

Homerton Early Years Centre

Minutes of the meeting of the Governing Body held at Homerton on Monday 5th February 2024 at 7.30pm

Present

Isa Garcia Crestani, Stefania Deidda, Tandy Harrison, Elizabeth Head, Suzy Hughes, Roger Lilley, Christine O'Farrelly, Ken Ong (Chair), Alex Pearson (Head), Mitali Peckham and Surabhi Singh
By invitation on Teams: Ray Byford (7.40pm to 8.10pm)
Clerk: Gwyneth Barton

Governors' challenge highlighted in green

1. Welcome and Apologies for Absence

Ken welcomed everyone to the meeting. Apologies for absence were received from Sam Garyali, Eirini Gkouskou, Mick Patel and Rob Payne.

2. Declarations of Interest

There were no declarations of interest.

3. Current Budgets and Future Financial Planning

This item covered three related subjects:

- 2023/24 budgets and the forecast outturn
- Draft budgets for 2024/25
- Whether Homerton should make places available from September 2024 in accordance with the Government's offer of 15 hours of free childcare for 2 year olds.

Ray Byford, local authority financial advisor, joined the meeting on Teams for the first part of the discussion. He tabled two papers, both first drafts of budgets for 2024/25. The revenue report covered the nursery and the extended report Homerton's extended childcare offer. He explained that Governors would need to agree the final budgets for 2024/25 by 12th May 2024. These first drafts would be updated as more information became available, including:

- The numbers and types of places it was agreed to offer from September 2024 and the staffing structures needed to support them.
- Confirmation from the local authority of its budgets for 2024/25 for maintained nursery schools and how the lump sum received from Government would be allocated. The local authority was currently expected to take a new approach this year, adding the supplement to the hourly rate for universal 3 and 4 year old places to the lump sum. The equivalent resources would still be available but allocation would no longer be directly linked to the number of 3 and 4 year olds taking up the universal offer. This was likely to benefit any nurseries that were not full.

In response to a question from Governors, Ray confirmed that local authority funding and distribution of the lump sum would continue to be based solely on nursery size and pupil numbers. There would be no redistribution of resources to take into account any deficits individual nurseries might have.

Turning to the reports, Ray noted that:

- In the draft budget for the nursery, initial figures based on the current structure and income model projected an in-year deficit of £43,000.
- In the draft budget for Homerton's extended offer, including the Nest and extra hours paid for by nursery parents, an in-year deficit of £34,000 was projected.

Ray also advised Governors that it was expected that Homerton would end 2023/24 with little carry forward, as reserves would need to be used to cover in-year spending. This would make it particularly important to develop proposals for 2024/25 that would balance in-year.

Governors expressed great concern at Ray's update that there was likely to be little carry forward at the end of 2023/24. They also expressed frustration at the lack of information available about budgets in the current year, due to the local authority's implementation of a new financial management system.

Governors noted that Homerton had ended 2022/23 with a deficit of £18,000 and a carry forward of £120,000. In addition, a surplus of £30,000 had been expected but had not been achieved due to a change in the local authority's head count system. As this issue had now been addressed, if all of the carry forward was needed to cover in-year spending, this effectively meant an overspend of £150,000 in 2023/24. Governors asked how this had occurred.

Ray explained that spending had been higher than anticipated in 2023/24 for a number of reasons, including the teachers' pay rise, costing £50,000, and cost of living increases in multiple areas including energy and food. In addition, the employer contribution rate for teachers' pensions was increasing by 5%. The Department for Education had said that it would cover this but no funding mechanism had yet been announced, meaning that it currently had to be shown as a cost to Homerton.

Ray noted that the maintained nursery sector as a whole was running out of funding as the lump sum paid by Government was not rising with inflation. In addition the structures needed to run maintained nursery schools, including employing qualified teachers, made them more expensive to run than private, voluntary and independent settings.

Ray noted that the future of maintained nursery schools was being reviewed both nationally, by the DfE, and locally, by a group within the local authority's Learning Directorate. Any decisions made as a result of these reviews would be beyond the Governing Body's control.

