

Broughton Jewish Cassel Fox Primary

Finance Committee

Meeting Minutes

School: Broughton Jewish Cassel Fox Primary

Quorum: 3 + Principal (met at this meeting)

Chair: Izzy Rosenberg

Clerk: Frances Bennett

Date of meeting: 22 July 2024

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	Staff - Deputy Headteacher (DHT)	29/06/2028	P - In attendance only for item 17
David Bondt	Foundation	31/07/2025	P
Izzi Rosenberg (committee Chair)	Foundation	29/07/2025	P
David Mechlowitz	Foundation	29/07/2025	P
Yehuda Fagleman	Foundation	06/06/2026	P
Dani Mechlowitz	Foundation	29/07/2025	P
Shlomie Graff	Foundation	30/06/2028	P
Rabbi Yehuda Pearlman	Principal	N/A	P- In attendance only for item 17

Others present

Name	Role
Michael Whitehead	External business support consultant
Rachel Baker	School Business Manager (SBM)
Helen Green	Chief Finance Officer (CFO)
Frances Bennett	Clerk (One Education)

Agenda Items

1	Welcome and apologies		
	Everyone was welcomed to the meeting. There were no apologies. This is Yehuda Fagelman's last meeting.		
	Actions or decisions	Owner	Timescale

2	Verbal declaration of interests and changes to annual declarations
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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 provides food supplies.

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

4	Minutes of last meeting 4.4.24 and matters arising		
The minutes of the last meeting 4.4.24 were approved as an accurate record of the meeting. A copy will be signed, for retention in the school.			
<u>Matters arising</u> There were no matters arising.			
	Actions (A) or decisions (D)	Owner	Timescale
D	<ul style="list-style-type: none">Minutes of last meeting approved	Finance Committee	

5	2023-24 management accounts
<p>The external consultant presented the management accounts, a set of full year-end financial forecasts for this year and a four year financial forecast for the years 2024/25, 2025/26, 2026/27 and 2027/28 for review and comment.</p> <p>Two full current year financial forecasts and one two year cash flow forecast were presented. The first financial forecast was completed at the beginning of July 2024 for the education and skills funding agency (ESFA) to warn them that, because of the reduced extra special educational needs (SEN) funding offer from Salford LA (£20k instead of the £280k requested), the school could be in a deficit position and run out of cash by the end of August.</p> <p>The school is obliged to inform the ESFA as soon as possible if they think that they are going to have financial issues that they cannot manage. Since the first forecast was produced, the LA has recalculated the extra SEN support that it is going to give the school and increased the offer by £150k, this is extremely good news, however, it has made forecasting difficult as talks are still ongoing regarding the extra funding. The school has kept the ESFA fully informed over the last six months and they have been understanding and supportive.</p> <p>There have been a series of extraordinary world events that have resulted in significant numbers of pupils and families leaving the Salford area and, of course, this is starting to influence the pupil numbers and the amount of money that the school is likely to receive in the future.</p> <p>The LA has said that the birth rate locally has reduced and, therefore, there are likely to be lower pupil numbers in the coming years, locally, and across the country. The school has been doing as much as it can to flex the early years offering and this is being relaunched from September. It is hoped that this will attract more pupils who should then feed into the main school in the future.</p> <p>The ESFA have asked for a three-year cash flow forecast; however, this is impossible to provide at the moment until it is known what funding will finally be received for the fiscal year April 2023</p>	

to March 2024 from Salford LA, and these discussions should conclude before the end of August – however the budget return forecast (BFR) has to be submitted by the end of August so the committee have agreed that the most recent forecast should be used to underpin those calculations.

David Bondt, the governing body chair, stated that the external consultant had been working very hard to obtain responses from the LA. He thanked the external consultant for all his work on this.

Q. What income did the school receive for SEN pupils for this year?

The school received £154K for SEN pupils through the annual grant and additional £44k funding for pupils with an educational health and care plan (EHCP). Schools are notionally expected to contribute the first £6K towards SEN pupils however the school has 67 pupils with SEN which averages out at just over £2k per pupil.

Historically, the school did not apply for additional funding for SEN as it used to be funded for 450 pupils, it is quite difficult to apply for extra funding to the LA's.

Q. Has the department for education (DfE) been more communicative?

Yes, they have but they are limited in what they can do, other than offer guidance at this point in time.

The LA had been ignoring email communications from the school about the extra SEN funding request template until the school copied their member of parliament (MP) into an email. The LA stated they could not reply to the school until it was in a position to reply to all other schools but they did reply following the email on the 18th of July.

The original deficit was expected to be circa £510k, following the increased SEN funding offer from Salford it is now forecast to be circa £177k. There was a deficit last year of circa £102k, however, reserves covered this – but that only left a further £6k in cumulative reserves carried forward into this year.

The school is under considerable cash flow pressure so when the extra SEN money is received from the LA, it will help the cash flow for this year.

As at the date of the meeting, the school had outstanding creditors (organisations that it owes money to) amounting to £509k.

