**Resources Committee Meeting**

**Thursday 2nd February 2017 - 4.30pm – i52**

## Present:

Mrs L Hedden (Chair of Governors)

Mr G Herniman (Chair of Resources)

Mr A Lunn (Governor)

Mr D Simpson (Governor)

Mr A Worth (Governor)

Mrs R O’Hara (Governor)

Ms C Herman-Headteacher

Mr S Roberts (Acting Business Manager)

Mrs D Matthews-Finance Manager

Mrs L Smith-scribe

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| 1. | ApologiesNone. |
| 2. | **Minutes of previous meetings**Minutes from the Resources meeting held on 24th November 2016 were agreed and signed off. |
| 3. | Matters Arising from the last finance & premises committeeSR confirmed previously raised query that old pipework was metal so a quick decision needed to be made on the Tender but this wasn’t the issue the auditors had. They cited the lack of minuted discussion as the problem so a mitigating statement was agreed and added to the accounts for last year.SR reported the accounts were filed in a timely manner by 31.12.16SR will follow up with MWS regarding the definition of the ‘Educational Supplies Costs’ on the accounts and why it halved since the previous year.  |
| **4.** | **Business Interests Updates**LH declared her purchase of her Christmas Tree at a slightly reduced price from the Garden centre that had donated Christmas trees to the school. The money by LH was donated to the 6th form’s Christmas fundraising effort. |
| **5**. | **Finance Reports****Budget position** A narrative and back up information had been provided by SR to the Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Previously reported carry forward figure was £18,498 current figure is £59,810
* Since the last report, approx. £35k has been saved from staffing changes and natural wastage.
* Cost centre ‘Other staff costs’ overspend has increased as an additional £9k had to be paid out in redundancy costs. There is still a possibility that we will not have to pay out the £16.5k previously reported but this has not been confirmed so is still budgeted.
* The previously reported overspend in the “Professional Fees” cost centre has now been absorbed due to other savings such as cancelling the Litmus contract
* Energy cost centre currently showing overspent but may change as future bills come in. SR continues to document and monitor energy usage and costs.
* “Catering costs other” is overspent partly due to us taking out a maintenance contract this year on kitchen equipment which is proving increasingly unreliable, so a contract is more cost effective, and also previous years spending had been distributed across other cost centres making it difficult to know how much was actually needed. Contingency will cover this overspend.
* Previously budgeted SALIX loan payment of £7k is now not due this year as the project did not complete on time so this can be saved for this year.
* Discussion ensued regarding pensions and the likely increases. Expected increases had been factored into the budget but there was concern that indications suggested that higher rises in contributions than expected were being discussed. This would be a major issue for SHS and all schools.

**Cashflow** A narrative and back up information had been provided by SR to the Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Re-forecast had been done in Jan 17 as scheduled and the previously forecast issues for Feb and Apr are no longer a problem
* Cashflow looks healthy across the rest of the year
* Previously the falling rolls payment schedule had been forecast incorrectly and has now been rectified
* The creditors from last year expenditure had also been over committed in the previous forecast and is now corrected
* Next re-forecast scheduled for April 17

AL asked if a sub sheet from the cashflow could be produced which remove the income and expenditure categories which were variable and can’t be forecast (i.e. trips and VAT reimbursements). SR will look at the feasibility of doing so and report back at the next meeting.**Virements** – Virements 7 and 8 were discussed, approved and signed.**3-year plan – scenario A**A narrative and back up information had been provided by SR to the Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Falling rolls funding profile between now and 2020 had been profiled inaccurately, not taking into account the difference between the School’s and the LA’s accounting years. This has led to a revisit of previous projections.
* SR has re-profiled the funding to ensure the budget amounts are available within the ECC payment schedule
* Narrative described the assumptions used for calculations including pupil numbers and income and expenditure factors
* Scenario A shows an in year deficit for 2017-18 of (£15,711) which would be covered by carry forward

Committee were informed that the GAG should be released by end of March latest (hopefully end of Feb), and that will help with formulating a 3-year plan with accurate and confirmed figures for 2017-18.**3-year plan – scenario B**A narrative and back up information had been provided by SR to the Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* Using recently revised figures for AWPU and IDACI from the schools forum, SR had run them through last years GAG statement calculations to try to get a more accurate estimate of likely 2017-18 funding
* This resulted in us falling below the threshold for MFG and losing out on £71k
* SR also highlighted that the ESG is likely to be £25k lower than Essex finance are predicting
* The National Funding Formula is also predicted to reduce our income by 0.5% from 2018/19 onwards
* These factors could result in an in year deficit of (£131K) which could not be covered by carry forward
* Planning has started for in-case this scenario hits, and a further update will be available at the next meeting. It was suggested that a sub group could meet in March for an interim update.