Governors asked when a detailed report on spending in 2023/24 would be available. Ray advised that this would be prepared once Homerton had uploaded January figures to the system. As Suzy confirmed that this had already been done, Ray agreed to arrange a visit to meet with Alex and Suzy before half-term. He suggested that another Governor might also like to attend.

**Alex/
Suzy**

Governors asked what would happen if it was not possible to set a balanced budget, as historically it had not been permitted to set a deficit budget. Ray explained that there was a protocol now in place allowing schools to set a deficit budget, as long as there was also a plan in place to achieve financial sustainability within three years.

Ken reminded Governors that it had been hoped to make a decision at this meeting on whether a permanent contract could be offered to a member of the teaching staff who was currently on a temporary contract to 31st August 2024. Governors agreed that although it was hoped to offer a permanent contract, a decision would need to be deferred until the out turn figures were confirmed and the budget for 2024/25 could be formally agreed.

Governors thanked Ray for his contribution and he left the meeting at 8.10pm.

Governors discussed whether a decision should be made at this meeting on funded 2 year old places from September 2024. It was agreed that this would be useful to assist parents of children joining the Nest.

As context, Governors noted that:

- The Government's offer was for 15 hours of free childcare for 2 year olds of working parents from April 2024, extending to 30 free hours by September 2025. Homerton had previously agreed not to offer the 15 hours from April 2024.
- The Government's offer would be funded at £8.00 per hour, less than the £9.00 per hour currently charged by Homerton to parents. It was not permitted to charge a top-up on funded hours to make them more financially viable.
- Homerton was not legally obliged to provide funded places in line with the Government's new offer, only to provide funded places to 'targeted' children. 'Targeted' children now included looked after children, renamed as care-experienced children, as well as children eligible for education welfare benefits (EWB).
- In the current year, there were nine children with EWB in the Nest. In 2022/23 there had been four. To date only one had been identified for September 2024, but eligibility was sometimes confirmed only after a child had started at Homerton.
- Working parents eligible for the Government's offer would be provided with a code by HMRC, which they could take to the childcare provider of their choice. It would be possible for them to split hours between more than one provider.

Alex had prepared an options paper, which had been considered at Resources Committee. Ken had updated this paper following Resources and it had been circulated to all Governors. Introducing the paper, he explained that:

- Option 1 was to continue largely as at present, offering funded places only to 'targeted' children and charging for all other places.
- Option 2 was to offer Government funded places. Option 2 a) set out a simple model providing places for only 24 children. Option 2 b) was based on Homerton's current varied offer, with spaces offering a range of Government funded and paid hour splits, accommodating a total of 36 children across the week.

Reviewing the options, Governors agreed that it would be important to ensure in agreeing any 2 year old offer that this did not worsen Homerton's overall financial position.

Option 1 meant that those most in need would continue to be supported. However, if no Government-funded places were offered for working parents of 2 year olds, it was possible that these families would go elsewhere, reducing the number of children moving from the Nest to the nursery and adversely affecting the nursery's long-term viability.

Option 2 b) had been the preferred option at the recent meeting of Resources Committee. Ken explained that this was because it could benefit both parents and Homerton. Given the advice received from Ray Byford earlier in the meeting, the hourly charge for the Nest would need to be increased to at least £10.00, whichever option was chosen. Under option 2 b), if it were increased to £11.00, parents would receive some free hours and would still pay less than they did at present. The additional income

would offset the loss of income from Government funded hours being paid at only £8.00 and would result in break-even or possibly additional income.

However, the Governing Body expressed a number of reservations about option 2 b):

- Homerton would still be offering less than the Government's full offer, starting in September 2024 not April 2024 and not making the full 15 hours available to all. As under option 1, it was still possible that families would look elsewhere.
- The financial modelling was risky, as actual income would depend on the number of children turning 3 whilst still in the Nest, for whom funding would then drop from £8.00 per hour to £5.40. It was also possible that funded children would be less likely to stay for lunch, further reducing income.
- Governors expressed unease that families who paid for their children to stay for longer hours would effectively be subsidising funded hours.

Governors noted that historically, the Nest was full. There were currently more than 40 children on the waiting list, many of whom were siblings of children who were currently attending or had previously attended. Options elsewhere were limited and Homerton's reputation was strong. It was suggested that the Nest would continue to fill for at least one year, even without the Government offer.

