

# Broughton Jewish Cassel Fox Primary

## Finance Committee

### Meeting Minutes

**School:** Broughton Jewish Cassel Fox Primary

**Quorum:** 3 + Principal (met at this meeting)

**Chair:** Izzi Rosenberg

**Clerk:** Frances Bennett

**Date of meeting:** 19 December 2023

**Venue:** Broughton Jewish Cassel Fox Primary School

#### Attendance

Name	Governor type	'End of Term of Office' date	Present (P) / Apologies (Ap) / Absent (A)
Nicola Taylor	Deputy Headteacher (DHT)	N/A	P
David Bondt	Foundation	N/A	P
Izzi Rosenberg (committee Chair)	Foundation	N/A	P
Dani Mechlowitz*	Foundation	N/A	P
David Mechlowitz	Foundation	N/A	P
Yehuda Fagleman	Foundation	N/A	P
Shlomie Graff	Foundation	N/A	P
Rabbi Yehuda Pearlman	Principal	N/A	P

*\*joined the meeting later – see item 5*

#### Others present

Name	Role
Michael Whitehead	External business support consultant
Jacob Dunn**	Audit senior, DGH Mitten Clarke
Rachel Baker	School Business Manager (SBM)
Helen Green	Finance manager (FM)
Nicola Tylor	Deputy Headteacher
Frances Bennett	Clerk (One Education)

*\*\*left the meeting after his presentation – see item 5*

#### Agenda Items

1	Welcome and apologies		
The committee Chair welcomed all to the meeting. The audit senior introduced himself. There were no apologies.			
	Actions or decisions	Owner	Timescale

<b>2</b>	<b>Verbal declaration of interests and changes to annual declarations</b>
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There were no declared interests relating to the agenda or changes to annual declarations. Shlomie Graf provides a waste disposal service to the school and Yehuda Fagleman declared an interest in State Fayre Bakery, which supplies the school.

	Actions or decisions	Owner	Timescale
3	Notification of confidential items or items for AOB		
There were no notifications.			
	Actions or decisions	Owner	Timescale

#### **4 Minutes of last meeting 20.7.23 and matters arising**

The minutes of the last meeting 20.7.23 were approved as an accurate record of the meeting. A copy was signed, for retention in the school.

##### Matters arising

Repairs and maintenance

David Bondt, governing body chair, stated that the school needs a schedule for building work. A survey could be carried out to help with planning for the maintenance of flooring, decorating etc. A five year plan needs to be created. There is £60k in the budget for repairs and maintenance and the spending should be planned.

*Q. Would it be helpful to send out an example of an estate plan to the SBM?*

Yes. Shlomie Graff asked to receive a copy of the plan.

The Chair stated that the school needs to plan more strategically and have methodological approach. The SBM will produce this with help from Shlomie Graff. Shlomie Graff confirmed that they have a list of the issues.

*Q. Have these been costed?*

No.

Some money will need to be reserved for emergencies.

*Q. How much was spent past year?*

Some work was carried out under the condition improvement fund (CIF) scheme. Therefore, it is not clear. The SBM can obtain the amount if needed. If structures are being replaced, this would come from capital funding.

*Q. What is the situation regarding the kitchen?*

This would be capital spending if the kitchen fittings were to be replaced.

The five year repair and maintenance plan will be presented at the next meeting.

Service level agreements (SLAs) will also be on the next agenda.

*Q. Has the uptake of school dinners increased?*

Not yet.

*Q. Are there many school meal debtors?*

The SBM stated that a message had been sent to parents and they had been phoned to state that their children needed to bring a packed lunch from 3 January 2024.

*Q. How much are the arrears?*

Approximately £150.

*Q. Could pre-payment of dinners be considered?*

The school is looking at a model that would work for the school.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>
	<ul style="list-style-type: none"><li>Minutes of last meeting approved</li><li>Example estate plan to be sent to the SBM and Shlomie Graff</li><li>Repair and maintenance plan to be an agenda item for the next meeting</li><li>SLA to be an agenda item for the next meeting</li></ul>	Finance Committee  External consultant  Clerk/SBM  Clerk/SBM	   TBC  TBC

## **5 2022-23 year- end financial statements**

The senior auditor presented the 2022-23 year–end statements and the following points were highlighted/raised in discussion.

