

Lancashire Learning Excellence: Schools Financial Services

The Loyne Specialist School

Financial Monitoring Report Autumn Term 2019/20

Schools Financial Services

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Lancashire

County
Council



Termly Monitoring Reports

Setting the annual budget is a key task for the Governing Body at the start of the financial year. However, monitoring income and expenditure throughout the year is equally important. Accurate and meaningful budget monitoring reports allow Governors to make well informed financial decisions.

Our Governors Monitoring Reports will allow your Governors to answer "In Part" to the following SFVS question :

- Q3 - Does the Governing Body board receive clear and concise monitoring reports of the school's budget position at least six times a year?

This report will enable reviewing income and expenditure against the agreed budget. It will identify variances, provide meaningful explanations for these, where significant, and suggest what action may be taken to re-balance the budget.

A summary of the current financial position over budget expenditure & income headings, in particular:

- Original, agreed budget allocation
- Current, revised budget allocation
- Expected expenditure / income to date
- Actual and committed expenditure / income to date
- Variance between expected, and actual and committed expenditure / income
- Estimated variance for the remainder of the financial year
- Total estimated variance for the whole financial year
- A summary of total current funds
- A summary of increases and decreases to funds since the last report along with the budget headings affected
- Explanations of significant / material variances, both actual & predicted
- A summary of virements actioned since the last report (meets internal financial regulations requirements)
- An estimate of the school's outturn position based on all of the above, plus any other known factors, including: calculation of estimated final balance carried forward at year end calculation of the Authority's balance guideline figure effects of any clawback calculation where appropriate.

Virements

The Headteacher shall be empowered to exercise virement between budget headings approved by the Governors of up to £5,000 (or 10% of the budget heading from which resources are being transferred, whichever is the lower) in total for any heading during the year. Virement in excess of this figure requires the prior approval of the Governing Body. This is the recommended virement sum, however Governors may have agreed a different value. Any virement exercised shall be reported to the Governors. A breakdown of virements for the term is detailed on the final page of this report.

As any virements included in this report meet the above approved financial regulations variances shown are against the current budget.

Devolved Formula Capital (DFC)

DFC balances, where applicable, are listed on the summary page. The school is able to provide details of expenditure breakdown if required. Guidance on DFC, including what it can and cannot be used for is available on the Schools Financial Services area of the Schools Portal.

Areas for Governors to consider - Autumn Term Monitoring Report;

- Are there any significant losses in income forecast this year, if so can anything be done to rectify this?
- If favourable variances have been identified can future spending plans be brought forward?
- Do any adverse variances require savings to be made, how might this be achieved?
- Do any forecast changes within this monitoring impact upon the Three Year Financial Forecast Report? Is this a positive or negative impact?
- Is the school at risk of clawback, what action is needed to avoid this?

THE LOYNE SPECIALIST SCHOOL
Financial Monitoring Report Autumn Term 2019/20
Summary and Conclusions

Summary

Approved Revenue Budget	£
Balance brought forward from 2018/19	319,091
Approved in year budget deficit	-145,607
Forecast Balance carried forward 31 March 2020	173,484

The forecast outturn below includes variances identified in the attached monitoring report, known and anticipated changes to income and the effect of significant estimated variances to the end of the financial year.

Forecast Outturn	£
Balance brought forward from 2018/19	319,091
Forecast in year budget deficit	-58,894
Estimated Balance carried forward 31 March 2020	260,197

Guideline Balances	£
Clawback Guideline Balance (12% of estimated CFR Income - minimum of £60,000)	325,910
Clawback Exemptions	0

Devolved Formula Capital (DFC)

Capital balance b/f from 2018/19	33,047
Forecast Capital income 2019/20	7,665
Forecast Capital expenditure 2019/20	11,386
Estimated Balance carried forward 31 March 2020	29,327

Please note capital balances are not part of the schools revenue balances, and therefore do not form part of the estimated carry forward balance subject to clawback.

Conclusions

Compared to the approved budget, the forecast outturn has increased by : **86,713**

The above forecast indicates there would be no clawback liability based on current policy approved by the Schools Forum.

For information assumptions in this report include:

- * Increase in teacher's pay and pension grant.
- * Increase of high needs funding.
- * Post 19 income.
- * Staffing adjustment.