Governors also noted that the local authority's Governance team had discussed with Alex options for reducing Nest costs, including staffing ratios of 1:5 instead of 1:4 and charging parents for some activities such as music. Governors expressed serious reservations about increasing ratios to 1:5, given that this would increase pressure on staff and risk to children. It was also not very practical to implement, given that the Nest currently consisted of 2 classes of 12 children.

In conclusion, the Governing Body agreed:

- Option 1 as set out in the paper, to offer funded places in the Nest for September 2024 only for 'targeted' children and to charge for all other places, as the Government did not fund adequately to make more funded places viable, and in view of the wider financial uncertainty currently faced by the Centre. This decision would be kept under review as more information about the 2023/24 outturn and 2024/25 budget became available and it was possible that places would start to be offered at a later date.
- To increase charges from September 2024 as modelled in the options paper for the following:
 - Nest hourly rate from £9.00 to £10.00
 - Nursery hourly rate from £8.00 to £9.00
 - Breakfast to £10.00 per child
 - Holiday club hourly rate from £9.00 to £10.00
 - Owlets (two hours including tea) from £18.50 to £20.00.

4. Minutes of 6th December 2023

The minutes of the meeting of the Governing Body held on 6th December 2023 were approved as a correct record.

5. Matters Arising from the Minutes of 6th December 2023

- a) **Critical and major incidents** – Isa confirmed that she had received the updated policy with her contact details added. Alex would meet with staff to talk through and test responses to a range of possible incidents, including invacuation/lockdown.

Alex

All other matters arising were covered later on the agenda.

6. Update from Resources Committee

The minutes of the Resources Committee meeting held on 30th January 2024 were received.

7. Head's Report

The Head's report and updated Centre Development Plan and Self-Evaluation Framework were received.

- a) **Air source heat pump** – Alex reported that there were some continuing issues with the air source heat pump, resulting in intermittent loss of both room and water heating. These were being addressed. Recent electricity bills had been extremely high and the local authority was monitoring this.

8. Update from Curriculum Committee

The minutes of the Curriculum Committee meetings held on 4th December 2023 and 29th January 2024 were received.

Governors welcomed the Governor visits taking place and also the plans for Tandy and Eirini to visit to deliver training.

Alex reported that she and Mitali had taken part in a local authority Keeping in Touch visit earlier that day, which had gone well.

9. Safeguarding

There were no safeguarding issues to report.

Ken noted that it was two years since the Governing Body had taken part in safeguarding training. There was no formal requirement for Governors to attend training at specific intervals, but it was good practice for Governors to remain up to date.

Ken asked Surabhi if she would be willing to lead a safeguarding session at the beginning of the next Governing Body meeting on 13th March 2024. Surabhi agreed to do this and to liaise with Ken on the format, possibly to be based on case studies.

**Surabhi/
Ken**

10. Policy Review

Governors approved the following policies, subject to the replacement of 'looked after children' with 'care-experienced children' and refreshed dates:

- a) **Admission to the Nest**
b) **Admission to the Nursery – over-subscription criteria**
c) **Admission to Owlets**

Alex explained that the term 'care-experienced children' had replaced 'looked after children' and included any child with a social worker for the duration of this support. In Cambridgeshire a Virtual School had been created, employing 10 teachers, with the aim of improving educational outcomes for all children who were care-experienced.

- d) **Safer Employment** – Governors approved this policy, subject to the addition of named Governors who had received relevant training. Roger agreed to renew his safer recruitment training and Isa, Stefania and Suzy also offered to attend this. **Alex
Roger/Isa
Stefania/
Suzy**
- e) **Schools Financial Value Statement** – Ken proposed some changes to this document, including a ‘no’ in answer to the question ‘Does the Governing Body receive clear and concise monitoring reports of the school’s budget position at least 6 times a year?’ and further comments to express concern about inadequacies in the current budget monitoring arrangements. Alex agreed to send Ken the Word document. **Alex/Ken**

11. **Any Other Urgent Matters** – none.

12. **Date of Next Meeting**

The next Governing Body meeting would take place on Wednesday 13th March 2024 at 7.30pm.

The meeting ended at 9.10pm.