Q. Who are the main creditors?

The LA is owed circa £450k for several months salary disbursements – some of these have been settled two days ago.

Q. When were the earliest disbursements due to be paid?

The earliest month is December 2023 because this was particularly large due to the backdated pay increases, but January and February have been paid in full.

The ESFA will consider providing a loan to the school if the LA press the school for payment, but this is unlikely to happen at the moment as discussions are ongoing with the LA re the SEN funding.

The committee then considered a four year financial forecast – the current year 2023-24 £177k deficit, 2024-25 £77k deficit, 2025-26 £44k deficit, 2026-27 £182 deficit (but broadly a break even position) and 2027-28 a £50k surplus.

The 2024-25 forecast onwards assumes the same amount of funding from the LA (circa £180k) and an inflationary increase of 3% for GAG income and salaries.

The 2025-26 and onward forecasts assume a consistent workforce plan that is inflated by 3% each year for staff costs and GAG income and a slight increase in funded pupil numbers by 2027/28 to 373.

Q. Did the school think or know it was going to be in a deficit position, last year?

No. The majority of costs are in respect of staffing and the budgeted staffing reductions for this year were not achieved, mainly because they were very optimistic. It is anticipated that for the next three years, the school will be under considerable cash flow pressure and will be operating at a loss – until extra pupils are recruited into the school.

if the school was to receive a cash “loan” from the ESFA, it would be hard to see how this could be repaid in the short term as the school is going through a very exceptional and complex set of world events at the moment.

Q. Should the school be looking at donations?

Not at the moment as there is donor fatigue in the community and a wider fund raising initiative is planned for the charity in 2025.

Q. What period would the loan be?

It is not possible to say at the moment as the school is waiting to get a final response from Salford. Once this has been received, any cash shortfalls will be discussed with the ESFA and terms and rates will be discussed at this point.

The hope is that a bespoke solution to the current financial crisis will be found as the school is experiencing the effects of events that are totally outside of its control.

Q. How much would the school need?

As mentioned previously until the school knows the final offer from Salford it is impossible to know or accurately estimate – however it could be up to £150k.

Q. Would the school want a lump sum now?

If the school was to receive financial support from the ESFA, it would be at the beginning of the academic year 2024/25.

The school's reserve policy is that it should aim to hold £100k in reserves – it did have a three year plan that would have returned it to that level of reserves, but unfortunately that has now been overtaken by events and it is now looking to have a break even budget in 2026/27.

The current worst-case scenario is that the school would try and obtain a loan from the ESFA and pay it back over three years after a three year payment holiday.

Q. It is common for schools to ask for a loan?

It is not common but it does happen and BJCFPS is not the only Jewish faith school under financial pressure. The SBM stated that a number of schools have an in-year deficit, although they did have reserves.

Q. Would there be interest to pay on a loan?

Yes. There may be a small amount but this will be discussed and agreed if a loan is provided.

Q. How would the ESFA recover the money?

If the school was to receive cash support then the ESFA would reduce the monthly payments to the school by the agreed amount.

Before any “extra” funding is considered by the ESFA, financial forecasts have to be produced and that money will be used to plug the cash flow gap and not reduce the deficit.

Q. What are the major events that contributed to this deficit?

Falling pupil numbers, year on year – In 202/21 the school was paid for 450 pupils. The school now has 365 pupils and this is forecast to reduce to 355 (based on the current information). In 2025-26 numbers should recover and pupils numbers are expected to be around 373, increasing to 385 in 2027-28. Many schools have lower pupil numbers due to the falling birth rate and some in school nurseries are closing.

The disproportionate increase in the number of SEN children; the school currently has 66 pupils and only six of these have education health and care plans (EHCP's) agreed. The “normal” level of SEN funding that we are allocated at the beginning of the year assumes that the school will have around 25 pupils requiring £6k of support. In fact, the school has 41 more pupils and the average level of support that is required is £8.7k.

Q. When does the BFR need to be submitted?

It should be submitted by the end of August, however before the BFR is submitted, a revised year-end forecast will be sent to all committee members.

The current cash flow forecast now takes into account the extra SEN funding of £180k being received from the LA in August 2024.

Q. Why can't the LA and ESFA communicate with each other?

The LA is independent of the DfE and the ESFA and funds the SEN pupils in all schools within their area.

Q. What is the guarantee that the school will receive the money from the LA?

There is no guarantee, a claim is put to the LA in December of each year which relates to the current fiscal year (April to March) and once the final extra support payment is agreed then the

school should receive it before the end of the academic year. This is the main reason that the school is facing significant cash flow pressure because money paid out in April 2023 onwards is not being refunded until August 2024.

Q. Who else does the school owe money to apart from the LA?

Hardly anyone. The aged creditor list was produced at the end of June and a number of these have since, been paid.

Q. Is the school VAT registered?

No, not as such but it can claim input VAT back via a VAT126 claim each month.

Q. Is there any planned work for August?

Decorating and general maintenance but there are no big projects.

Q. Is the £30k in the school budget a cost to the school for school trips?

No. This will be offset by income which should equal the total cost.