*Q. How many trusts does DJH Mitton Clarke cover?*

Approximately 70 trusts containing 130 to 140 schools. The company has been dealing with academies accounts since academies were introduced.

The beginning of the financial statements contains general information. Governors mentioned that a name change is needed on page 7.

No modifications were needed to the audit report. The accounts are a true reflection of the school's situation. The school is a going concern.

There were two modifications in the report on the statement of regularity, propriety and compliance.

In the regularity report, some transactions had not been accounted for in a timely manner. There were some queries on some invoices sampled and a related party transaction had not been notified.

*Q. Has this been rectified?*

Yes.

The statement of financial activities (page 22) shows the income received from donations, capital grants, funding for educational operations and other traded activities. The total income received was £3,181k for 2023 compared to £2,634k for the previous year. The income included some SEN funding from the LA.

*\*Dani Mechlowitz joined the meeting*

Some additional funding should be received in January 2024

Catering expenditure is consistent with last year. Total expenditure is £2,947k compared to £2,964k the previous year. £59k was transferred from general restricted funds to fixed asset funds for capital spend in the CIF bid.

*Q. What was that for?*

£45k was in respect of the loan.

*Q. Was part of the CIF bid, a loan?*

Yes. The more money that the school is willing to contribute to a capital project, the more likely the school is to succeed in obtaining the grant.

*Q. Does the school pay interest on the loan?*

Only a small amount.

£59k relates to capital expenditure.

*Q. How long is the loan for?*

2 years from September 2024. £45k has to be repaid.

*Q. Will this feature in next year's accounts?*

No.

£6k of unrestricted funds is carried forward to 2024 compared to £58k last year. Total funds to be carried forward is £4,782k compared to £4,563k last year. Restricted fixed asset funds of £4,776k are a reflection of the value of the fixed assets in the accounts and the fixed assets have increased due to improvements on the building

The schools aim is to increase the unrestricted funds to £100k as a contingency measure over the next two to three years.

Balance sheet.

Debtors has increased due to accrued income in respect of the CIF bid which had not been received.

*Q. When is this due?*

It was received after the year-end accounts were produced.

Creditors increased due to a lot of capital expenditure being paid after year-end.

*Q. Will this reduce next year?*

Yes. This is a snapshot in time.

The pension scheme for support staff is no longer showing as a liability. Actuaries have changed this to a surplus due to high interest rates.

*Q. Does the school have any influence on this amount?*

No. It is set by the actuaries.

The school only has £6k of reserves brought forward from 2023 and is therefore not able to spend more than this.

*Q. What is the current spending situation?*

The school spends £15k to £20k per month more than it receives for the special educational needs (SEN) provision. It needs to check on the amount it will receive from the LA and manage it more effectively

*Q. Can the school obtain interim payments?*

The external consultant agreed to email the LA tomorrow and state that this is an emergency situation. Hopefully, the LA will work with the school once the SEN provision map has been submitted for the year April 2023 to March 2024.

*Q. Has the LA already paid some money to the school?*

Yes for the fiscal year to March 2023.

*Q. What are current pupil numbers?*

366. There were 364 on the census, therefore the school will receive funding for this number of pupils for next year.

*Q. How many pupils were in the year-end accounts for 2023?*

368.

The accountancy policies are contained in the financial statements.

The general annual grant (GAG) has reduced from last year in line with pupil numbers. The supplementary grant has also reduced in line with other schools. A breakdown of the grants is contained in the year-end accounts. There has been a big decrease in SEN funding which needs be chased up.

*Q. What retrospective SEN funding can the school claim for?*

The LA works on a fiscal year so we can discuss with them any expenditure from April 2023.

