**Resources Committee Meeting**

**Friday 1st December 2017 – 8.30am – i52**

## Present:

Mrs L Hedden (Chair of Governors)

Mr G Herniman (Chair of Resources)

Mrs R O’Hara (Governor)

Ms C Herman-Headteacher

Mrs K Shaunak-Hobbs (Teacher Governor)

Mr S Roberts (Business Manager)

Mrs D Matthews-Finance Manager

Mrs L Smith-scribe

Clive Smith-MWS-Auditors

Kerry-Ann Jervis-Scott – MWS-Auditors

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| 1. | ApologiesAndrew Worth |
| 2. | **Review of Annual Report & Accounts 2016-17**CS reported on the annual report and accounts, giving a positive overall feedback. He discussed the Report to Management Letter first which highlighted:* Trustee S Redbond did not disclose two companies of which he is a director which was categorised as High Risk. It was explained to CS that S Redbond was a trustee for less than 3 months between July and Sept 2017 during which time he attended no meetings and did no business for the school. The business interest register was being updated when he resigned but much of his tenure was over the school holiday. Our procedures for maintaining business interests were explained and CS said he would now be happy to downgrade the risk to medium and amend the wording around the risk.

*\* Since the meeting a revised letter has been produced lowering the risk level and explaining the circumstances under which it arose** There was a Medium risk identified as a BACS run had not been signed by the appropriate signatory. SR explained that this was a one off oversight, the circumstances around how this happened and what action was being taken to ensure all future authorisation signatories are correctly obtained. It was noted that the correct authorisation had been sought retrospectively in this instance. CS was satisfied with the explanation
* There was a medium risk identified as the Business Manager had signed off a Visa statement that represented spending on a card assigned to him. SR explained that all Visa cards are kept in the Finance safe and he had not had access to the card. The card was new and very rarely used, and only ever by, or in the presence of the Finance Manager and the statements for all cards came in together and were all authorised together. SR went through the internal controls and checks that are in place and demonstrated to CS satisfaction that no wrong doing had taken place, just a procedural error. All future Visa statements for the card assigned to the Business Manager will be authorised by the Headteacher.
* CS commented that the Audit had only shown up two purchase orders with no PO number which is very good for an organisation of this size and marks a continuing improvement from last year.

CS then moved on to the Annual Report and Financial Statements highlighting:* Positive content of the trustee report
* Ongoing success of CIF bids and projects
* Discussion around the growing pupil numbers and oversubscribed year groups
* CS commented that the reserve amount was looking much healthier than last year which was a very positive step. He indicated that 3 months salary bill is a good target but SR noted that this would be around £1.4m and is very unlikely to happen. CS praised the work of the school and the Governing body to achieve this improvement and cautioned against complacency in the future.
* The SOFA was discussed and CS broke down the movement of funds and the financial activities for the year which were reflected.
* CS detailed the Restricted and Un-Restricted funds and how they were composed.
* There was discussion around the pension figures and CS noted the LGPS was in a much better state than last year. He also confirmed that all pension liabilities are guaranteed by the Government so changes to these liabilities are not concerning
* CS explained the balance sheet and all of the element parts that give a snapshot of funds at that point in time.
* The statement of cash flows was discussed and it was agreed that it reflected a healthy position for the year.
* CS said it was MWS’s opinion that the school was definitely a going concern and the committee all agreed.
* CS picked out some of the key notes to the financial statements and demonstrated how they were reflected in the SOFA and balance sheet. These included the donation and capital grants, funding for academies operations, direct costs and support costs.
* There was discussion around the support costs and what went into that category. This moved onto discussion around direct costs and committee noted the large drop in “Educational Supplies” ledger code expenditure. SR was asked to look into what this category covered and why there had been such a large drop. **Action: SR**
* There was some discussion around the falling rolls funding and it was noted that a larger portion of this was used during this accounting period. SR confirmed that when the falling rolls funding ends in 2020 the school should be financially sound due to increase in pupil numbers.
* The expenditure costs were discussed and explained by CS.
* Committee noted that there had been a big drop in supply staff costs. SR explained that an additional Cover Supervisor had been employed so much less cover was done by supply staff which is far more cost effective.
* There was discussion around the notes breaking down the creditors for short and long term liabilities and LH noted that the total carrying amount appeared to be wrong. This was confirmed by CS and he assured the committee that it would be changed and a revised version of the accounts sent out.

