

FINANCE & PREMISES SUB COMMITTEE MEETING

FRIDAY 18 JANUARY 2019

07:45-09:00

MEMBERS

FOUNDATION

Lynne Evans
*Loretta Okpokiri

PARENT GOVERNORS

Ben Pullenayegum (Chair)
Rupert Coles

LA GOVERNOR

Christine Richardson

EX OFFICIO HEADTEACHER

Curtis Sweetingham

ASSOCIATE MEMBERS

*Catherine Mitri

IN ATTENDANCE

Gina North **

* Denotes member NOT present

** School Finance Manager, not Governor

MINUTES

PART I

		<u>Action</u>
1.	Welcome	
1.1	The chair opened the meeting at 07:50 by welcoming all governors and thanking them for their attendance.	
2.	Acceptance/Non-Acceptance of Apologies for Absence	
2.1	Apologies were noted as being received from Loretta Okpokiri and Catherine Mitri. Both apologies were accepted.	
3.	Declaration of Pecuniary Interest	
3.1	None declared.	
4.	Minutes of the Meeting dated 5 October 2018	
4.1	The minutes were agreed to be a true reflection of the meeting and the Chair duly signed and approved.	
5.	Matters Arising from the Minutes of the Meeting dated 5 October 2018	

5.1	GN was tasked with setting two budgets on the reporting system including an additional column showing year to date actual vs original budget. Completed	
5.2	BP was tasked with writing to the Finance Director at the LA explaining governors confusion over new budget format. Completed.	
5.2.1	Further to this feedback, it was noted that the LA had made some minor changes to the reporting format, but it was agreed they were not enough and the system used was not adequate.	
5.3	GN was tasked with making some changes to the Financial Management Policy, Credit Card Policy and circulating these to be approved offline. Completed	
5.4	CS and GN were tasked with establishing a breakeven point for running the nursery.	
5.4.1	It was reported back to the governors that establishing a breakeven was proving very difficult to work out due to discrepancies between costs received for government funded vs parent paid places (£5.40 for government funded; £7.50 for parent paid). It was also reported that some families are eligible for 30-hour free places, but don't take their full allocation and this means that the school cannot offer that place to another family. Therefore the best that could be provided were "Guestimates". Overhead costs were known however, and the nursery is not making a loss in the current financial year.	
5.4.2	CS reported that the school had already received 30 applications for the next academic year which means that allowing for a small drop out, the nursery should be full in 2019/20.	
	<p>Q: A governor ASKED if the school was capturing why St John's was chosen as a nursery and whether the advertising was a factor.</p> <p>A: The school have permission to put the banner up at the church but have not as yet erected a banner and no advertising has taken place. Therefore advertising has not had any impact on the applications received.</p>	GN to create breakeven for nursery using 15 hours baseline

	<p>Q: A governor clarified that the question on nursery breakeven analysis is for the committee to be able to work out at what point the nursery might need to close (or at least have a range when we need to start worrying about it).</p> <p>A: It was agreed that a baseline of number of 15 hours should be used to give some form of idea of when the school should make a strategic plan.</p> <p>Q: A governor asked whether it was worth speaking to the marketing teams of the new property developments in the area to include flyers for the nursery and school in their information packs.</p> <p>A: Governors agreed this was an excellent idea and requested the HT ask the school office to follow up on this and other free local advertising (Waitrose noticeboards, playgroups etc)</p>	<p>GN also create an analysis that includes ASC, BFC and nursery</p> <p>HT arrange with office to investigate free advertising ops within local area</p>
5.5	GN was tasked with setting up separate budget lines for ASC, BFC and Lettings.	
5.5.1	GN presented what the separate line items would look like but advised this was still a Work In Progress as salaries have not been broken down and included at the moment, which is the main element of costs.	GN to continue working on ASC, BFC and Lettings budget lines
5.5.2	GN advised that an analysis had been conducted on the ASC and BFC for the rest of the term.	
5.5.2.1	BFC income was projected to be £5,854.50 to 31/3/19. Costs pending salary allocations.	
5.5.2.2	ASC income was projected to be £12,215.50 to 31/3/19. Costs pending salary allocations.	
	<p>Q: A Governor asked why so many free sessions were allocated</p> <p>A: These related to governor and staff places, PP places and a discretionary decision to look after some families that needed special assistance. Governors commended the Christian ethos.</p>	