Depreciation has increased due to an increase in fixed assets – the improvements to the building.

The pension surplus is not included as an asset. It is not an accurate representation.

*Q. What is the percentage expenditure on salaries?*

It is over 80% of the total income. The usual amount is circa 79%.

*Q. Why has depreciation increased?*

The school purchased new equipment and improved the building.

*Q. Will this be a similar amount next year?*

Yes.

The headcount is included for accounting purposes.

*Q. Does the school have an additional four admin staff?*

Yes, however, these are not full time employees.

Item 17 details the analysis of net assets between funds. There is an additional £23k in the accounts for the CIF projects. This will not affect the free funds as the money must be used for the CIF projects.

*Q. Will the school assets be revalued every year?*

No. It was valued when it became an academy and the value reduces every year. It is not a true reflection.

Item 18 provides details of the pension schemes.

## Management letter

The management letter contains details of the audit findings. It confirms it is an independent audit. 11 points were raised and some of these can be easily rectified. Some trustees were recorded on 'getting information about schools' incorrectly. This has now been corrected. One Member's annual declaration form has not been received. There were a few instances of non-disclosure of involvement in other companies. Any related party has to be declared.

### *Q. Does this include dormant companies?*

No.

If a governor is a governor at another school, this needs to be declared.

### *Q. Why is this information needed?*

The education and skills funding agency (ESFA) requires this and it also captures any possible conflicts of interest.

### *Q. Would a governor need to declare if his wife was a director at another company?*

Only if relevant.

9.3 refers to three Members being recorded as having considerable control on Companies House. There is nothing listed for BJCF.

95% of expenditure sample tested had not been approved. There was no purchase order in place. In order to maintain financial control there should be purchase orders.

The Finance Manager stated that over 50% of the invoices referred to catering purchases which are for relatively small amounts and it is very difficult to create a purchase order before the invoice arrives. The school will review its process.

A number of subscription invoices are agreed in advance and the audit senior stated that a purchase order would normally still be needed.

Some documents were not on the website and the SBM advised that this was being reviewed today. The memorandum of understanding and articles of association are not on the website. The Chair advised governors that the articles are in the process of being changed.

Attendance of governors has not been uploaded for the last two years and some income had not been allocated correctly.

There was no evidence of a scheme of financial delegation. It was agreed to update the current process to include this.

All recommendations from the previous year's audit have been actioned. There is nothing outstanding.

### *Q. Can the procedures include the situation where the school cannot obtain three quotes?*

Yes.

### *Q. Who is undertaking internal control audits now?*

The external consultant.

Purchase orders for fixed assets appear to have been mislaid again this year and were not settled until September 2023 as noted earlier, however, there are no instances of governors processing purchase orders. There are no issues with the bank reconciliations now.

There are two regularity issues recorded in the letter.

Accounting adjustments are included at the end of the letter to enable the school ledger to be brought into line with the published financial statements. There are no tax implications.

A couple of amendments are needed on pages 7 and 23 which the audit senior will undertake. The accounts have to be submitted to the ESFA by 31 December 2023.

No further issues were raised and the 2023 year end accounts and financial statements were approved.

The audit senior was thanked for all his work on the year end statements.

He obtained the relevant signatories and stated he would upload the documents to the ESFA site.

*\*\*Jacob Dunn left the meeting.*

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>
	<ul style="list-style-type: none"><li>Contact the LA regarding SEN funding</li><li>2023 year-end accounts and financial statements approved.</li></ul>	External consultant  Finance Comm	

## **6 2022-23 management accounts**

The external consultant stated that these would be sent out to governors for review along with the balance sheet and cashflow. They will be more accurate once the year-end adjustments are reflected and capital costs are taken from the income and expenditure account. The December management accounts will be more informative.

*Subsequent to the meeting (21 December 2023), the external consultant sent out the November management accounts and associated papers.*

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>
	<ul style="list-style-type: none"><li>Send out November management accounts and associated papers.</li></ul>	External consultant	

## **7 Budget virements**

There were no budget virements.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

## **8 Cashflow forecast**

The cashflow was included in item 6.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

## **9 Premises, health and safety update**

The SBM provided governors with an update and the following points were raised.

