Southwark Diocesan Board of Education
Supporting Christian Education

Nutfield Church (C of E) Primary School

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To: Finance Working Party
Mr Michael Hill (Chair of the Finance Working Party), Mr Sam Nicholls, Miss Imogen Woods
Copies to: Katharine Brooks, Acting Deputy Head
From: Daniel Walker-Cheetham, School Business Manager
Date: 2nd May 2023

RE: THE ARK - FINANCIAL MONITORING REPORT TO END MARCH 2023 (FINAL)

I enclose the Ark Financial Monitoring Report for the period to end March 2023 (Final).

REVENUE

Original Budget

The Finance Working Party agreed the Budget Plan for 2022-23 at their meeting on 21st April 2022 for recommendation to the FGB. Approval was given by the FGB at their meeting on 28th April 2022.

A paper copy of the Budget Plan for 2022-23 is held on file signed by the Chair on behalf of the Governing Body to be retained for audit purposes. The Budget Plan was submitted to the LA on 29th April 2022. We received official notification from the LA on 16th June that the Budget Plan for 2022-23 had been approved.

At this stage we are looking at a balance to c/f at the end of the financial year of around £99,385 as against the surplus b/f at the beginning of the year of £59,708.

Following the completion of Year End the c/f figure shown on SIMS FMS was £99,383.72. I queried this with Strictly Education's Schools Finance helpdesk as it was £1.28 less than the c/f shown on the FMR. They explained that it was a rounding difference and nothing to worry about, and advised that I used the £99,383.72 figure in the budget plan for 2023-24.

Draft Budget

The draft budget plan for 2023-24 and forecasts for 2024-25 and 2025-26 were presented to the FWP on 21st November 2022 for recommendation to the FGB. Approval was given by the FGB at their meeting on the 23rd November 2022. The budget plan was submitted to the LA on the 24th November 2022, well in advance of the 30th November deadline. The LA emailed to confirm safe receipt of the draft budget and thanked me for sending it through well in advance of the deadline.

NOTE 1:

Fees from September 2019 to July 2022:
Morning: £5.60 per session (7.45 – 8.45 am) Afternoons: £11.20 per session (3.15 – 5.30 pm)
10% discount for siblings.

Fees from September 2022:
Morning: £6.50 per session (7.45 – 8.45 am) Afternoons: £12.50 per session (3.15 – 5.30 pm)
10% discount for siblings.

At the Finance Working Party meeting on 21st April 2022 a 5.4% fee increase was proposed, as per the budget, for recommendation to the FGB. Approval was not given at the FGB meeting on 28th April 2022 as some governors felt the increase was too low given the high level of care and the quality of provision we provide.

Following this meeting the Finance Working Party and Kristy Armer met on 8th June 2022 to discuss pricing. They looked at the fees of local schools in addition to some financial models. The group reviewed these and agreed to re-propose an increase for September 2022 with mornings at £6.50 per session and afternoons at £12.50 per session. The 10% discount for siblings will still apply.

The proposal was presented to the FGB in the form of an email sent by Michael Hill (Chair of the Finance Working Party) on the evening of 8th June 2022. All members of the governing body approved the proposed increase.

I have updated the forecast of out-turn following the fee increase, continuing the method Philippa used - which was 100 x AM and 170 x PM sessions per week, over 38 weeks of the year.

NOTE 2:

On the 26th May 2022 we received an email from Surrey County Council Payroll Services advising us that a joint statement and final offer had been issued regarding the Surrey Pay Award for 2022-23. The offer was over and above Surrey's advice of a 2% increase for all support staff which was used for the 2022-23 budget.

This year's pay offer focussed on the lower grades with a graduated increase to all pay points below PS15. The offer provides greater enhancement to the pay of those support staff on lower pay grades with increases ranging from 2.5%-6.9%.

The pay offer for Support Staff was confirmed on the 23rd June 2022 by Jane Foster, the Payroll and Employee Services Manager at Surrey County Council. The change to salaries will be applied in the July payroll and back dated to 1st April 2022.

Following the announcement I updated the salary profiles to reflect the proposed increase and adjusted the forecast of out-turn for staffing accordingly. The forecast of out-turn also reflects the following changes to staffing in June: a new Play Leader who has been appointed and is due to start in September 2022; an existing Play Worker who reduced their hours and is working 1 hour less each week; we are also hoping to recruit another Play Worker from September so I have included that cost into the forecast of out-turn. The overall position is an increase in staffing costs from £50,400 to £55,200.

Unfortunately, Surrey Payroll Services made an error in the June pay and made payment to Mrs Assender. They have written to Mrs Assender and have reclaimed the money paid to her in error.

