

## LEWISHAM SCHOOLS FORUM

### Minutes of the meeting held on Thursday 21st June 2018

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

		Attendance				
		05/10	07/12	17/01	15/03	21/06
<b>Primary School Headteachers</b>						
Liz Booth	Dalmain	✓	✓	a	✓	✗
Paul Moriarty	Good Shepherd	✓	✓	✓	✓	✓
Michael Roach	John Ball	✓	✓	✓	a	✓
Sharon Lynch	St William of York	✓	✓	a	✓	a
Keith Barr	Kender	✓	✓	✓	✓	a
<b>Nursery School Headteacher</b>						
Nikki Oldhams	Chelwood	✓	a	✓	✓	✓
Cathryn Kinsey	(Substitute)		s			
<b>Secondary School Headteachers</b>						
Jan Shapiro	Addey & Stanhope	a	a	✓	a	✗
David Sheppard	Leathersellers Federation	✓	✓	✓	✓	✓
Mark Phillips	Deptford Green	✓	✗	✗	✓	✗
Clare Cassidy	Sedgehill		a	✓	✓	✓
<b>Special School Headteacher</b>						
Lynne Haines	Greenvale	✓	✓	✓	✓	✓
<b>Pupil Referral Unit Headteacher</b>						
Heather Johnston	Abbey Manor		✓	✓	✓	✗
<b>Primary School Governors</b>						
Rosamund Clarke	Perrymount	✓	✓	✓	✓	a
Dame Erica Pienaar	John Ball	a	✓	a	✓	a
Keith D'wan	King Alfred Federation	✓	x	a	a	✗
<b>Secondary &amp; Special School Governors</b>						
Pat Barber	Bonus Pastor	✓	✓	✓	✓	a
James Pollard	Addey & Stanhope	✓	✓	✓	✓	✓
Ruth Elliot	Watergate	✓	✓	✓	✓	✓
<b>Academies</b>						
Declan Jones	Haberdashers' Aske's	a	✓	✓	✓	✓
<b>14-19 Consortium Rep</b>						
Gordon Gillespie	14-19 Consortium	✗	✗	✗	✗	a

Early Years - PVI						
Dawn Nasser	Rose House Montessori	a	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
David Austin	Head of Corporate Services
Martin O'Brien	LB Lewisham
Thracia Perrett	LB Lewisham
Jackie Jones	School Improvement & Intervention
Cllr James Rathbone	Lewisham Councillor
	Parent Engage
	Newshopper
Janita Aubun	Clerk

### 1. Apologies and Acceptance of Apologies

Apologies received from Dame Erica Pienaar, Rosamund Clarke, Dawn Nasser, Sharon Lynch, Pat Barber and Keith Barr.

Apologies accepted.

Substitute for 14-19 Consortium did not attend.

#### Additional Item:-

Chair reminded members of the need to ensure that your attendance is recorded or noted by the clerk at each and every Forum. The attendance register must be swiftly distributed.

### 2. Declaration of Interests

There were no declaration of interests.

### 3. Minutes of the Meeting held 15 March 2018

Schools Forum 17 January 2018, Item 6 – Catering. Contracts Review is being worked on and is to be deferred till next Forum.

Schools Forum 15 March 2018, Item 9 – Banding – Resource Base Provision & Mainstream Funding. Forum informed that the protection level for special schools is to end this summer.

Schools Forum 15 March 2018, Item 11 – Scheme of Delegation. Legal are still dealing with this, hence the delay. Forum requests this item not be deferred post for a further meeting and to convene an extraordinary meeting if necessary.

#### **4. Matters Arising**

No matters arising.

#### **5. DSG End of Year Financial Report**

##### Schools' Carry Forwards

Forum were presented with a report which gave the 2017/18 year end balances in schools as £18.3M (excluding external funds). It was noted that the balance at the end of 2016/17 was £12.4M; which is a rise of £5.9M. However If we take into account the £3M loan to schools, the real rise is in the region of £2.9M.

Forum were informed that the main theme surrounding these rises in surplus balances is unutilised contingency. Discussion around whether the LA provides guidance to schools on how to manage their reserves. Officers confirmed that we are looking to provide a procedure note (Hayden).

Appendix A was circulated to officers and this details the 2017/18 school balances.

##### DSG Outturn

£147K DSG surplus as at end 2017/18. £1.4M underspend on Early Years.

The £46M High Needs Block was in effect, balanced with a very marginal £58K overspend. Underlying pressures within High Needs such as an unexpected high demand for places, resulting in £40K overspend. This is mitigated by an underspend in Access, Inclusion and Alternative provision. Officers assured Forum that they will be kept informed of the situation as part of their in-year monitoring.

