

Woodcroft Primary School

Chairs' Report of the Finance and Personnel Sub Committee 19th March 2019

Committee:

Richard Burrows (Chair), Liz Court, Craig Tallon (Headteacher), Sonny Rehman, Louise Jackson (Business Manager, Observer), Mark Russell (Deputy Headteacher, observer)

Apologies

Liz Court - medical grounds

Approval of minutes from last meeting

Record of meeting held on 6th November 2018 was approved.

Matters arising

Consultation on the Schools Budget outcomes:

Secretary of State decision on the ESG

The Secretary of State approved the council's request that it be allowed to charge £1 million to the budget shares of maintained primary and secondary schools, as a contribution towards the cost of central services, previously funded from the Education Services Grant

School funding formula 2019-20

As agreed, following consultation, Barnet is phasing in the National Funding Formula by applying its factors and rates to allocate funding, but protecting schools that lose under the formula through the use of the Minimum Funding Guarantee.

Minimum Funding Guarantee

The council has been able to set the Minimum Funding Guarantee at 0% for 2019-20 (as it did for 2018-19), which means that no primary or secondary school will receive less money per pupil in 2019-20 than they did in 2018-19.

Governor Countersignatory Role for Headteacher Transactions

The contingency plan for R Archibald to countersign Headteacher transactions was agreed.

Finance Governor Training

Sonny Rehman attended the training opportunity on Thursday 29 November at Copthall School.

IT Funding for Classroom Screens

Phase 2 of the flat screen installation will resume now that the operating system conflicts have been rectified.

Budget Forecast (Including most recent Budget Actual v Committed with % Budget Spent)

March update:

The projected carry forward in December was £57,000. The following headline savings and changes are:

- £11K of IT Project allocation has not been spent. This was due to bugs in new IWB that needed to be resolved before further purchases.
- £5K saving in IT and Licences
- Photocopying - reduction in paper copies and improved contract arrangements allows for a £6K saving 2018-19
- Meals and Energy in year saving of £20K (estimate)
- Overall and estimated £42K of additional savings on underspend budget lines due to cautious spending.

The revised Carry Forward will be around £90K (estimate). However:

- £16K remains allocated for IT whiteboard project completion (phase 2)

The actual carry forward for budget purposes to offset any in year deficit for 2019-20 will be around £76K

Schools Budget 2019-2020

The 2019 - 2020 budget when set in accordance with a like for like position compared to the 2018 budget was initially **£115,155 deficit**

This is significant because it follows £150,000 savings made in 2018 (6 redundancies, 2 non replacement of leavers, significant resource cuts e.g. no training budget, no premises maintenance budget etc). Without these measures we would have been in excess of £250,000 in deficit.

The Government has undertaken to fund (for one year) the teachers pensions increase from 16.48% to 23.6% in Sept 2019. This could offset the initial deficit by around **£25K**, However, in the past, this has been formula calculated and has not fully covered the increases in school expenditure.

Following a reassessment, and using most current financial management information, governors noted the following areas of savings compared to 2018:

- Photocopying - reduction in paper copies and improved contract arrangements allows for the historical budget of £12K to be reduced to £8K (**£4K saving**)
- School Meals - costs adjusted based on accurate meals take up and recording data allied to a reduction in Free Schools Meals results in **£10K saving** (Ofsted Pupil Premium Reductions)
- Energy - last year's usage was higher due to old boilers and temp boilers installed over winter period (24 hour usage). This should result in a **£10K saving**
- A number of small (but cumulative) individual departmental budget line changes have been made e.g.
 - Staff uniform cuts of £500
 - Planned DBS expenditure reduced by £500 to 700 (= 14 checks)
 - External repairs budget cut by 2K to £24 (£8K per term)
 - Plus further small reductions

A revised projected In-Year Budget deficit is now £54,272

Why does the school have a deficit when a Minimum Funding Guarantee is in place?

The deficit is due to:

1. Overall Reduced Income:

Actual income is **£34,726** less than 2018-19

- Reduction in funding due to pupil number differences (we are funded on census figures taken on 5th October)
- Changes to SEN pupil number in school
- Projected removal of £19K PE Grant from September 2019

2. Increased expenditure

National Teachers pay award

A +1% teacher salary change = £12K increase in staffing costs for the school.

Plus a 7.12% increase in teachers pension contribution costs school around £35,000 (though this will be offset in the first year)

Support Staff Increased due to NJC Awards (London Living Wage)

Non teaching staff NJC uplift ranges are from 6% to 24% (Unified Rewards Min and Max bands are being assimilated to NJC points - though this still remains unclear from Barnet so final budget costs are not yet available!)

