



FINANCE & PREMISES SUB COMMITTEE MEETING

FRIDAY 5 JULY 2019

07:45-09:00

COMMITTEE MEMBERS

FOUNDATION GOVERNOR

Imogen Hall

Christine Richardson *arrived*
08:05

PARENT GOVERNORS

Ben Pullenayegum (Chair)
Jeremy Brough

EX OFFICIO HEADTEACHER

Curtis Sweetingham

ASSOCIATE MEMBERS

Catherine Mitri

LA GOVERNOR

In attendance

Gina North, School Finance Manager *arrived 07:55*
Lynne Evans, Clerk

* Denotes member NOT present

ACTION POINTS FROM MINUTES – PART I

<i>Item</i>	<i>Action</i>	<i>By Whom</i>	<i>By When</i>
5.2	Increase school meal price by 2p from £2.34 to £2.36 from September 2019	CS / GN	1/9/19
5.3	Carried over point 6.1 from 22/3/19 minutes. Create breakeven point for nursery and also include in Master Financial Challenge list	GN IH	10/9/19 17/9/19
5.4	Carried over point 6.2 from 22/3/19 minutes. GN create lettings breakdown.	GN	10/9/19
5.6	Carried over point 6.6 from 22/3/19 minutes. GN tweak various policies and obtain ratification from finance committee via email	GN	17/9/19
5.12	Carried over point 7.23.1 from 22/3/19 minutes. IH include school journey costs to on Master Financial Challenge List	IH	1/9/19
6.14	Submit revised budget and 3-year forecast to LA, plus Master Financial Challenge List.	GN, IH	19/7/19
7.3	Finalise Lettings Policy and circulate for ratification to F&P Committee	CS	25/9/19
7.4.1	Remove PTA Gift Aid forms from New Joiner packs	CS, CM	19/7/19



7.4.4	Increase Maintenance Fund to £80 first child, £40 per child thereafter. Plus update all associated letters and website	CS	19/7/19
7.5.1	Work out breakeven costs for BFC and ASC and also marginal cost of each	GN	25/9/19
7.6.1	Alter layout of STJ Priority List to mimic W&B list. RAG rate W&B list to ensure consistency with STJ list	BP	1/9/19
7.6.2	BP & CS diarise regular catch-ups on premises / priority list updates.	BP, CS	1/9/19
7.6.3	Cancel all future dial-in Priority List meetings	Clerk	19/7/19
7.6.4	Increase timing for October, Jan and March F&P meetings to 2 hours, include Premises Update and Treasurer Report on agenda and set timings to items.	Clerk	1/9/19
	7.9.2 Carried over from 22/3/19 - Keep check on absence insurance annually	GN	30/1/20

MINUTES **PART I**

1.	Welcome
1.1	The Chair opened the meeting at 07:50.
2.	Acceptance/Non-Acceptance of Apologies for Absence
2.1	No apologies for absence were received, although notification had been received from both CR & GN who were running a little late. It was decided to cover off some basic business before their arrival in order to save time.
3.	Declaration of Pecuniary Interest
3.1	No declarations received.
4.0.	Minutes of the Meeting dated 22 March 2019
4.1	Minutes were agreed as a true reflection of the meeting on 22 March and signed by the Chair.



5.0.	Matters Arising from the Minutes of the Meeting dated 22 March 2019
5.1	<p><i>GN arrived 07:55</i></p> <p>4.4 - Get quotes for new oven and dishwasher. It was reported that these had been serviced and new appliances were no longer needed – complete.</p>
5.2	<p>4.6.1 - meet with ISS to negotiate reduction in meal price. Governors discussed the outcome of the meeting with ISS and noted that the school had received the best possible outcome. Discussion took place on the need to increase the price of school meals and it was RESOLVED to increase the price per meal by 2p from £2.34 to £2.36. ACTION</p>
5.3	<p>6.1 - Create breakeven for nursery. GN advised that this has not yet been done and committed to provide by 19/7/19. IH to include this challenge in the master list. ACTION</p> <p><i>CR arrived 08:05</i></p>
5.4	<p>6.2 - GN create lettings breakdown. Not yet complete. ACTION</p>
5.4.1	<p>Q: A Governor asked for clarifications on what the lettings were.</p> <p>A: BP replied that this refers to premises being let out to external parties (sports clubs etc).</p>
5.4.2	<p>Governors discussed that lettings had increased and some were arranged at the weekend, which was problematic as the Site Manager had opted not to take the overtime and the opening and closing of the premises was being conducted by the Headteacher who was travelling back and forth from home to do this.</p>
5.4.3	<p>Research had been undertaken and it was found not to be cost effective to invest in an external caretaking facility at the moment.</p>
5.5	<p>6.5 - Amend FMP to say “reconciled monthly” as opposed to “regularly” – complete</p>
5.6	<p>6.6 - Tweak various policies and obtain ratification from finance committee via email – not done. ACTION</p>