Forum were made aware that with existing on-going pressures in special educational needs and alternative provision, there is significant risk of overspend, and these challenges are not unique to Lewisham.

##### Mutual Funds

£1.5M contingency has been earmarked for one of our schools which is to be academised.

##### Finance & HR Support

Forum were given a breakdown of the number of school visits, training sessions, HR health checks and reorganisations that have been carried out in 2018/19 and were advised of a risk profiling tool being implemented to identify financial risks earlier.

Concern was raised about the capacity within finance, the transition with the new IT system for finance and the lack of central funding for functions critical to schools. Officers to come back with a proposal for next forum.

### Financial Performance & Compliance

Schools Financial Value Standard (SFVS) 2017/18 - 100% return rate. Finance are looking to use the SFVS as a tool and have been reviewing the returns to identify early warning signs and to ensure that the results are evidence based.

### 3 Year Budget Plans

Forum were informed that there are 3 budget plans outstanding to date and that 14 schools are projecting a deficit balance or forecasting to have a deficit loan. Forecast cumulative revenue balances 2018/19 is £13.9M surplus. 70% of schools are projecting an in-year deficit for the same. Cumulative revenue balances are forecast to fall to £8.6M surplus by end 2019/20 with a small deficit at 2020/21 – but this may improve slightly.

### Loans to Schools

9 schools with deficit loans totalling £3M. To date there is 1 loan pending signature. Finance are continuing to work with these schools to ensure a sustainable budget recovery plan and in-year budget.

Forum questioned how confident officers are of the ability for schools to repay their loans considering teacher pay rises and pension contribution costs. Officers informed of the possibility of varying repayment schedules and/or withdrawing delegation from schools should financial mismanagement occur.

### **Decision:**

Forum agreed the following:-

- To note the balances held by schools.
- To note the position on the DSG.
- Roll forward the mutual fund balances into 2018/19.

## **6. Internal Audit Report 2017-18**

Forum were presented with a report which summarises the internal audit work on 27 schools during the 2017/18 financial year.

Forum were advised that for the first time, all of these schools concluded with a positive opinion.

### Breakdown for 2017/18

26% audits received a lower audit opinion than their last audit.

44 % audits had the same audit opinion.

26% audits received an improved audit opinion.  
4% audits not applicable. (not audited previously)

### Recommendations and Audit Opinions

The report detailed the following:-

- Top 4 areas with the majority of medium recommendations in respect of controls, were in Procurement, Income, Assets and Governance.
- An assurance opinion on each risk area is given by internal audit, and the results were that negative opinions were given in the areas of Procurement, Governance and Budget Monitoring.
- The same type of recommendations continue to be made in many of the schools i.e. governance, assets, budget monitoring and procurement.
- How due to the increased financial pressures on schools, from 2018/19, audit will categorise recommendations made about budget monitoring from Low to Medium.

Officers reminded forum that governors continue to be advised to review internal audit recommendations as a regular agenda item.

### Concerns raised by Forum

Level of Internal audit specialist knowledge regarding Special Schools - officers will brief their team regarding this.

Forum were informed that the internal audit department are subject to an annual self-assessment.

Audit advised forum that schools should always be given a feedback form and assurances have been given that if this has not been happening then this will be the case, going forward.

Forum wanted to know how many high recommendations a school needed to receive before they acquired a satisfactory assurance. The answer to this however is not conclusive, as this will depend on the risk being judged.

### Decision:

Forum agreed the following:-

- To note the report.

## **7. Contributions to Capital Works**

Forum reviewed a report on the schools contribution to minor works capital programme.

Members were presented with a revised method which will allow schools to contribute an affordable amount which can be covered by their devolved

formula capital allocation (DFC), as opposed to contributing a flat rate of 5%, as is presently the case.

#### Advantages/Implications to schools of proportional contributions

- Officers informed forum that schools will be unlikely to be asked to contribute an amount in excess of the capital funding received through DFC.
- Schools will project manage the smaller works (<£10,000), e.g. boilers, roofs, unless the work is of a specialist nature and consequently there will be less demand on the LA's Capital Programme Delivery Team and a reduced cost to the overall works.
- There are varying thresholds to be applied and these were detailed in the report. Depending on the costs of the works, schools will make a level of contribution dependant on the devolved formula capital.

#### **Decision:**

Forum agreed the following:-

- To the contribution from schools to capital works being proportional in line with the devolved formula capital (DFC) and the table listed in the report on alternative contribution.

### **8. School Energy Billing Proposal**

A report was presented to forum seeking agreement to change the way payments for schools' utilities are processed across the Council's corporate utility contracts. This will mean moving to centralised consolidated payments. The Council's energy team will instruct suppliers to merge all accounts to one single account which will be paid by BACS and recharged to individual sites.