 LH updated the Committee on her discussions with Schools Forum regarding the latest updates on the National Funding Formula. The understanding is that this will be phased in in 18/19 with the Schools Forum deciding how these funds will be divided up and then the full formula implemented in 19/20. The letter sent from all Headteachers to the local MPs was circulated to governors. The letter addressed the issues around the extra unfunded costs pushed onto school such as NI and pension increases and the apprenticeship levy, which amount to around 8% funding cut year on year. Further discussion ensued around the financial health of all schools and how more funding must be offered to the education sector.Teachers pensions contributions are set to increase by 2% in April 19, although there is a possibility that it will hit in April 18. SR is monitoring the situation.SR concluded by giving explanation of the difference in predicted in year deficits between scenario A and B and the factors affecting each. It was discussed that the intention was to make savings sufficient to allow for the necessary staff growth in 2018/19 and that the target was to, by 2019/20, create a reserve of around £150k but this may take a little longer to achieve.AL queried when next year’s budget can be set – SR hoped that this will be proposed to the usual June meeting, because it would need to be signed off by FGB at the July meeting for submission to the EFA, although SR would have a better idea by the next Resources meeting in April. |
| **6.** | **Staffing issues**CJH gave an in depth explanation of the previously circulated staffing paper. CJH stated that the School had a strong leadership currently. Recent “tweaks” had saved £30K with a further saving of £69K in an area of over-staffing. CJH explained that the duties of the senior assistant head who is leaving would be absorbed.Explanation was given to the rationale behind appointing an NQT in MFL. The disadvantages were discussed of not doing this – as well as meaning we would not be able to resume MFL at A level, it runs the risk of losing two experienced teachers. The aim is to strengthen our offerings within MFL throughout the school and to strengthen our EBACC position.CJH reported that due to a recent resignation in Psychology and release of a teacher at Easter, this subject would require buying in teaching until the summer – this results in savings of £15K.Psychology will need staffing for the current year 12 going through to year 13. After this period CJH discussed the requirement to discontinue the course. This option is presented as it would help with cost saving without having to make any redundancies.LH outlined how, in order to move forward and come to a decision on the new staffing structure, it was necessary to understand why a new Deputy Head post was being proposed when the school had recently made a DH redundant.CJH reminded governors of the strategy they had signed off in January and their concern then about ensuring there was sufficient leadership capacity to create and implement the development plans. Her assessment of the amount of her time needing to be devoted to this work necessitated a strengthening of the senior leadership and middle management structure, to ensure that the operational running of the School was maintained to the standard which would deliver shorter term goals. It was CJH’s intention to communicate plans to staff at Easter, with implementation in September. She underlined that the proposals would be cost neutral for 2017-18 and thereafter costs would be in line with expected progressions.Further discussion followed regarding who CJH would be line managing and how much time would be needed for the development work. She estimated that 1 ½ to 2 days’ worth of time per week could be relinquished, although DS felt this was an under estimation. CJH felt her proposal of senior management structure change would enable further delegation of line management, would therefore allow her the extra time. This item was to be taken to FGB for final approval. Approval was given to both MFL recruiting an NQT and the removal of Psychology from the curriculum.Approval for the new Leadership restructure was to also be taken to the next FGB on 28th March.(At the end of the meeting, the Committee also discussed CJH’s proposal to regularise the SBM situation by appointing SR formally to that role. She provided detailed evidence supporting her proposal; governors shared their views of what they had experienced from SR in the temporary role since the summer. They agreed the proposal was appropriate and timely, and it was agreed that it should be put to FGB in correspondence so the decision if supported could be implemented for 1st April, which would not be possible if the next FGB meeting were awaited. LH subsequently sent the proposal, with supporting documents and details of Committee governors views, to FGB via email and asked for approval, which was given. The Clerk to the Governing Body has a full record of LH’s email trail and supporting documents for the record). |
| **7.** | **Premises Update**Premises report previously uploaded to weebly siteA substantial letting for around £9.5k per year had been secured by SR for the next three years. This is for a summer activities camp provider.CIF bid was changed back from asbestos removal to roofing as our recent survey showed no urgent asbestos work needed. We have a strong case for roofing and await the results of that and the cladding bid.AW raised issue with negotiation with PCH – discussion followed regarding value for money and obtaining an updated benchmark. SR to provide a benchmarking exercise for presentation at the next meeting on 20th April. This will include costs paid to PCH in the last 12 months and 3 years respectively and value for money that represents. SR will also benchmark with other schools, how long they have worked with their consultants and how much they pay. GH discussed the fact that he would like to see a system of tracking major contracts and recurring costs for the school. SR already had this on a development list and hopes to progress it by the next meeting. |
| **8.** | **Risk Register**There were no changes. |
| **9**. | **NatWest account balance**The current balance was reported to be £787.35 as at 5th January 2017. |
| 10. | **A.O.B.**None**.** |

**Date of next meeting – Thursday 20th April 2017, 4.30pm in i52**