5.7	6.14 - Targeted Maintenance Fund text to parents, targeted Gift Aid Form text to parents. Gift Aid form to be placed on school website in easy downloadable format – complete
5.8	7.4.4 - Make list of different lines of enquiry made by F&P committee in order to make savings, together with debate and principles of decision – complete / work in progress
5.9	7.8 - Raise invoice for SMSJ and cross check what they are expecting to be invoiced to make sure all on the same page in the interests of a good relationship. GN advised that the invoices from February-May had been raised and sent however an invoice for summer term would not be sent until the end of the term when the precise number of days worked would be known. Complete
5.10	7.14.2 - Check with LDBS if VA schools MUST implement pay increases for support staff. CS advised that he had sent an email and had received a response which was that St John’s could make their own policies, however, as decisions were passed down by the NJC, to not follow would be extremely controversial and not recommended. Complete.
5.11	7.20.1 - Put difference in absence insurance premium as contingency to try to build up pot - complete
5.12	7.23.1 - School journey costs to be placed on list for financial enquiry to show that was investigated and not an option. Carry over - ACTION
6.0	2018-19 Outturn Report
6.1	The School Finance Manager was invited to give a high-level summary of material changes in the outturn report from the previous position reported to the finance committee.
6.2	Governors heard that in line I08, income had been budgeted from SMSJ, however, the payment did not hit until the 2019/20 financial year. The next year’s budget has not included any income from SMSJ for September onwards and will be revisited in due course.
6.3	Governors heard that line E03 reflected a maternity pay adjustment that hit payroll in March.



6.3.1	<p>Q: A Governor asked for clarification on what this meant</p> <p>A: GN replied that when staff are on maternity leave, the school gets charged a certain amount of their salary each month. The payroll provider had, however, incorrectly calculated this and took an additional amount in March.</p>
6.4	<p>A saving of £2.6k appeared in line E12 which relates to building repairs. The spend was not required.</p>
6.5	<p>Line E16 showed a big difference on expenditure due to the LA changing their accounting practice and not allowing creditors to be applied for amounts lower than £5000.</p>
6.5.1	<p>Governors heard that there would have been a saving on this line item but some costs have slipped from one financial year to another and costs have not increased.</p>
6.5.2	<p>Q: A Governor queried and asked for clarification that the costs were estimated to be £15.5k but came in at £12.2k.</p> <p>A: GN replied that the cost was £15.5k but only £12.2k of the costs were paid in the financial year. The remaining £3.2k went into underspend (and therefore contingency). This was because the LA would not allow an accrual for creditors as the amount was under £5000 and was essentially down to when the school received invoices from suppliers (and paid them).</p>
6.6	<p>E25 looked to be an overspend but was not and instead costs had been moved to here from a different line item.</p>
6.7	<p>Governors heard that Barnet Partnership for School Sports also had not yet invoices St John's for the 2018-19 financial year and thus the school had a £1300 liability (creditor) that need to be paid.</p>
6.8	<p>The revised underspend for 19/20 is now shown in contingency pot which included additional in-year revenue of £9000. Governors heard that whilst the outturn report was only completed one month ago, figures have already changed and they have been fed through to the updated 3-year budget.</p>



6.9	Governors looked at the updated 3-year budget and were noted that for 2019/20, £82k was brought forward, a £24k contingency was budgeted, leaving £10,180 underspend / surplus predicted at the end of the year. If the contingency was not spent, this would leave £34k surplus at the end of the year.
6.9.1	<p>Q: A Governor commented that it was an amazing carry over and credit due to the SLT for the savings and additional income, considering we face circumstances out of our control, this puts the school in a better position for 12 months.</p> <p>A: GN replied that it did but quickly changes for the next year and agreed to submit to IH, the last three years figures of carry forward for comparative purposes.</p>
6.9.2	Governors discussed the figures in detail with the summary being that the school is haemorrhaging at least £50,000 every year on in-year deficit and the sole reason is that all costs increase and funding does not.
6.10	<p>Q: A Governor asked how long the grant to cover teacher pension costs would continue.</p> <p>A: GN replied that she had assumed it would continue for budgeting purposes although in reality the funds were likely to be rolled into another line item of funding and not provided as a grant.</p>
6.11	Staffing costs, as a percentage of income received, were forecast as 96.15% in 2019/20, 98.24% in 2020/21 and 100.76% in 2021/22. The ideal percentage for schools is 80-85%.
6.11	For 2020/21, in the review of the budget, Governors learned that if no other costs or income change, brought forward cost would be £34k, with zero contingency and a deficit of £46k, which is a £80k in-year loss.
6.12	For 2021/22, the brought forward amount would be a deficit / minus of £46,249, zero contingency and a final deficit of £163,279, resulting in an in-year deficit of £200k.
6.12.1	<p>Q: A Governor asked how we now have a conversation with the LA to inform them of our predicted deficit.</p> <p>A: IH replied that the 3 year budget had been presented to the LA, a meeting had taken place between IH, CS, GN and the LDBS and LA who advised the school to do</p>