5.6	A previous Governor was tasked with updating references to legislation in the H&S policy. It was noted that this had not been undertaken prior to the governor leaving office. Governors discussed changing the policy to say that it was in line with XX legislation, recirculate for ratification and finalise.	CS review H&S policy, circulate for ratification
5.7	GN was tasked with amending the Financial Management Policy and seeking approval offline. Governors discussed that some further tweaks are needed due to the audit report. GN to make the changes and circulate for ratification.	GN amend FMP, circulate to committee for ratification
5.8	LE was tasked with circulating and ratification of the Lettings Policy. Complete	
5.9	CS was tasked with arranging a Business Continuity desktop test. This had not happened, but governors agreed this should be removed from the agenda.	
5.10	GN was tasked with updating various financial policies and issuing for ratification. Was completed. Now as a result of audit, some further tweaks needed.	GN update policies and reissue for ratification.
6.	Year End Budget and Revised 3 Year Forecast	
6.1	A governor asked if the budget could possibly be provided as a PDF or a picture going forward as it proved quite difficult to view on screen.	GN provide budget as PDF/jpeg
6.2	GN outlined that the budget being presented now includes the original budget, the current quarter actuals, the previous forecast figures from Q2, a variance column highlighting the changes since the last forecast, a comments column explaining the recent changes. Governors agreed that this was far more useful than discussing the variances from the original budget as many variances were already discussed at the previous forecast meeting. The Chair thanked GN for her efforts to assist the governors in this endeavour.	
6.3	Governors reviewed the documentation and GN outlined main changes and answered questions posed by governors.	

6.4	I01 LA funding. Slight improvement of £2,800 against original budget due to government assisting with the teacher's pay grant. Early Years funding changes term by term.	
6.5	I05 PP Grant. Reduction of £1,100 in funding against original budget due to reduced number of LAC pupils. GN reviewing to see if possible to receive more funds.	
6.6	I06 Other Government Grants. Additional £1,100 of income against original budget due to School Travel Plan grant. However, costs will be associated with this. Income tightly ringfenced on what it can be spent on.	
6.7	I08 Facilities. Income has reduced against Q2 forecast due to extended day declining as fewer pupils in nursery. Still an improvement of £8,653 against original budget though.	
6.8	I12 Contributions. £2750 increase against original budget for school journeys, cheerleading and music lessons. Costs associated (E19 and E27).	
6.9	I13 Donations. Reduction against Q2 forecast but improvement against original budget of £7,375. Includes income from MF to reimburse school for school cottage works. Costs associated.	
6.10	Overall income increased by £21,604 but some has additional costs associated. Q: A Governor asked that our fee per income, per child is a lot lower than other benchmarked local schools. Why is that? A: It was explained that many factors can affect the figures but specifically some schools have more EHCP, PP and deprivation funding.	
6.11	E03. A saving of £1000 against Q2 forecast, although costs are up by £4722 against original budget. Q: A governor asked where has the saving been achieved from.	GN to advise committee where the saving had been achieved from
6.12	E05. Saving of £1000 against Q2 forecast, which also had a saving of £7307 against original budget. Costs	

	were expected staff working additional hours (BFC, ASC etc) but these had been allocated to E07 instead. Not a real saving. E05 also includes £5k for a possible pension adjustment. One member of staff should have been auto-enrolled by Capita but wasn't (Capita mistake). The school have attempted to assist but this is now lying with the staff member to resolve directly with Capita. May or may not realise the £5k additional payment budgeted.	
6.13	E08 Indirect Employee Exp. Saving of £1,166 from non-advertisements.	
6.14	<p>E09 Training. An increase of £1,350 against training budget.</p> <p>Q: A governor asked why the training budget was increased and was it the right use of funds. What is the impact on the school/children?</p> <p>A: The training costs can change from year to year i.e. some years very little training, others, need a higher budget. This year, both first aid and safeguarding certificates needed to be updated. There are also some excellent educationalists touring this year and staff are booked to attend these special events. The impact to the school and children is that it changes the way pupils are taught and therefore of great benefit.</p> <p>Q: A governor asked to what degree can the knowledge gained from training be passed on to other staff – thereby disseminating the training to the school.</p> <p>A: Training is definitely passed on to all staff by way of INSETS and in the case of the HT/DHT, changing teaching methods and observations.</p>	
6.15	E12 Building maintenance. Costs have increased by £5.1k due to school cottage work and new kitchen for ASC. Some income is offset from governors' fund in I13.	
6.16	E14 Cleaning. Slight increase in costs (£200). Due to increase in refuse costs. Cheaper to recycle and school can improve in this area.	CS investigate ways school can improve its

		recycling and food waste
6.17	E19 Learning resources. Increase in cost for school journey, but this is offset by income.	
6.18	E24 Special facilities. Large saving of £21k shown but is merely a recoding of budget items from one line to another due to playground work (capital project). Now in E30.	
6.19	E25 Catering. Not spending as much as expected. Slight saving of £1000	
6.20	E27 Professional services. Slight saving of £492	
6.21	E28 Other profs. Overspend of £1000. Had some additional ICT work, GDPR consultant and £75 basic NGA membership. Q: A governor queried the NGA payment as the Maintenance Fund had just paid £260 for gold membership. Either way, NGA costs should be borne by MF. A: GN to request refund from NGA for £75	GN seek refund from NGA
6.22	Expected underspend is £27,433 and would be a carry forward to 2019/20. However, from original forecast, we show an in-year deficit of £41,705. End result is positive, but also shows costs are incurred that are not budgeted at the beginning of the year. Predominantly due to staff salaries and on costs.	
6.23	GN then presented the updated 3-year forecast. 2018/19 – Underspend of £27,433 2019/20 – Overspend (deficit) of £47,051 2020/21 – Overspend (deficit) of £160,936.	