There have been a number of staffing changes in the Ark post September. We have appointed a new Play Worker, Helen Lindsay, who is working 7.25 hours per week in addition to her role of 1:1 Special Needs Assistant. Sadly, there have also been a few resignations from the Ark team including Alisha Dowe, Giuseppe Peluso, Vince Eddington and Casey Young. These movements in staffing have led to a decrease in staffing costs from £55,200 to £46,687.

With the announcement of the Health and Social Care Levy being reversed in November the rate of National Insurance for on-costs has reduced from 15.05% to 13.8%. This results in a slight decrease to staffing costs from £46,687 to £46,171.

We have appointed a new Play Worker who will be working 7.5 hours per week across three mornings and two afternoon sessions. The new Play Worker will be joining in January 2023 and I have updated the forecast of outturn to reflect the additional cost. The overall position is an increase in staffing costs from £46,171 to £47,227.

Since rewriting the advert there has been a lot more interest in the role. Two applicants were shortlisted for interview alongside the applicant we appointed, however they withdrew their application after accepting roles elsewhere. I have received a number of email enquiries regarding the role and have replied with the requested information and an application form so I am hopeful we will have more applicants soon.

On the 9th January we received an email from Liz Mills, Director of Education and Lifelong Learning at Surrey County Council informing us of a Real Living Wage Update following the Surrey Pay Award. The Surrey Pay Award 2022-23 collective agreement detailed a commitment to review the Real Living Wage when the recommendations were known.

The Living Wage Foundation published its Real Living Wage on 1st November 2022 with the rate outside London as £10.90. This differs from the statutory living (minimum) wage which is currently £9.50 per hour. The previous Real Living Wage was £9.95 per hour; Surrey County Council currently pays more than this (£10.24 per hour).

To address the difference whilst pay negotiations are taking place, the Council's Corporate Leadership Team agreed to make a one off non-consolidated lump sum payment to staff to compensate them for the fact that from 1st November 2022 – 31st March 2023 they would be paid less than the Real Living Wage. The grades affected and amounts are as follows:

Grade	Current Hourly Rate	Amount below Real Living Wage
PS1/2	£10.24	£0.66
PS3 Point 1	£10.29	£0.61
PS3 Point 2	£10.54	£0.36
PS3 Point 3	£10.79	£0.11

Staff on these grades will receive the payment based upon hours worked for this period and payment will be made in January 2023 via Surrey Payroll. All support staff have been notified following an email sent from Imogen and Daniel. This has led to an increase in support staffing costs from £47,227 to £47,709, an increase of £482.

Payroll were unable to make the one off non-consolidated lump sum payment to staff in the January payroll so it will be paid in February.

We have appointed another new Play Worker who will be working 16.25 hours per week Monday to Friday across both morning and afternoon sessions. The new Play Worker joined towards the end of January 2023 and I have updated the forecast of outturn to reflect the additional cost. The overall position is an increase in staffing costs from £47,709 to £49,320.

I had kept the forecast of out-turn at £50,000 in hope that we would recruit another Play Worker. We are still seeking another Play Worker, however this will be in the new financial year. I have therefore reduced the forecast of out-turn to £43,217.

NOTE 3:

There were some staffing absences in March 2022 and Fred very kindly stepped in to fill the gap. This meant that Fred was unable to fulfil his cleaning duties and so we increased our external cleaners to make up for this. The total cleaning cost for March was not invoiced until the end of April and so I have updated the forecast of out-turn to £770 to reflect this.

Given the reduction in Ark staff, Fred very kindly stepped in again to fill the gap. This has meant that Fred's cleaning duties could not be fulfilled and so we have increased our external cleaners to make up for this. This will run until the end of Autumn 2. As a result, I have updated the forecast of out-turn to £975 to account for the additional cleaning costs we will be incurring.

As Fred is likely to be in Ark for a couple of afternoons until the end of the Spring term I have updated the forecast of out-turn to £1,462.

NOTE 4:

The consumables and resources allocation has gone slightly over budget as it was agreed that Sophie Russell, Play Leader, could purchase new resources for the Ark. The resources included craft materials, badminton racquets, food preparation and storage equipment and a portable outside floodlight for the darker months.

I have updated the forecast of out-turn to £520 to reflect the additional expenditure.

Given the decrease in staffing costs due to the resignations and the increase to Ark fees, our estimated in year balance has increased to £39,677 from the estimated £33,600 in the original budget. At this stage we are looking at a balance to c/f at the end of the financial year of around £99,385 as against the surplus b/f at the beginning of the year of £59,708.