\* *This was done and the revised version was received very soon after the meeting* * CS noted that the schools’ costs to the Teachers’ pension scheme were set to increase in 2019. SR confirmed that he had assumed a 2% increase from 2019 in all forward financial plans.
* CS advised everyone to note the related party transactions and ensure they were accurate and to continue to monitor these effectively.

It was unanimously agreed that the committee were happy to recommend the accounts for approval at the upcoming full governors meeting.CS and KJS left the meeting at this point. DM escorted them out and returned a few minutes later |
| 3. | **Minutes of previous meetings**Minutes from the Resources meeting held on 18th October 2017 had been distributed, were not contested, and were discussed, agreed, and signed. |
| 4. | **Matters arising from the last minutes**NO matters arising that were not to be covered elsewhere on this agenda |
| **5.** | **Business Interests Updates**None declared. |

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| **6**. | **Finance Reports****Budget Position**A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Current outturn is £224k, previously £218k
* DFC cost centre higher than originally budgeted as more carry forward from the previous year had been moved than had been expected. This was due to planned capital works last year being delayed. It will be spent this year instead now.
* The cost centre for CIF expenditure was wrong as the income that was budgeted the previous year didn’t come in until Sept. This made it look like we have £52k extra to spend which is not the case. A virement will be needed to correct this.
* Staffing changes since June when the budget was set have resulted in approximately £70k worth of savings.

LH asked if senior leadership pay increase had been included – SR confirmed it had.**Cashflow** A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* All was still fine with the predicted cashflow and no problems are currently expected
* A re-forecast will be done in Jan 2018 prior to the next meeting

**Virements**SR reported that there had been no new virements since the last meeting**3 Year Financial Plan**A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Year 7 predicted numbers had been increased to 240 from 2018 onwards. There was some discussion on this point and it was accepted that this is very likely to be accurate supported by the early application numbers that CJH provided.
* Plan is based on a MFG of -0.5% which is what was expected. SR had very recently learned that the Schools Forum was now more likely to go with -0%. SR will calculate the plan again using these figures and estimated that it might make a positive difference of up to £30k based on this plans assumptions.
* Additional staffing requirements for Sept 2018 have now been added to the calculators and used in this plan instead of the previous estimate.
* LGPS increases of 1% April 2018 and a further 1% April 2019 have now been included in the plan as they are almost certain to happen.
* TPS increase of 2% from April 2019 has also been included.

