

Dear Parents and Carers,

I am pleased to be able to share with you the Annual Report of the Board of Governors and school leadership team - a brief snapshot of some of this year's headlines and achievements.

You may have seen in the media that many schools, including some in Bucks, are facing financial difficulties and that schools' budgets are more stretched now than in the past. With that in mind, the governing board felt it would be appropriate to share with you some information about Halton School's financial position.

It's not easy to explain a budget concisely, so please bear with us! If you want to skip the detail, jump straight to the last section - 'What can you do?' If you would like more information, please email governor@halton.bucks.sch.uk and we can arrange an information session.

How schools are funded - Local Authority Funding:

The amount of funding any school receives from the local authority is primarily determined by the number of children on roll (actual children in the school, not the number of places available). Additional monies for specific purposes are then allocated, based on the level of deprivation in the local area and the number of children with additional funding entitlements, such as pupil premium, universal free school meals for Key Stage 1 children and Special Educational Needs funding. A PE grant is also allocated on a per pupil basis, which is specifically dedicated to be spent on health and well-being provision, and a small amount of capital monies are allocated, ring fenced for use on capital items rather than revenue costs. At Halton this capital money has been used to equip the ICT suite.

On the basis of the existing formula, Halton School has a total baseline allocation of £761,713 for 2018/19. (This figure is called the Budget Share and does not include additional income, such as from lettings, PTA events, sports clubs, trips KidsKapers or Pre School funds.)

As Halton School has grown in pupil numbers over the previous 5 years, our school budget has gradually increased, but the budget allocated per child in Bucks has remained fairly constant, at £2,758 per pupil now compared to £2,619 per pupil 3 years ago. (This is a comparison of a figure called AWPU - Age Weighted Pupil Unit.)

Costs:

The single most significant cost to any school is the staff. At Halton School, staff expenditure (salaries, pensions, national insurance and training costs for teaching and support staff) accounts for approximately 80% of our spend. The next most significant spend is on running and maintaining the premises.

In the past few years, the running costs of the school have increased in a number of ways, including:

- Universal Free School meals mean that every child in Foundation Stage and Key Stage 1 is now entitled to a daily free school meal. The cost of running this service is greater than the funding received for it.
- Salary costs of teaching and support staff have increased at 1-2% per annum, in line with national standards.
- Employer pension contributions have increased by 1% of the salary bill in the last 3 years.
- The apprenticeship levy has been introduced, equating to £3,780 per annum for Halton School.
- The building size has increased with the extension works carried out in 2011 and the absorption of the pre school building in 2016. While Bucks County Council capital programme paid for the works, extra running costs were under-estimated at the time for main the extension.
- Fuel costs (oil, gas and electricity) have risen, and so too have costs of other provisions such as broadband.
- The first 13 hours per week of additional support for every child with special educational needs are now funded directly by the school budget, where previously additional funding was provided from the local authority. This equates to £6,000 per child with special educational needs per annum.

- The introduction of 30 hours funded pre-school places means the school receives £4.25 per child per hour, where previously the hours were charged to parents at a market rate of £5 per child per hour. Some pre-schools do not offer the 30 hours funded places for this reason.
- New regulatory requirements have costs associated with them. For example the introduction of safeguarding checks (DBS) a few years ago, and more recently GDPR which requires that all schools appoint a Data Protection Officer, a further new cost of £500+ per annum.

What does it mean?

The net result of these factors means that the budget available to schools is increasingly stretched and maintaining a balanced position is becoming more and more difficult.

At Halton School, we closed the financial year 2016/17 (in March 2017) with a surplus of £72.6k. In the financial year 2017/18 just ended (in March 2018) we relied on the previously carried forward funds, and closed with a smaller surplus, of almost £42k meaning that we ran at an in-year loss of close to £31k. In the financial year 2018/19 we anticipate using the full amount of previous surplus, and expect to close this financial year in March 2019 at a net zero position, meaning that again we will be operating at an in-year loss in the region of £40k.

Clearly, continuing to run in-year losses is not a sustainable financial model and if we continue to do so, Halton School would close the financial year 2019/20 with a significant deficit position (i.e. essentially in overdraft).