Q. What happens if the money is not received (apart from pupil premium pupils)?

The school trip would potentially not go ahead.

Q. How much has the school lost on school trips?

The school does eventually receive all of the money due for trips, although it can be time consuming to chase this up.

Q. Is there another option to submitting a BFR that shows a predicted deficit for the next three years and if not should the committee agree to it being sent?

No, unfortunately there is no other option because the forecasts fully reflect the current financial situation and the pressures that the school is experiencing. Because the pupil numbers have reduced and are not forecast to change significantly in the near future, it also assumes that the fulltime equivalent (FTE) of staffing will be consistent and any future opportunities to rebalance staff costs (possibly a couple more TA's and a couple less teachers) will be taken if and when they present themselves.

Q. What action would the ESFA take if pupil numbers increased?

It would not impact until next year, but this eventuality would be welcomed by all stakeholders.

No further issues were raised and the BFR was approved for submission.

	Actions (A) or decisions (D)	Owner	Timescale
D	• BFR approved	Finance Comm	

6	Budget virements
These were covered in item 5 above.	

	Actions or decisions	Owner	Timescale

7	Cashflow forecast		
This was covered in item 5 above.			
	Actions or decisions	Owner	Timescale

8	Budget forecast return		
This was covered in item 5 above.			
	Actions or decisions	Owner	Timescale

9	Service level agreements list 2024-25 (SLAs)		
No issues were raised and the SLAs list was approved.			
	Actions (A) or decisions (D)	Owner	Timescale
D	<ul style="list-style-type: none">SLAs list approved 2024-25	Finance Comm	

10	School strategic plan – financial aspects		
The SLT are going to ensure that the plan includes a finance, workforce, IT, estates and marketing elements, in future.			
	Actions or decisions	Owner	Timescale

11	Staffing structure 2024-25		
The Principal presented the staffing structure for 2024-25, for review and approval.			
No issues were raised and the staffing structure was approved.			
	Actions (A) or decisions D)	Owner	Timescale
D	Staffing structure 2024-25 approved	Finance Comm	

12	Premises, health and safety update		
Q. Is the school applying for condition improvement funding (CIF) this year?			
No.			
	Actions or decisions	Owner	Timescale

13	HR and staffing
The SBM advised that she is reviewing discretionary leave this week and will be presenting this at the Inset day in September. There is one member of staff on a support plan.	

	Actions or decisions	Owner	Timescale

14	Policies		
There were no policies for review.			
	Actions (A) or decisions (D)	Owner	Timescale

15	Scheme of financial delegation.		
This was approved after the last Finance Committee meeting. The minutes of the meeting 4.4.24 refer.			
All SEN planned interventions are to be costed and managed more effectively going forwards.			
	Actions (A) or decisions (D)	Owner	Timescale
A	<ul style="list-style-type: none">Cost SEN interventions	SLT/business office staff	

16	General Data Protection Regulations (GDPR)		
There is nothing to report .			
	Actions or decisions	Owner	Timescale

17	Audit
The Principal and DHT were 'in attendance only' for this item.	
The external consultant presented the next items for consideration by governors.	
<u>17.1 Internal audit reports 2023-24</u>	
The report details the checks carried out in the third review and this covered:	
Cash and Bank	
Monthly financial closedown	
Payroll and HR	
Management information and reports	
Premises issues	
The two main areas of discussion that emerged were around the resources associated with supporting the SEN children and the outstanding dinner money:	
SEN money – it is sometimes difficult to understand what the LA is paying for and matching that to what the school is providing, particularly with staff costs and this needs more closely monitoring and managing in future.	

If sufficient resources are not being received by the school it may be helpful to have a discussion with the families of the children so that they fully understand the pressure that the school is under.

Dinner money - The only significant debtors that the school has are parents that have overdue school dinner money and there is currently £7k outstanding. School dinners are supposed to be paid for in advance and they are currently £175 per term or £3 per meal for a full Kosher two course meal.

The outstanding debt equates to 40 children's parents not having paid and urgent action is being taken to reduce this, the admin staff spend a lot of time chasing dinner money and this should not be necessary. Only six pupils in Y6 have not paid and it is anticipated that this will be collected in full.

Q. What is the situation regarding parents prebooking and prepaying for the meals?

Parents did not want this. They wanted to pick the food for their children. The school is reviewing how this can be simplified.

Governors commented that the arrears were much lower than they had been in previous years, however, parents should pre pay for meals.

Governors noted the contents of the internal audit report.

17.2 Plans for 2024-25 audits

There was nothing to report on this item yet.

17.3 External audit updates.

The plan for 2024-25 is with the auditor. They visited the school last week and have started their work on the checks for the current year 2023/24 and no outstanding concerns from the previous year were raised.

17.4 Financial Controls.

This was not discussed.

	Actions (A) or decisions (D)	Owner	Timescale

18	AOB		
The committee chair thanked everyone for their hard work undertaken this year.			
	Actions (A) or decisions (D)	Owner	Timescale

Date and time of next meeting:	To be confirmed
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