6.12.2	<p>everything they could and then go back and let them know, what the school had done. It was explained as being a main reason for creating the Master Financial Challenge list to evidence all areas that had been considered.</p> <p>Governors discussed that the LA have said schools may need to close; the Catholic Diocese have announced they are closing buildings (which means amalgamating schools). The LA cannot discuss in detail because there is no plan.</p>
6.13	<p>Governors reviewed line E10 which referred to the Sports Premium / PE grant allocated in 2012 to fight obesity and has been assumed to remain in place for this year only.</p>
6.13.1	<p>It was anticipated that this would be used to pay for new equipment in the junior playground to increase activity at break times.</p>
6.14	<p>Governors heard that Nick Adams has now retired from the LA Finance team and a revised one-year forecast needed to be submitted by the end of term. It was agreed that the three-year budget would be sent at the same time, together with the Master Financial Challenge List. ACTION</p>
7.0	Any Other Business
7.1	<p>It was noted that potential funding sources (lettings, school fund, maintenance fund, fundraising) should be discussed as AOB, together with the expense of the school cottage.</p>
7.2	<p style="text-align: center;">MOTION OF CONFIDENTIALITY</p> <p style="text-align: center;">RESOLVED that, because of its nature, the business to be transacted be treated as confidential and not for publication. Discussion moved to Part II.</p> <p style="text-align: center;">(Part I Resumed)</p>
7.3	<p>Governors heard that the Lettings Policy had been updated again and that the long-term lets (sports classes) were the preferred option for lettings with an estimated charge of £20-25 per hour. CS needed to finalise the policy and send around for ratification. ACTION</p>



7.4	Governors discussed whether there was scope in creating an additional voluntary School Fund, much like the Maintenance Fund, but where the income would not be ringfenced to maintenance projects. After discussion, it was agreed not to go ahead with a separate school fund.
7.4.1	The impossibility of evidencing money received for specific items within the SJA was discussed as a reason why Gift Aid was no longer applicable for the SJA and consequently the need to remove the PTA/SJA Gift Aid forms from new joiner packs. ACTION
7.4.2	It was agreed that messages to parents would be key with regards to the various pots of money and their use e.g. school budget, SJA fundraising and Maintenance Fund and consequently the specific financial issues that St John's faces.
7.4.3	Governors heard that a new campaign was being organised by the LA regarding school funding and there was talk of a possible March. It was agreed that communication would need to be carefully constructed to parents so that points were not lost and parents not inundated with multiple comms.
7.4.4	After further discussion, it was RESOLVED to agree an increase in the recommended amount for voluntary Maintenance Fund contributions to £80 for the first child and £40 per subsequent child. ACTION
7.4.5	Short but simple examples were to be given in the accompanying letter of new roof required and Maintenance Fund had to contribute £13,000. Only £8,000 received from parents per year.
7.5	It was agreed that no increases to costs of Breakfast or After School clubs would be applied.
7.5.1	Governors requested GN to work out the breakeven and marginal cost of running the wraparound care (benefit in kind). ACTION
7.6	Governors discussed the format and timing of meetings for the next academic year and whether dial-in calls were still required on the Priority List given that there is no money to undertake repairs anyway.



7.6.1	It was agreed that the STJ Priority List should be amended to reflect the Willby & Burnett list and that the W&B priority list should be RAG rated by STJ to ensure consistency. ACTION
7.6.2	It was agreed that the Chair of Finance (BP) and the Headteacher (CS) would liaise regularly on items for the Priority List and to ensure that the HT was held to account. ACTION
7.6.3	The dial-in meetings to review the Priority List would be cancelled. ACTION
7.6.4	The F&P meetings would increase in time for October, January and March and remain a shorter meeting in June. Each meeting would include an agenda item for a Premises Update and Treasurer Report. ACTION
7.6.5	Furthermore, it was agreed that timings should be allocated to agenda items with an alarm being set to keep to time, and for the agenda to be kept to with the aim of optimum pre-reading by all governors and targeted, strategic questions and discussion only.
8.0	Date of Next Meeting
8.1	The date of the next meeting was confirmed as Friday 4 th October 2019 and to run for a slightly longer time from 07:45-09:45

The Chair thanked everyone for attending and closed the meeting at 09:30