The main reasons for the difference between forecast outturn figures as at 31 August 2019 and 31 December 2019 (£37,556) are:

- * Post 19 (£23k)
- * HNB funding (£25.5k)
- * Swimming pool lettings (-£12k)
- * Education support staff (-£22k)
- * Energy expenditure (£6k)

General Information

This report will support the governing body to meet its statutory responsibilities for the financial management of the school (SFVS question 3 refers) It is also suggested monthly 'Chart of Accounts' reports and any supporting information available are sent electronically to Finance governors.

It needs to review income and expenditure against the agreed budget.

A clear and concise monitoring report for the governing body should include numeric information, including the profiled budget, spend to date, identification of significant variances and end of year projections. It should also include a brief narrative explaining the reasons for the variances and suggest what would be appropriate corrective action.

THE LOYNE SPECIALIST SCHOOL AUTUMN TERM 31 DECEMBER 2019			BUDGET ALLOCATION			YEAR TO DATE			FORECAST	
			Approved	In-Year Increase (+) Decrease (-)	Current	Budget Profile as at 31.12.19	Actual as at 31.12.19	Variance as at 31.12.19 (+ = favourable - = adverse)	Full Year Variance to Current Budget (+ = favourable - = adverse)	Full Year Forecast as at 31.3.20
CFR Ref	INCOME	Note	£	£	£	£	£	£	£	
I01	Funds Delegated by LEA	1	8,600	0	8,600	8,600	19,882	11,282	11,282	19,882
I02	Funding for Sixth Form Students		130,666	0	130,666	130,666	130,679	13	13	130,679
I03	High Needs Top-Up Funding	2	2,232,760	0	2,232,760	1,642,070	1,681,919	39,849	39,849	2,272,609
I05	Pupil Premium Grant	3	38,480	0	38,480	20,198	23,155	2,957	-6,925	31,555
FUNDING INCOME			2,410,506	0	2,410,506	1,801,534	1,855,634	54,100	44,218	2,454,724
I06	Other Government Grants	4	26,612	0	26,612	26,612	31,684	5,072	5,072	31,684
I07	Income from Other Grants	5	104,000	0	104,000	58,857	70,856	11,999	23,000	127,000
I08a	Income from Letting Premises	6	55,000	0	55,000	41,250	38,449	-2,801	-12,000	43,000
I08b	Other Income from Facilities and Services		20,180	0	20,180	19,305	22,351	3,046	3,132	23,312
I09	Income from Catering		15,000	0	15,000	10,547	10,208	-339	-339	14,661
I18	Additional Grant for Schools		20,490	0	20,490	20,490	21,534	1,044	1,044	21,534
OTHER INCOME			241,282	0	241,282	177,061	195,082	18,021	19,909	261,191
TOTAL REVENUE INCOME			2,651,788	0	2,651,788	1,978,595	2,050,716	72,121	64,127	2,715,915