However, we stand by our strategic position that having a high calibre of teaching staff adequately supported by teaching and learning support assistants in classrooms is essential to delivering an outstanding education to our children. And that to enable effective teaching, the learning resources and facilities must be maintained to a good standard. To be able to continue to fund that model, we are taking action now.

So, what are we doing about it?

1. Running to capacity:
 - Halton School continues to benefit from an excellent reputation locally, and as such continues to operate with every class full or very almost full, and with a waiting list for some classes. This means we receive the maximum budget we possibly can from the local authority.
 - We are launching a new Pre School Website to help with marketing Halton Pre School. We currently have a good up-take for September, but the closer we can get to full capacity, the more funding we receive to cover the operating costs and make a contribution to the overall school budget.
2. Generating Income:
 - By letting building space to the private nursery we generate significant rental income. Smaller lettings, such as Zumba classes, also generate a small income.
 - By running KidsKapers, Pre-School lunch sessions and children's sports clubs we are able to fund developments to the school that specifically benefit sports and play provision, which benefit those sessions.
 - The PTA has actively increased its efforts every year and has so far raised £9,000 this academic year. This makes a significant difference to the school's ability to fund specific projects that otherwise could not happen, and we thank all involved and all who participate in the various events.
 - Governors are now actively applying for charitable grants, which have, on occasion, been successful in the past.
3. Managing costs:
 - We have changed our approach to care-taking in recent years, reducing the cost by negotiating new cleaning & grounds maintenance contracts coupled with reduced hours dedicated care-taking.
 - When staff have left, we have reviewed the need and not necessarily always replaced like for like. For example, in recent years we have recruited some less experienced teachers, who bring a more diverse mix to our workforce and complement the skills of our experienced teachers with new practices.

4. Reviewing and pursuing debts:
 - This month, governors will be reviewing outstanding debts, such as where pre school sessions or KidsKapers sessions have not been paid for. We will be approaching those with debts to settle their accounts in full, where necessary by means of a payment plan.
5. Working collaboratively:
 - We are not looking to become an academy or part of a multi-academy trust, however we are exploring opportunities to collaborate with other local schools where doing so enables us to access services in a more cost effective way. This year we have jointly commissioned a Mental Health training and family support programme with other local schools, which we could not have afforded to fully commission on our own. The programme has achieved demonstrable benefits.
6. Lobbying:
 - When the new schools funding formula proposals were announced we wrote to David Liddington, MP, and have participated in local consultations as a governing board.
7. Financial benchmarking:
 - Governors monitor the budget closely throughout the year and undertake a benchmarking exercise annually to determine how our expenditure compares to other similar schools. As a general rule, Halton School has a higher level of self-generated income than other schools, largely as a result of the private nursery letting arrangement. Our costs are largely on par with other similar schools.

What next?

As a governing board we will continue to monitor the financial position and ensure purchasing decisions are given appropriate consideration in line with the school development plan. We will continue to apply for grants and we will continue to work collaboratively with other schools and community groups to share costs for mutual benefit where possible. We will also review the school's debt recovery policy and ensure that monies owed are pursued in full.

What can you do?

We are grateful for all fundraising already happening and for the on-going efforts of the PTA. We ask you to continue to support the PTA and if you have additional income generation ideas, please do speak to either Bev Evans (PTA Chair) or Natasha How (Chair of Governors).

If you know you have outstanding debts due to the school, such as for KidsKapers, Pre School, Sports Clubs, lunch payments or school trips please speak to the school office to make arrangements for making the necessary payments as soon as possible.

If you know friends and neighbours who have pre school age children, encourage them to come and see Halton Pre School in action. We have places available for September, including 15 and 30 hours funded places.

Finally, if you have bid writing skills and would like to put them to good use, or you have knowledge of grants or funds that the school may be eligible for, please speak to Natasha How.

Thanks for persevering to the end! If you would like any more information, please email governor@halton.bucks.sch.uk

Yours Sincerely,

Natasha How
Chair of Governors
On Behalf of the Governing Board