

Meeting of the South Bank Engineering UTC School Advisory Board

4.00 - 6.00 pm on Wednesday, 27 February 2019

in South Bank Engineering UTC - South Bank Engineering UTC, 56 Brixton Hill SW2 1QS

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
6.	Update on financial position	3 - 6	DC

Date of next meeting

4.00 pm on Wednesday, 27 March 2019

Members: Nicole Louis (Chair), Ed Arthur, Ian Brixey, Dan Cundy, Beau Fadahunsi, Catherine O'Keeffe, Leona Ross, Tony Roberts and Joanne Young

In attendance: Alexander Enibe

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Title Management Accounts to January 2019

Details Analysis and Comment for UTC School Advisory Board Meeting

Date 2019-02-22

UTC

Current Forecast for Academic Year 2018-19 (as at the 31st January 2019)					42%		
Percentage of Academic Year passed = 41%							
Income	Current	Forecast	Budget	Variance	Current / Forecast %	Comparison Last Year Current/Forecast %	Comment
GAG Income	576,270	1,419,314	1,419,314	-	41%	41	PNA Due in February but taken into account already in overall GAG due
Start Up Grants	63,250	100,000	100,000	-	63%	63	Find payment shedule and compare - front loaded- next one due?
GAG Clawback	(19,687)	(19,687)	(19,687)	-	100%	100	Pupil number clawback - not as high as previous year. Now all repaid
Transition Funding	200,000	200,000	200,000	-	100%	100	On target
Other Government Income (SEN,PPG,Pay Award)	52,154	168,087	168,087	-	31%	23	£21,972 Pupil Premium (Actual) + Funding Received + £5,466 Teachers' funded pay award + Teachers pay award funding
Other Income	4,055	45,000	45,000	-	9%	41	Catering income £2,455 ,lettings of £1,600
Capital Grant	0	0	0	-	-	0	Should this not be capital claims through the year?
Income Total	876,042	1,912,714	1,912,714	-	46%		Catering income now being collected
Expenditure	Current	Forecast	Budget	Variance	Current/ Forecast %		
Teaching Salaries	313,483	1,066,381	1,066,381	-	29%	No Data	Including salary step increases and cost of living award in December 18. (£33,093 Pension £27,604 NI)
Other Salaries	163,696	283,865	283,865	-	58%	No Data	No Premises Staff at UTC - buying into Trinity staff with SLA includes £4k of supply staff
Other Staff Costs	7,597	11,219	11,219	-	68%	No Data	CPD costs high
Building Maintenance & Occupancy Costs	16,487	48,708	48,708	-	34%	No Data	Utilities, Health and Safety, Buildings Trinity invoicing late plus o/s invoices from July last year
Curriculum Budgets	82,373	101,101	101,101	-	81%	No Data	Capitation ordering closes late June2019
Consultancy/Professional Services	71,916	87,022	87,022	-	83%	No Data	
Catering Costs	30,269	65,500	65,500	-	46%	No Data	Parent pay debt chasing in progress £5k
Exams	21,110	35,000	35,000	-	60%	No Data	BTEC Exam registrations to date - A Level Registrations take place in March
IT Costs	(5,329)	27,500	27,500	-	-19%	No Data	Credit note from 17-18 repaid re CVI
Capital Costs	0	0	0	-	-	No Data	New build
Central Services Cost		77,383	77,383	-	0%	No Data	Deducted at Year end last financial year - to be amended and deducted monthly and backdated
Other Costs	7,243	15,000	15,000	-	48%	No Data	Marketing
Expenditure Total	708,844	1,818,679	1,818,679	-	-		
Surplus/(Deficit)	167,198	94,035	94,035	-			
	19%	4.9%	4.9%				

