation:-

Currently	Nos	Agreed at Last Forum	Change
Secondary school governors	2	2	none
Primary Head	5	5	none
Academies	1	2	1
Nursery head	1	1	none
Primary school governor	3	2	-1
Secondary head	4	4	none
Special school governor	1	1	none
Special school head	1	1	none
14-19 consortium	1	1	none
Diocesan Authority	2	2	none
PRU	1	1	none
Early Years -PVI	1	1	none
Total	23	23	none

Yusuf Shaibu,

Group Finance Manager – Children and Young People

Contact on 0208 314 9442 or by e-mail at
Yusuf.Shaibu@Lewisham.gov.uk

Schools Forum Members – Dates of Appointment

Name	Position	Month/Year
Pat Barber	Secondary School Governor	June 2015
Liz Booth	Primary Head	June 2015
Declan Jones	Academies	June 2015
Paul Moriarty	Primary Head	June 2015
Nikki Oldhams	Nursery School Head	June 2015
James Pollard	Secondary School Governor	June 2015
Michael Roach	Primary Head	June 2015
Dave Sheppard	Secondary Head	June 2015
Sharon Lynch	Primary Head	Oct 2015
Rosamund Clarke	Primary School Governor	Dec 2015
Jan Shapiro	Secondary Head	Dec 2015
Keith Dwan	Primary School Governor	Mar 2016
Ruth Elliott	Special School Governor	Mar 2016
Gordon Gillespie	14-19 Consortium	Mar 2016
Keith Barr	Vice-Chair	Oct 2017
Lynne Haines	Chair	Oct 2017
Mark Phillips	Secondary Head	Oct 2016
Dame Erica Pienaar	Primary School Governor	Oct 2016
Sara Sanbrook-Davies	Diocesan Authority	Dec 2016
Clare Cassidy	Secondary Head	Dec 2017
Heather Johnston	PRU	Dec 2017
Dawn Nasser	Early Years - PVI	Jan 2017
Yvonne Epale	Diocesan Authority	Feb 2018

*Forum agreed that the term of office for all members is 3 years and would commence June 2015, or their start date, if later.

21 June 2018