On a school level for Woodcroft, we have projected that this equates to increases in overall salary costs as follows:

- Total TA increased costs of £24K at 8% (or £42K at 16%)
- MTS increases of £4K at 6.5% increase
- Nursery nurses increases of £2.4K at 3%
- Other staff increases of £7k at 6.4%

The Project minimum increase in support staff costs would be around £37, 400

Therefore, the total increase in salary costs will be in excess of £49,000

This would take up the £57K projected carry forward from the December Forecast (though this carry forward is likely to change as outlined above)

Further considerations that could negatively impact on the budget:

- Future reduction Nursery numbers (or falling rolls)
- Further incremental reductions in Pupil Premium
- Removal of 1.5% minimum funding guarantee (£40K)
- Unified Reward pay scale realignment for support staff with NJCs (further £20K to 30K)

Key summary conclusions for future financial planning

- There is currently a £50K in year deficit 2019-20
- School will therefore need to make further savings of around £50K in 2020
- in 2020 there will be a removal of pension and pay grant funding of around £35K
- The new Formula Funding will also be fully applied in 2020 without confirmed minimum funding guarantees.

- Therefore, with inflation costs on top of current considerations the school is effectively moving towards a projected £150K in year deficit in 2020-2021.

Savings Analysis: LTS / MTS Long Term and Medium Term Sick Cover

A Long Term Sick Cover analysis has been carried out.

- 6 year cost v claim comparison = 85.4% (cost £19K over 6 years) (£3K / year)
- 3 out of 6 years have been cost positive
- Cost = £19,410. To be cost neutral for the school it would equate to the same as any of the following:
 - 2 x Maternity Leavers
 - 1 staff member off for 2 terms(23 weeks)
 - 1 maternity + 1 staff absence for 10 weeks
- School pays for 15 days (3 weeks)

It was decided to continue with the LA sick cover pool arrangements for one more year.

2018-19 School Development Plan

An updated plan was shared with Governors.

Capital Projects - IT Project Update

8 flat screens were installed. However, operating system conflicts were identified. Further purchases were put on hold until a resolution was found. The school has now subscribed to Gynzy instead of using legacy Smart Software.

Asset Management Plan

A draft plan was tabled. However, funding restraints are making it very difficult to plan more than one year ahead. Further work is required on the plan and an update will be provided in the Summer Term.

Financial Management & Governance

Internal Audit

Cash Handling - School Money Report: Gill Langdon

- a. Arrears checks: We have at present 26 pupils with dinner arrears. There are 9 pupils who owe under £10, 6 who owe between £10 and £30, 4 between £30 and £50, 2 between £50 and £100, 2 between £100 and £150 and 3 over £200. Parents are texted each Monday morning with regards to arrears, letters have also been sent out and phone calls have been made. Arrangements made for parents to pay off the arrears in installments.
- b. After School Club Report: Caroline Jessop
School Money now makes the after school club run smoothly. There are no debts and if money is owed parents have to pay this before they can reserve another space for their child. We take between 16 and 25 children per day, with three members of staff at the beginning of an evening, reducing to two as children leave. The ratio is 1 adult to 8 children, which is to be maintained at all times. We are now taking in children from Reception which has boosted the numbers and income. We have also reduced our staff numbers which has in turn reduced costs.
- c. School Meals Variances - Monthly Summary Report: Gill Langdon
Since starting to use SchoolMoney we are now able to check more easily what the pupils are having for lunch. A report from SchoolMoney is checked by teachers to ensure meals are taken correctly. The system can then be updated to account for any changes. This has helped to reduce the differences between the school record and ISS catering charges.

Governor Skills Audit

Distributed on 12/3/19 - to be updated before summer term meeting.

SVFS (Schools Financial Value Standard) 2018/19

Final report was submitted to LA on time, distributed to the committee, and available for Governors. There are no significant areas to address.

Financial Management Policy inc. Anti Fraud & Debit Card

Circulated for consultation - to be amended in Summer Term

Benchmarking

DfE Report Card was evaluated by the committee. It was noted that school spending is in line with statistically similar schools.

School Money Parental Arrears Policy

A new policy was circulated for consideration. This will be updated and distributed to Governors in due course.

Critical Incident Plan

Circulated for review. Governors undertook for it to be updated in Summer Term.

TA Appraisal Policy & Update

Updated policy was circulated for review. Governors undertook for it to be updated in Summer Term.

Contracts and Services

Subscriptions and Licenses

2019 costs spreadsheet was presented to Governors. All contracts and subscriptions are reviewed annually to ensure best value.

Abelian Cleaning Contract

Abelian contract in place. Mobilisation reviewed by Premises Committee. Contract distributed for agreement.

HR & Payroll Provider - best value assessment

Governors have undertaken a best value assessment of HR and Payroll providers. The recommendations are as follows.

- Issue a notice of withdrawal to CAPITA - this will invoke a 6 month contract term.
- Contract EPM to take over all HR and Payroll functions.

Transition is likely to occur in October / November 2019

Lifts Contract Best Value Assessment

Finance Committee noted and agreed with the proposal of Premises re: issuing Lift Service Contracts to PIP Lifts.

Richard Burrows : Chair of Finance
March 2019