THE LOYNE SPECIALIST SCHOOL AUTUMN TERM 31 DECEMBER 2019			BUDGET ALLOCATION			YEAR TO DATE			FORECAST	
			Approved	In-Year Increase (+) Decrease (-)	Current	Budget Profile as at 31.12.19	Actual as at 31.12.19	Variance as at 31.12.19 (+ = favourable - = adverse)	Full Year Variance to Current Budget (+ = favourable - = adverse)	Full Year Forecast as at 31.3.20
CFR Ref	EXPENDITURE	Note	£	£	£	£	£	£	£	
E01	Teaching Staff	7	869,862	0	869,862	648,785	647,701	1,084	-12,164	882,026
E03	Education Support Staff	8	1,129,719	29,330	1,159,049	873,780	844,385	29,395	35,718	1,123,331
E04	Premises Staff		66,986	0	66,986	50,239	51,488	-1,249	-1,996	68,982
E05	Administrative and Clerical Staff		116,913	0	116,913	85,550	85,697	-147	-345	117,258
E07	Costs of Other Staff		94,805	-29,330	65,475	41,774	47,451	-5,677	2,208	63,267
E08	Indirect Employee Expenses		13,174	1,000	14,174	11,973	11,744	229	32	14,142
E09	Staff Development and Training		17,150	-5,000	12,150	12,150	11,632	518	500	11,650
E10	Supply Teacher Insurance		3,059	-1,360	1,699	1,699	1,699	0	0	1,699
EMPLOYEE EXPENSES			2,311,668	-5,360	2,306,308	1,725,950	1,701,798	24,152	23,953	2,282,355
E12	Building Maintenance and Improvement	9	163,750	4,000	167,750	164,975	162,510	2,465	-6,027	173,777
E13	Grounds Maintenance and Improvement		2,300	0	2,300	2,300	2,406	-106	-106	2,406
E14	Cleaning and Caretaking		8,500	-1,000	7,500	5,625	5,344	281	0	7,500
E15	Water and Sewerage		11,000	-300	10,700	11,000	8,619	2,381	2,381	8,319
E16	Energy	10	38,500	-1,000	37,500	25,000	27,040	-2,040	6,000	31,500
E18	Other Occupational Costs		8,610	1,400	10,010	8,685	9,037	-352	-658	10,668
PREMISES COSTS			232,660	3,100	235,760	217,585	214,956	2,629	1,590	234,170
E19	Learning Resources - Curriculum	11	92,565	14,900	107,465	105,965	90,290	15,675	11,701	95,764
E20	Learning Resources - ICT		30,100	0	30,100	24,350	27,795	-3,445	0	30,100
E22	Administrative Supplies		23,215	-500	22,715	19,215	17,886	1,329	2,700	20,015
E23	Other Insurance Premiums		11,841	1,360	13,201	13,201	13,201	0	0	13,201
E25	Catering Supplies		57,700	0	57,700	40,603	39,319	1,284	1,294	56,406
SUPPLIES			215,421	15,760	231,181	203,334	188,492	14,842	15,696	215,485
E27	Bought-In Professional Services - Curriculum		12,577	7,000	19,577	16,871	16,871	0	0	19,577
E28a	Bought-In Professional Services - Other (Except PFI)		25,069	0	25,069	25,069	23,221	1,848	1,848	23,221
CENTRAL SERVICES			37,646	7,000	44,646	41,940	40,092	1,848	1,848	42,798
TOTAL REVENUE EXPENDITURE			2,797,395	20,500	2,817,895	2,188,809	2,145,338	43,471	43,086	2,774,809
NET IN YEAR SURPLUS / DEFICIT			-145,607	20,500	-166,107	-210,215	-94,623	115,592	107,213	-58,894

Revenue Approved Budget	
Balance brought forward from 2018/19	319,091
Approved in year budget deficit	-145,607
Estimated balance carried forward at 31 March 20	173,484

Revenue Forecast Outturn	
Balance brought forward from 2018/19	319,091
Forecast in year budget deficit	-58,894
Forecast balance carried forward at 31 March 20	260,197

THE LOYNE SPECIALIST SCHOOL

Reasons For Significant Variances to Current Budget:

Note

1 I01 - Funds Delegated by LEA : Full Year Estimated Impact on Balances : £11282 (Favourable)

Approved Budget : 8600 Current Budget : 8600 Total movement to date : 0

This favourable income is surplus to the budget from Teacher's Pay Grant.

2 I03 - High Needs Top-Up Funding : Full Year Estimated Impact on Balances : £39849 (Favourable)

Approved Budget : 2232760 Current Budget : 2232760 Total movement to date : 0

Overall increase of £39,849 funding for the year due to the following changes;

Additional income of c£39k for 2019/20 as a result of;

- Pre 16 from census additional top up increased by 1 during Summer term and by 2 during Autumn and Spring terms.
- WPN increase for the Summer term of 4.64 wpn and increased by 8.15 wpn during Autumn and Spring terms.
- Increase in Pre16 pupils (Lancs only) School Specific of 3 for the Summer term, then increase by 1 during Autumn and Spring terms.
- Decrease in Post 16 pupils (Lancs only) School Specific of 1 for the Summer term, then increase of 2 during Autumn and Spring terms.

3 I05 - Pupil Premium Grant : Full Year Estimated Impact on Balances : £-6925 (Adverse)

Approved Budget : 38480 Current Budget : 38480 Total movement to date : 0

This reduction is from 1 reduced primary ever 6 pupil, 1 increased secondary ever 6 pupil and 1 out of county looked after child.

4 I06 - Other Government Grants : Full Year Estimated Impact on Balances : £5072 (Favourable)

Approved Budget : 26612 Current Budget : 26612 Total movement to date : 0

This favourable income is surplus to the budget from Teacher's Pension Grant.

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Reasons For Significant Variances to Current Budget:

Note

5 I07 - Income from Other Grants : Full Year Estimated Impact on Balances : £23000 (Favourable)

Approved Budget : 104000 Current Budget : 104000 Total movement to date : 0

This additional income is from the Post 19 funding.

