**Finance & Premises Committee Meeting**

**Tuesday 11th October, 2016 - 8.30am – i52**

## Present:

Mrs L Hedden (Chair of Governors)

Mrs R O’Hara (Governor)

Ms C Herman-Headteacher

Mr S Roberts (Acting Business Manager)

Mrs D Matthews-Finance Manager

Mrs L Smith-scribe

Ms K Cannon (EES for Schools)

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| 1. | Apologies Andrew Worth. LH apologised to KC and staff present for the absence of other governors. It meant the Committee was not quorate so no decisions would be able to be made. |
|  | **Finance Reports presented by Kim Cannon**  **Year End 15/16**  2.1 A print out of the up-to-date cost centre report was circulated. Kim Cannon gave an overview of the end of year position. There was a carry forward of capital of £88.91k, which was committed to pay for the remaining cladding work. There was £121274 gross, but around £102k of this was already committed, £90k being the astro turf sinking fund. There was around £18k uncommitted carry forward, in line with governors’ expectations.  2.2 KC had reviewed the cost centre report with staff and outlined a number of issues she had pinpointed. These included a number of issues that required virements for funding to be in the right cost centre. The main one of initial concern had been the forecast pupil premium income which had been overestimated because of a lack of information from primary schools on students who were Ever6. Many secondary schools had been impacted by this poor information. SR was considering what could be done to avoid a repeat in the future and would implement tighter control if possible for the following year. Budget adjustments had been made and the budget contingency was now at £18.672k.  2.3 An item that had not been factored into the budget were the pension contributions for the member of the pastoral team on long term sick leave. While he remains on the payroll, he is not being paid but his contributions must be. The School had been expecting his resignation but Occupational Health were now saying he could come back to work, with adjustments, after a forthcoming operation. The School could not act without OH backing so this situation would continue until the operation had taken place. The cost now needed to be factored in which would reduce the contingency, although not hugely.  2.4 DM and SR were in the process of reviewing each cost centre, so that both could fully understand the content and know where efficiencies might be possible. They will report to the first meeting of the Resources Committee.  2.5 The commitments for Departmental Services were discussed – DM explained that each month when the costs are known, DM charges the relevant cost centres and credits Department Services.  **Cashflow**  3.1 There is currently £900,000 in the bank account – Katie Walkden, (EES for Schools) will be coming into School in order to prepare a cashflow sheet for presentation at the next Committee meeting in November.  **Estimated Outturn**  4.2 KC explained that it wasn’t feasible to produce this just one month into the Financial Year. She advised an extremely tight rein on budgets with continual review throughout the year, with the intention of potentially clawing back funds from each budget cost centre if funds are not spent within a reasonable time frame.  4.3 There are however, two personnel issues which may require settlements and call on funds.  4.4 Discussion ensued on the annual rolling over of production funds and why this practice occurs.  4.5 The possibility of asking Department Heads to bid for their budgets was discussed, together with the merits of introducing this. The Committee agreed that this would certainly crystalize thoughts on what was essential spending for each department. SR suggested he would create a timeline for this practice.  4.6 LH asked KC further if she felt there was anything else that should be “ringing alarm bells” and need addressing. She said that there was nothing she had found that she needed to draw governors attention to but she advised continued careful strategic planning and effective communication between Governors, Head Teacher, Business Manager and Finance.  4.7 KC also advocated forward planning for 3 years maximum with continual questioning of whether the budget is sustainable, particularly with regards to staffing levels. The Committee noted that the School had already reduced its budget by 25% over 5 years, with only an 11% reduction in student numbers.  4.8 KC reported that there would be an increase in teachers pensions from 1.4.19, likely to be in the region of 1.6%-3.6% which would impact on the budget. SR and DM agreed to review forward planning for staffing on a monthly basis in order to keep a handle on funds.  4.9 A system generated report was agreed to be the best method moving forward, in order to avoid human errors with spreadsheets. The cost centre report will be accompanied by narrative provided by SR. KC recommended that these cost centre sheets aren’t distributed any more than 5 days in advance prior to any Committee meeting as they would then be too far out of date. It was discussed that future finance reports will include a cost centre report and narrative, a cashflow report, and an estimated carry forward report. This process is to be recommended to other F & P Committee members. The 3 year budget forecast will also be regularly reviewed and reported on. It was reiterated that supporting paperwork continues being uploaded to Weebly on the preceding Friday to a Committee meeting, giving members sufficient time to review agenda items. KC said she thought the first update of the 3 year plan should be available in November each year and so that will expected for the November meeting of the new Resources Committee.  4.10 Discussion ensued regarding financial merits of standalone academies and Multi Academy Trusts, and it was agreed that there was little evidence of significant cost savings from joining a MAT.  4.11 SR, DM and LS left the meeting room for approximately 10 minutes to enable a staff in confidence discussion with KC, which was reported separately to absent governors. |