1.	<p>Introduction</p> <p>These management accounts are taken from the PS Financials report Management Account Trend Report. They are cross referenced to the variation report to monitor income and expenditure in greater detail and which are supplied to the Principals and Executive Principal. They are used to gauge the individual academy and Trust's performance against the budget agreed by the SBA Board.</p> <p>An analysis of the period prior to this report show a number of mis-postings to the accounts which are being addressed by the Trust Business Manager and the LSBU Financial Accountant. In order to provide a clean set of accounts, other improvements and corrections are in progress, which are reflected in greater detail in the Management Accounts Trend Report (February 2019). Improvements to processes and to the management of the accounts have also taken place to address the issues that arose from the year end management letter points and these will also be reflected in these reports.</p> <p>These management accounts are intended for the School Advisory Board Meeting on 27th February 2017.</p>
2.	<p>Executive Summary</p> <p>Management Accounts for the UTC show a surplus of income to expenditure of £163,198. The reason for this is the Central Services Costs have not been deducted from the accounts on a monthly basis. Prior research has shown that this charge was deducted at the end of the 17-18 financial year; this is being changed so that the charge will be a monthly one to reflect the true position of the accounts.</p> <p>There is a built-in surplus to the UTC Accounts of £94,035 and the UTC is on target to achieve this to date. This is 5% of the total income that was budgeted and agreed on.</p> <p>Outstanding Central Services costs amount to £32,243 for the period September 19 to January 18. Once this applied, there is still a healthy operating balance for the School of £130,955 giving an actual surplus of £36,919 once the built-in surplus is taken into account. The GAG Clawback is a front-loaded charge and full payment has now been made. For the 18-19 financial/academic year this was fully paid in the first three months, totalling £19,687. Expenditure is, on the whole, as planned. Salaries are performing as expected and are on target despite the imbalance between teaching staff and support staff. The average of these show they are on target.</p> <p>Whilst some budgets tend to look as if they will overspend, they are not budgets that run to the end of the financial year. For example, Curriculum Budgets will close at the end of the third week in June 2019 in order to enable swifter, more efficient end of year close down ready for year end audit.</p>
3.	<p>Income</p> <p>GAG Income</p> <p>Income for the AWPU and other GAG related income already included the Pupil Number Adjustments for 18-19.</p> <p>Transition funding was received in January 2019 and will continue for a final year in the next academic year.</p> <p>Start-Up Grants have been received as per the income schedule. These grants are divided into two sections a) Post Opening Grant and b) Post Opening Grant – Diseconomies.</p> <p>Grant A was paid in full in November 2018 while Grant B (Diseconomies) is paid over 12 monthly instalments. Both grants are fully up-to-date and correctly allocated.</p> <p>Other Government Income</p> <p>This section includes Pupil Premium Grant PPG, which was budgeted at £39,270 or four payments of £9,817.5. However, the last two payments for PPG totalled £21,972 or individual payments of £10,986 an overall increase of £2,338 to date or a potential increase of £4,676. It is difficult to get any documentation from the Local Authority to provide further detail on where this amount comes from.</p> <p>SEN funding has not been received as no invoice has been submitted to the Local Authority requesting payment for the students for which SEN Top Up Funding is received. The amount</p>

	<p>of £24,715 if for the correct number of students for which funding was requested. Analysis of the eligible students would indicate that this income was overbudgeted. Correspondence and follow up with the Local Authority of Lambeth is ongoing.</p> <p>Self-Generated</p> <p>Catering income for the year was budgeted at £35,000 providing the majority of income for this category. While expenditure is currently forecast to be less than the budgeted amount of £65,000, the income is extensively under collected. The amount of income collected to date is £2,451. A process is now in place to ensure this is analysed and collected on at least a monthly basis. Reminder letters are being sent to students and Parents/Carers to chase outstanding payments for meals the students have taken. Administration for this has been centralised at the Trust with close cooperation between the Trust and both schools.</p>
4.	<p>Expenditure – Salaries</p> <p>Overall Salary expenditure for the period from September 18 to January 2019 show an underspend. Budgeted salary expenditure to January 2019 should be at 41% while actual spending shows it at 36%.</p> <p>The saving is from 2 main areas: spreadsheet budgeting gives a surplus from a flat rate application of National Insurance rates across the upper and lower thresholds. Teaching staff costs are well under budgeted levels as a result of strong oversight and control of staffing costs plus underspends in some non-teaching staffing areas.</p>
5	<p>Expenditure Other</p> <p>Curriculum Budgets</p> <p>At first glance curriculum budgets look overspend, however, this is misleading. Expenditure in this area is dependent on the Teaching and Learning needs and these will vary according to the timing of the curriculum being taught. In order to help with the efficient and timely year end accounting process, budget spending will stop in the last week of June 2019.</p> <p>Catering Costs</p> <p>On target and forecast to be underspent. Catering costs run up until the third week of July 2019. New hospitality forms are being put in place to ensure this is properly monitored with the appropriate audit trail.</p> <p>IT Costs</p> <p>Exceptionally, there has been a credit note from the previous financial year, putting the cost centre into credit.</p> <p>Utility Costs</p> <p>These have been monitored closely as the amounts are calculated as a pro rata, per square footage ratio by Trinity Academy. This cost centre is likely to be overspent at the yearend as invoices have not previously been sent. There are a number of invoices dating back to June 2018 in the previous financial year.</p> <p>Premises costs are subcontracted from Trinity Academy.</p>
6	<p>Summary</p> <p>In regards to income, the UTC has one main area in which funding hasn't been received; this is in hand with extensive correspondence and follow through with the Local Authority. Expenditure is on target in terms of both salaries and non-salary expenditure. Catering income is now being analysed and outstanding debts followed up on in order to meet budgeted income forecasts. Catering costs are on target and forecast to come in under budget.</p>

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