6 I08a - Income from Letting Premises : Full Year Estimated Impact on Balances : £-12000 (Adverse)

Approved Budget : 55000 Current Budget : 55000 Total movement to date : 0

This adverse balance is from income from the swimming pool lettings being lower than budgeted.

7 E01 - Teaching Staff : Full Year Estimated Impact on Balances : £-12164 (Adverse)

Approved Budget : 869862 Current Budget : 869862 Total movement to date : 0

Deputy head teacher working on leadership point 17. This was budgeted to be at point 16.

Main scale point 6 teacher with SEN 1 allowance has continued in post. This post was budgeted to end WEF 31.08.2019.

Upper pay scale 2 teacher has opted out of the pension scheme. This was not budgeted.

3 vacancies of main scale point 3 have been filled with a main scale 1, main scale 2 and UPS1 teachers.

Upper pay scale 1 teacher budgeted to work 0.60 FTE is working 0.80 FTE.

Teacher budgeted to progress to UPS 1 has remained on main scale point 6.

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Reasons For Significant Variances to Current Budget:

Note

8 E03 - Education Support Staff : Full Year Estimated Impact on Balances : £35718 (Favourable)

Approved Budget : 1129719 Current Budget : 1159049 Total movement to date : 29330

The savings reported in the Summer term report have reduced due to the adjustments in hours noted below.

Teaching Assistants 1

NET increase of 204.74 hours.

Teaching Assistants 2

NET decrease of 32.93 hours.

Teaching Assistants 3

NET increase of 39.00 hours.

Higher Level Teaching Assistants.

NET increase of 15 hours.

Learning Mentor

Member of staff has gone on maternity leave WEF 22.12.2019. This saving was not budgeted for.

9 E12 - Building Maintenance and Improvement : Full Year Estimated Impact on Balances : £-6027 (Adverse)

Approved Budget : 163750 Current Budget : 167750 Total movement to date : 4000

This over spend is costed in for expenditure for heaters.

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Reasons For Significant Variances to Current Budget:

Note

10 E16 - Energy : Full Year Estimated Impact on Balances : £6000 (Favourable)

Approved Budget : 38500 Current Budget : 37500 Total movement to date : -1000

This saving come from an increase included of 24% for Gas and 18% for Electricity from 1.4.19. The increase has only taken place from October 2019. Winter weighting has been adjusted for potentially increased bills.

11 E19 - Learning Resources - Curriculum : Full Year Estimated Impact on Balances : £11701 (Favourable)

Approved Budget : 92565 Current Budget : 107465 Total movement to date : 14900

After discussion with the school the following cost centres will have savings at the end of the financial year:

04 Bursar2 £2.6k, 04Pool £3k and 04 Pupil Premium £2k.

Adjustments to Budget Heading allocations

Virements from Reserves

From	To	Amount (£)	Comments	Term Actioned
E99 - Reserves	E12 - Building Maintenance and Improvement	9,500	School Virement	Summer
E99 - Reserves	E19 - Learning Resources - Curriculum	7,500	School Virement	Summer
E99 - Reserves	E27 - Bought-In Professional Services - Curriculum	3,500	School Virement	Autumn
		20,500		

Virements between CFR Headings

From	To	Amount (£)	Comments	Term Actioned
E09 - Staff Development and Training	E19 - Learning Resources - Curriculum	5,000	School Virement	Summer
E07 - Costs of Other Staff	E03 - Education Support Staff	29,330	Budget allocated in incorrect CFR heading	Summer
E10 - Supply Teacher Insurance	E23 - Other Insurance Premiums	1,360	School Virement	Summer
E12 - Building Maintenance and Improvement	E19 - Learning Resources - Curriculum	1,000	School Virement	Autumn
E12 - Building Maintenance and Improvement	E27 - Bought-In Professional Services - Curriculum	3,000	School Virement	Autumn
E19 - Learning Resources - Curriculum	E27 - Bought-In Professional Services - Curriculum	500	School Virement	Autumn
E12 - Building Maintenance and Improvement	E19 - Learning Resources - Curriculum	1,500	School Virement	Autumn
E14 - Cleaning and Caretaking	E18 - Other Occupational Costs	1,000	School Virement	Autumn
E12 - Building Maintenance and Improvement	E18 - Other Occupational Costs	100	School Virement	Autumn
E16 - Energy	E08 - Indirect Employee Expenses	1,000	School Virement	Autumn