**RESOURCES COMMITTEE MEETING**

**BOARD ROOM**

**FRIDAY 2nd JULY 2021 – 8.30AM**

## Present:

Mrs J Swettenham Chair of Governors

Ms C Herman Headteacher

Mrs K Boulton Governor

Mr A Worth Governor

Mr S Roberts Staff Governor-Business Manager

Mrs D Matthews Finance Manager

Mrs L Smith Clerk

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| 1. | APOLOGIESAndy Williams and Neil Purbrick | **Action** |
| 2. | **MINUTES OF THE LAST RESOURCES COMMITTEE MEETING**Minutes from the Resources meeting held on 23rd April 2021 had been distributed, were not contested, therefore they were approved and signed. |  |
| 3. | **MATTERS ARISING FROM THE LAST MINUTES**SR – reported that the Risk Register re-design had not yet been actioned but would be done as soon as possible.KPI’s – SR recommended a rethink on benchmarking and KPI strategy be addressed next year in light of changing targets and reporting requirements SR proposed bringing some options to the first meeting in October.Health & Safety meeting took place in April – Annual Health & Safety audit and Fire safety audit were discussed. Intruder lockdown procedure was also discussed. Minutes will be circulated. |  |
| 4. | **BUSINESS INTEREST UPDATES**None declared. |  |
| 5. | **FINANCE REPORTS**A detailed narrative and back up information for Budget Position, Cashflow, and 5 Year Forecast, had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting:**OUTTURN 2020-21 UPDATED BUDGET POSITION*** SR felt that the outturn figure was as accurate as it could be at this stage and not likely to reduce. The Outturn is currently £212K to be carried forward. This included £142K rollover of funds of which £105 of Astro sinking fund (this is earmarked but not legally ring-fenced). This left £70K in reserves.
* The breakdown of main variations since the last report that totalled £47k were discussed and are as per the narrative.

These included increased income of £34.5k (ESFA covid testing grant £20k, Dept Services £8.5k, Apprenticeship incentive grant £6k)Savings on cost centres of £51.5k, and additional costs of £39k* The additional costs were additional works to be carried out over the summer and an expected £30k contribution towards the Salix PSDS project.
* SR confirmed that the cancelled trip insurance claims previously discussed had been approved. The successful claims have mitigated our losses to around £3k as opposed to the full £21k that we could have been liable for.
* Lettings – SR confirmed we are on course to achieve the revised lower income figure following adjustment for the impact of lockdown. JS asked about the issues with the sports centre flooring. SR reported on the status of the insurance tendering in regards to obtaining the report and getting it sent off to the insurance company. SR hoped this would be no more than 2 weeks, then the process could begin. It is not likely at this stage that it will be ready for Sept.
* SR confirmed the conditions of the summer grant have been met and will be used for summer school’s resources and staffing. Income will not be received until October 2021.
* KB asked about Government grants for Covid testing in Autumn, there was however no promise of one. SR suggests perhaps there might be a small testing grant to come through by the end of the summer, but again, not definite.

**5 YEAR FINANCIAL FORECAST**SR talked through the changes in format of the report since the last update which were covered in the narrative. These were:* Some ESFA grants which were reported under GAG income are now shown under Other ESFA grants as it better reflects what they are.
* Line added to indicate Revenue to Capital transfers that occur in-year
* The in-year Astro Sinking fund contribution has a line reflecting that it is not spent in year so that it is correctly included in the year-end figures
* The Pupil Premium Staffing contribution has been removed from staff expenditure section to more clearly show the full cost of staffing in the report. The Pupil Premium contribution to other cost centres is reflected elsewhere in the report.

The Revenue carry-forward forecast for 2020-21 is expected to be £212,915*\*SR noted that in the narrative it read “Revenue surplus” and should read “Revenue carry-forward”*The Revenue in-year deficit is expected to be (£38,299) A description of the Astro sinking fund and how it worked was requested and SR gave an overview for new Governors. It was highlighted that not many Governors who were here when it was agreed are still here now so updating all Governors may be very useful.SR talked through the report and narrative highlighting:* In-year surplus was forecast across all 5 years
* Income – Pupil premium funding increased 2021-22 onwards due to increased numbers of eligible students
* Income – Reduced forecast lettings income 2021-22 onwards for prudence as the return to “normal” and how that looks is not certain.
* Income – Pupil numbers reduced for 2022-23 (and beyond) funding to reflect the October 2020 census.