SR reported that as soon as the Forum agrees the AWPU, then a more accurate prediction for next year would be possible. The figures are expected in Jan 2018. SR noted that 2018-19 and 2019-20 could be quite tight and will need to be very carefully managed but then the outlook improves significantly as the higher pupil numbers will have filtered through the school. There was discussion around the end of the falling rolls funding in 2020 and SR confirmed that by this point the school should be financially stable without the funding.There was also some discussion around 6th form predicted numbers and current marketing strategies. It was noted that AC and the 6th form team had put a lot of effort into this area. Governors said they would like to discuss this with AC and suggested it be added to the upcoming monitoring visit.GH noted that the 3 year plan was looking positive overall which was agreed by all. |
| **7.** | **Dear Accounting Officer Letter – June 2017 & November 2017**SR explained that a new requirement in the Academies Financial Handbook 2017 is that “Dear Accounting Officer” letters from the ESFA should be discussed at Governors meetings so will be on future agendas if a new one has been received.A copy of the letters received in June and Nov had been provided to Governors prior to the meeting. Discussion was had around the content letters with some highlighted points including:* Deadlines for statutory returns and accounts
* The possibility of being required to submit 3 year forecasts and the complexities around doing so.
* The responsibilities of the Accounting Officer
* A reminder to act on auditors recommendations which it was agreed we are very good at already but must stay vigilant.
* Discussion around benchmarking and guidance tools that are available
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| **8.** | **Staffing issues**Staffing models were being undertaken currently and worked upon. CJH confirmed that advertisements will go out in January 2018, possibly for NQTs where appropriate. Subjects needed were: English, Science, Maths, Geography and Social Sciences. CJH also noted that additional help was to be sought for pastoral. |
| **9.** | **Updates – ongoing work**Documentation had been provided by SR to Governors prior to the meeting. SR discussed the content of the documents, highlighting:Lockdown procedures The draft procedure was discussed and it was agreed that the content was suitable. SR will put it in the SHS Policy format and send it round so it can be approved in correspondence.Business Continuity Plan SR reported that he was working on a complete overhaul based on a template provided by Essex Finance.We currently have a Crisis Management document that covers some of the same elements and will be reviewed alongside the Business Continuity Plan.It was agreed that as we have the Crisis Management Document in place, we have some cover to the risk exposure in this area. The full Business Continuity Plan will be brought to a future Resources committee meeting for approval once it has been completed and reviewed.Site Team update SR confirmed that Tony Harrop had been appointed to the team and was having a very positive impact. John Coburn will be moving to days as soon as a replacement keyholder can be found. It is anticipated that this will facilitate further improvements.SR has opened direct lines of communication with all of the site team as well as the Site Manager and is reviewing further changes and improvements based on their feedback.VW has made a start on the required departmental procedures and policies identified during the recent proceedings and SR will monitor review this ongoing work.Diversity Data LH explained that this was a key item that Ofsted would be likely to review and something Governors should be discussing. Data had previously been collated by HR manager-this had been distributed for the committee to consider. LH asked that any changing trends should be monitored and discussed. The committee requested that this item was further discussed at the next meeting on 2nd February 2018. LH commented that governors needed to be aware the extent to which the diversity of staff is representative of the diversity of students of the school, especially as the school becomes more diverse. |
| **10.** | **ICE report and feedback**The report from the latest ICE visit had previously been provided to Governors. SR discussed the findings of the report highlighting:* Amber risk – “Business interests on website”

S Redbond end date had been entered on Companies house but our website had not been updated. This made it look as though we should have had business interests listed for him but as he had resigned, this was not the case. The website was swiftly updated* Green risk – “Governors gifts policy”

Governors code of conduct should contain a gifts policy in the same way the staff one does. It was agreed that this would be modelled on the staff policy and implemented.* Amber risk – “Business Continuity Plan”

This had originally been a red risk stating that we had no business continuity plan but SR had appealed on the basis that our Crisis Management Document covered some of what was required and the AFH requirements had not changed since the previous year. It was also evidenced that the process of reviewing Business continuity was already underway before the ICE visit. The appeal was successful and the risk was reduced to Amber.  |
| **11.** | **Premises Report**A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narrative, highlighting:* CIF Roofing project is ahead of schedule and all going well so far
* Canopy – SR explained that installation was booked to take place during the Christmas holidays, in order that it would be ready for January.
* Cleaning contract – SR reported that the cleaning contract ended in Aug 2018 and he would be contacting Litmus to engage them to assist with contract setting and negotiations. It was agreed by committee that Churchills had held the contract for 5 years and it was correct to go out to tender at this point. GH asked the value of the contract which SR reported at around £150k p/a.
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| **12.** | **Policy Reviews**CCTV – GDPR coming in – SR noted he wanted a review date of 2018Anti-fraud and corruption – Committee concurred that both policies should be recommended for approval at FGB. |
| **13.** | **Risk Register**LH recommended that risk 1, “Threats to long term sustainability/falling roll”, should be removed at this point. It was discussed and committee agreed this was appropriate.LH recommended that risk 7, “Staff numbers, skills and training”, should be upgraded to an amber due to the likely difficulties with recruitment being felt nationally and our need to recruit again as we grow. It was discussed and committee agreed this was appropriate. These changes would be recommended to FGB. |
| **14**. | **Natwest Account**It was reported the balance is £1,138.89 as at 1.12.17 |
| **15.** | **A.O.B.**LH requested some feedback from the Health and Safety sub-committee at the next meeting. SR agreed to arrange this. **Action: SR/AW** |

**Date of next meeting: Friday 2nd February 2018**