|  | **Minutes of last finance & Premises Committee meeting**  5.1 This was agreed to be deferred until the November meeting. |
|  | Matters Arising from the last finance & premises committee 6.1 There were no matters arising from the last Committee meeting. |
|  | **Business Interests Updates**  7.1 None. |
|  | **Internal Controls Report Feedback**  8.1 LH explained that the new format of the report was all Essex would be producing from now on. She hoped a reduction in cost would follow. As a result of the change, there was no longer any point in having a governor nominated as Responsible Officer. In future, SR would be expected to address ICE reports with DM and then provide narrative on what is being done to address issues when reporting back to Resources committee. One issue with the current report: security of payments – it was noted that the ICE report contained an error, and it has now been confirmed that DM is authorised to sign off the Gateway report which confirms the BACS run. |
|  | **Changes and revisions to Financial Regulations**  9.1 The RO role together with titles in the Financial Regulations will require looking at and amending, along with authorised signatories which also needs reviewing. LH advised SR to “track changes” whilst in process of amending the document and then email out to the Committee as soon as possible so comments could be exchanged ready for a final version to be signed off at the November meeting for recommendation to FGB. |
|  | **Premises Report**  10.1 SR gave an overview of the curtain walling project which he became involved in towards the end. SR reported that there had been a satisfactory conclusion and the project was just awaiting sign off on the snagging list before the final sum is released to the contractor. The conclusion included securing cladding for an additional area free of charge and a reduction in the cost of the kitchen which meant that the School had not had to spend the proportion of DCF that had been reserved for this. Although PCH have provided invaluable assistance with this project, SR confirmed that he will closely liaise with them regarding any contractors that are engaged on future projects. Horizon would not be used should the bid for the remainder of the cladding be successful (optimistic, bearing in mind how close the School was with the last appeal).  10.2 SR reported that the pipeworks project was a success and a relatively smooth process given the extremely tight time frame. A maintenance contract had since been taken out with the installation company, as one was not in place.  10.3 Solar panels – There had been a saving thus far of £3,180 for the first six months but further monitoring across the year will be needed to ensure savings are being realised.  10.4 SR confirmed that he will be tracking the utilities in the coming months in order to see where savings have been made. LH asked that he try to find a way to isolate any savings in fuel likely to have accrued because of the cladding – the EFA were expecting us to make savings hence why the capital is only loaned, not given. Governors will want to monitor how closely savings match what they are having to pay back.  10.5 Pabulum – the end products have been great, although a painful process.  6th form café – there are a few snagging issues, such as no coffee machine that still need to be addressed and additionally, new lighting and furniture in the common room – LH asked that in the circumstances, and as a gesture of goodwill to furthering our working relationship, that Pabulum transfer the funds to the School’s bank account in order that the bills can be paid directly by the School. She was concerned that if we commissioned work to complete the project and Pabulum didn’t produce the cash, despite having said they would, the debt would legally be ours. SR agreed that he would raise this as a topic of discussion at the forthcoming Catering review meeting. |
|  | **Lettings rates review**  11.1 SR requested that the proposed new rates be approved as there has been an increase in bookings and revenue since we started trialling them. LH suggested to continue the trialling of new charging rates with a review at the next Committee meeting in November. The Committee was not quorate so could not approve the increase, so continuing the trial was more appropriate. SR noted that he had only reviewed the Sports Centre lettings so far but further reviews across all lettings are planned. |
|  | **Risk Register**  12.1 LH did not recommend changing anything immediately, although a couple of name changes regarding responsibility could be amended. LH suggested governors could in due course consider combining risks 1 and 6 because contributory factors had changed. **LS to change name responsibility accordingly on the register.** |
|  | **NatWest account**  13.1 The balance of this account is: **£627.30 as at 30.9.16.**  The balance of this account will be brought to each meeting. |
|  | **Terms of Reference** |
|  | 14.1 It was agreed pointless reviewing as the Committee would be changing to a different Committee from 24.11.16. |
|  | **A.O.B.**  None |

**Date of next meeting – Thursday 24th November 2016, 4.30pm in i52**