6.23.1	<p>Staffing costs as a percentage of funding (I01, I03, I05) 2018/19 – 92% 2019/20 – 98% 2020/21 – 101%</p> <p>Q: A governor queried the ratios versus information provided in the benchmarking report, which showed ratios as being a lot lower.</p> <p>A: GN responded that in the benchmarking report, ratios of staffing costs had been compared against total funding (PP, EHCPs etc) rather than the specific line items in our budget. Comparing apples and pears.</p> <p>Q: A governor noted that we are definitely going into deficit and we are clearly unable to plan to balance. At what point do we inform the LA?</p> <p>A: The LA do not ask for 3-year plans, but governors agreed we wanted to submit the forecast showing predicted deficit to the LA.</p> <p>The Chair thanked GN for the very useful overview of the budget and 3-year forecast</p>	<p>GN submit 3-year forecast to LA showing predicted deficit</p>
7.	Schools Financial Value Standard (SFVS)	
7.1	GN presented the SFVS for 2018/19 and outlined those that were a negative response.	
7.1.1	FMP to be amended by 31/3	GN
7.1.2	Actions from latest audit completed by 31/3	GN
7.1.3	3-year budget needs to be balanced. It was agreed this is not possible and therefore governors agreed the negative response.	
7.2	The Chair of Governors signed the completed SFVS.	
8.	School Meal Provision Review	
8.1	CS advised that he had met with the catering provider again and they have amended their offer to the school. Whilst the price is not reduced, the quality of the food	GN to investigate whether

	is excellent, and they pay their staff London Living Wage (LLW) whereas competitive firms may not. The HT indicated his preference to enter into a new contract with ISS.	other suppliers pay LLW
8.2	Governors were advised that their offer is to make St John's a flagship school for their catering service, to provide £1000 for an upgrade of kitchen equipment plus provide £3000 for new tables or artwork.	
8.3	Governors discussed spending money on tables or artwork and felt strongly that tables should be favoured over artwork given it would be a cost saving. The HT countered that new artwork would provide a nicer environment for the pupils.	
8.4	The HT advised that the proposal only comes into effect once the school enters into a new contract with ISS. Q: A Governor asked what the value of the contract was and could the committee see a copy of the contract. A: HT responded that value was est £90k. Copy of proposal would be circulated.	CS circulate ISS proposal
8.5	The Chair closed the discussion and suggested making an agenda item for the next F&P meeting.	Discuss catering contract at next F&P meeting
9.	Feedback from October Internal Audit	
9.1	GN outlined the findings from the audit with a list of action points to complete by 31/3/19.	
9.1.1	Financial Management Plan didn't fully reflect use of School Money to the auditor's satisfaction (medium risk).	GN update by 31/3
9.1.2	More information on childcare vouchers to be included in FMP (medium risk)	GN update by 31/3
9.1.3	Notice of Authorised Signatures could not be found at the beginning of the audit. Was completed before end of audit (medium risk)	
9.1.4	Asset register was not in the auditor's preferred format. It was noted that this will be a large job and is now a work in progress. Must be completed by 31/3 (medium risk)	GN/Site Manager

		complete by 31/3
9.1.5	Despite logs of SchoolMoney income being online, the auditor requested that the logs of income be written down (low risk)	HT ensure actioned by 31/3
10.	Maintenance Fund Treasurer Report	
10.1	LE presented the Treasurer Report as at 17/1/19, which showed an uncommitted balance of £4,055.32.	
10.2	LE advised that more funds have been forthcoming since a reminder letter was sent to non-payees in January, but the records could not yet be reconciled. Q: A Governor asked whether parents had reminded to complete a Gift Aid Form which could be found on the school website. A: The HT replied that he would arrange for reminders to be sent via the school office / text	HT arrange texts to parents to complete GAF with link to form on website
11	Any Other Business	
11.1	GN presented to the committee that the school was in dispute with its telephone provider, Complete Communications Limited and outlined the nature of the dispute.	
11.2	A Governor offered to deal directly with the company on the school's behalf in order to come to a resolution, which the committee and the school, gladly accepted.	RC liaise with telcom
11.3	The HT outlined that a member of staff had requested an earlier than expected return from maternity leave. There is a financial impact as two people will be employed for that period of time, although the school and children will benefit.	
12.	Date of Next Meeting	
12.1	The date of the next F&P meeting was noted as being Friday 22 March 2019 from 07:45-09:00	

The Chair thanked all in attendance and closed the meeting at 09:10

Clerked by Lynne Evans