The roof work has been completed and the boiler work is to be reviewed in February. The school was not satisfied as there was no hot water and heating in one area. It has still not been fully resolved.

*Q. Does the school have a new hot water system?*

Yes.

*Q. Why is there no heating in a Y6 classroom?*

The school is in discussions with the company, about this.

*Q. What is the percentage retention?*

It is 5% and will reduce 2.5%.

*Q. Has all the CIF bid been spent?*

Yes, apart from the retention.

The retention will not be paid until the situation is resolved, satisfactorily.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

## **10 School strategy plan – financial aspects**

The external consultant provided an overview for governors.

There are three distinct strategies and actions are being taken to address these.

1. Managing special educational needs (SEN). The top twelve pupils (by cost) will be monitored on a weekly/monthly basis and this will be fed back to governors, each month.
2. Grow the number of pupils in each year group. The capacity is 60 pupils in a year group.

*Q. What are the numbers for Reception, next year?*

This is not known yet. Nursery numbers are low, this year.

*Q. Should the school be advertising itself?*

Yes. An open evening will be planned. This could be held in January or February to capture next year's intake.

One governor suggested an open afternoon where it can show how calm the school is.

3. Grow early years provision and make it more user friendly. The school has futuristic facilities such as for SEN pupils. The school will promote itself to other schools and has the resources to deliver the provision in 2024.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

## **11 Building management schedule and survey.**

This has already been discussed in item 4 above.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

## **12 HR update to include staff absence**



The SBM advised governors that five staff were going on maternity leave. One teacher and one teaching assistant (TA) will need to be replaced.

One lunchtime organiser (LO) has retired.

*Q. Has she been replaced?*

There were three vacancies and one role has been filled by a parent in the school.

*Q. Is the school staying with the Access software?*

The school now has functioning systems in place and Access can produce accurate and meaningful management reports. Unfortunately, it was set up incorrectly originally but the school has now managed to develop it and can obtain information from the system.

*Q. Is Xero system still used?*

This is used for the charity.

*Q. When will governors receive the management accounts?*

The focus has been on year-end accounts which will feed into the management accounts. In January, management accounts will be produced to cover the full Autumn term which will be more meaningful.

*Q. Is the school holding the £6k surplus currently and is this cash in the bank?*

No. The £6k is the cumulative reserve that is available to spend and is used as an emergency facility – which is why it has to be brought back up to circa £100k over the next three year.

From a cash perspective, things are tight as the extra money that is being spent on SEN provision is not claimed back from the LA until early 2024, as mentioned previously.

At Broughton, salaries are paid out mid-month. Most schools pay salaries at the end of the month which gives a little extra flexibility from a cash flow perspective.

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

14	Policies		
There were no policies for review.			
	Actions or decisions	Owner	Timescale

15	General Data Protection Regulations (GDPR)		
There have been no GDPR breaches.			
	Actions or decisions	Owner	Timescale

16	Confidential items.
None.	

	<b>Actions or decisions</b>	<b>Owner</b>	<b>Timescale</b>

17	Key facts		
<p>The SBM provided the following key facts to governors: GAG funding for the year is £1,620,388.25. The school is being funded for 366 pupils. Current pupils on roll is 366. 27 pupils are entitled to free school meals (FSM). 2% of the number of pupils on roll are entitled to FSM 46 pupils have SEN which equates to 12.5% of the number of pupils on roll. 28 pupils are entitled to pupil premium (PP) equating to 7.5% of the number of pupils on roll. PP grant amounts to £40,600. P.E. and Sport grant amounts to £19,273.</p> <p>Governors noted the contents of the key facts.</p>			
	Actions or decisions	Owner	Timescale

18	AOB		
None			
	Actions or decisions	Owner	Timescale

<b>Date and time of next meeting:</b>	<b>To be confirmed</b>
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