Forum were informed that historically there have been billing problems associated with suppliers implementing new software, having the perception of debt and consequent late payment charges.

#### **Benefits**

Various benefits of the proposal were explained to forum and this included:-

- Council's ability to negotiate better deals and avoid additional charges imposed with utility debt disputes.
- Council will be able to use utility management software to validate billing and perform automatic checks.
- The financial benefit of using the Crown Commercial Services contracts for electricity and gas.
- Additional energy cost savings possible and dependant on consumption.

- 4% potential saving where portfolio is settled within four days, is more achievable.
- How gaps in school data would disappear.
- Knowing the payment periods for each meter (monthly/quarterly).
- Reduction in officers and Bursar/School Business Manager time and streamline administration.

### Readiness

The council's energy team have successfully tested their utility management software against the new oracle payment system.

The team are also preparing to roll out the utility management 'web module' which will allow the viewing of invoices in excel, produce comparisons between financial years and monitor budget spend. Go live for this is planned for end of summer 2018.

Business continuity arrangements are in place in case of IT failure.

Single portfolio payment, allowing the energy team to have permanent access to full payment details of all users; using the council's payment system as well as the utility team's management database.

### Conditions

Forum were informed of the following:-

Should a school use a third party to settle their utilities invoicing it may be possible to continue these arrangements as long as that party commits to paying within 4 days and that remittance data is made available to the energy team.

If schools forum agree this new model, any school unwilling to commit to this portfolio payment model, will need to make their own arrangements for utilities supplies.

Schools will need to register their consent to this portfolio payment model, or otherwise, by 30<sup>th</sup> September 2018 using the Services for Schools online portal. After this date, the energy team will inform the Crown Commercial Services of the sites who are not continuing with their contracts. Those schools will need to make arrangements for their own energy suppliers to be in place for April 2019.

### Notes

There is a briefing for School Business Managers in September and forum request that the Asset Management Planning Manager attend, to share this information.

Schools are asked to email [energyhelpdesk@lewisham.gov.uk](mailto:energyhelpdesk@lewisham.gov.uk) if they require further clarification.

### Decision:

Forum agreed the following:-

- Billing arrangements for schools using the Council's corporate utility contracts be processed by the Council's energy team and schools will then be recharged through the Council financial system i.e. centralise the payments and then recharge.

## **9. Schools Forum -Terms of Office Update**

Forum reported and discussed member's terms of office which are coming to an end and looked at the agreed re-balancing of schools forum membership from the last meeting. Representatives wishing to re-elect themselves or submit nominations, were asked to notify either the school's forum chair and/or clerk.

8 out of 23 member terms expire June 2018. Schools forum chair confirmed that the chair of the primary and secondary consultatives have been contacted for nominations for new or continuing electives for the respective positions. The academy representative informed forum that he will be stepping down from his position on schools forum with immediate effect. Finance are to provide the chair with a list of all the existing academies in Lewisham.

### Rebalancing Schools Forum Membership

The rebalanced membership in terms of numbers and constitution, was re-confirmed and agreed.

### **Decision:**

Forum agreed the following:-

- That affected school groups re-elect representatives or elect new member for expiring terms.
- That Schools Forum is updated by the Chair on the outcome of nominations at the next meeting, reflecting rebalanced membership.

## **10. Any Other Business**

Forum still face uncertainty surrounding the apprenticeship levy and issues around schools access to the portal. HR to be approached to write an update paper regarding this.

Forum informed of the Council's new Chief Executive Officer, Ian Thomas and new mayor, Damien Egan.

No other business was raised.

Meeting closed 5:45pm.



## SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER (S) RESPONSIBLE	OUTCOME/ CURRENT POSITION
<b>Forum 17 January 2018, Item 6 - Catering</b>	Contracts Review.		Pending?
<b>Forum 15 March 2018, Item 5 – Financial Report</b>	Item to be published in Schools Mailing regarding Catering		Pending?
<b>Forum 15 March 2018, Item 11 – Scheme of Delegation</b>	For update and review	Yusuf Shaibu/Selwyn Thompson/ Legal	For schools forum October 2018
<b>Forum 21 June 2018, Item 5 – DSG End of Year Financial Report</b>	Procedure note on how to manage school reserves	Hayden Judd	Pending
	Detailed analysis of school surpluses with explanations of 2018/19 & 2019/20 balances.	Yusuf Shaibu	For schools forum October 2018
	Finance Re-organisation – update/information	Selwyn Thompson	For schools forum October 2018
<b>Forum 21 June 2018, Item 9 – Forum Terms of Office Update</b>	New appointments and re-elections - update	Chair	For schools forum October 2018
<b>Forum 21 June 2018, AOB</b>	Updated apprenticeship levy paper	HR – Diane Parkhouse	For schools forum October 2018