SR quantified that the reduction in numbers equated to 11 students across all of KS3 and 8 students across KS4. This is simply students who have left mid-year and action to fill these places from waiting lists is taking place. There is no concern over student numbers moving forward and this was only included to reflect the possible financial impact of a few students leaving mid-year. Governors were satisfied with the explanation and agreed there was no cause for concern.* Expenditure – Staff salary increases are forecast at 2.75% Support staff and 2% Teachers for years 1-3 and then 1% for all in years 4-5. This is to better reflect the likely financial position in years 4 & 5 as far as possible.
* Expenditure – IT Maintenance expenditure moving forward has been increased to reflect the ongoing investment in the infrastructure projects.
* KS5 numbers – discussion followed on recruitment in KS5 next year, and the predicted numbers. The ongoing strategy for KS5 recruitment is being reviewed to fit in with capacity planning and our own internal numbers increasing as larger year groups make their way through the school

JS mentioned the capital projects which SR noted would be covered under “Updates”. Discussion followed on future strategies to reinvest some of the reserves, and it was noted that this would be addressed in terms of operational priorities and Governance oversight. JS thanked SR and his team for all their hard work especially from the challenging financial year during the last 12 months.**The 5 year forecast was discussed and approved by the committee**.**VIREMENTS**Virement 11 – Known variances to income due before 31st AugVirement 12 - Known variances to income due before 31st AugVirement 13 – Income variation for Covid testing fund coming in and to correct the year end brought forward for 20-21 as per the year end journals.JS commented that these virements along with all virements would be going to FGB.**The virements were discussed, approved and signed.****CASHFLOW**SR explained that no narrative was sent out this time as there was very little change from the main update provided last time.The report was discussed and main points highlighted:* The income actual v’s forecast variations balanced out over April and May
* The higher than forecast staffing costs in Apr/May included invigilators and coaches etc.. and was not indicative or regular costs jumping up.
* The Salix PSDS funding had come in during June which significantly increased month end and year end forecast cash balances

**Cashflow report had been discussed and approved by the committee**.  |  |
| 6. | **BUDGET**A narrative and Budget report had previously been made available to Governors and SR highlighted the following points:* The intention to return to zero based budgeting this year was unfortunately not possible due to the impact of lockdowns but it is definitely intended to be the basis of next year’s budget.
* SR had asked for any significant known changes from budget holders and included these where necessary. Around 10% had been added to departments (curriculum and curriculum support), to reflect the higher student numbers next year.
* The initial contingency (reserves) is set at £303k which does include the Astro sinking fund of £125k for 21-22. *\*note at the start of 2021-22 Virement 1, the Astro sinking fund has been separated from contingency and reflected on the outturn reports as such for clarity. It will be unspent in 2021-22 and will be carried forward again next year.*
* The forecast in year surplus for the year is £90k
* A comparison to the previous years’ set budget and actual expenditure can be made by analysing columns 1-3 on the latest 5 year forecast. This is accurate to the date of the budget setting but will obviously vary a bit by 31st Aug when final income and expenditure are known.
* Capital income and expenditure have been separated out on the budget report
* The appendix 1 gives a breakdown of the expected carry-forward and what it includes.

JS asked if the year-end position was negatively impacted between now and Aug 31st, can we use the Astro sinking fund to balance our position. SR explained that theoretically yes we could. The school has signed a letter of intent to contribute to the replacement of the pitch surface when it becomes necessary but that it was not a legal requirement. It was agreed that the school fully intends to stick to its commitment and this is a theoretical “what if” planning discussion only. JS asked when the pitch surface might need replacing – SR suggested within the next three years. SR also reported that if the proposed construction works commence nearby he intends to approach the Football Association with a bid to expand the Astro to a full size pitch and utilise the sinking fund as a contribution towards the works. SR thought we may have approximately £180-£200K contribution by this time. Further discussion took place on the details of the type of expansion and benefits i.e. better facilities and more lettings as well as positive impact on our Football Academies.**Committee were content to approve the budget for 21/22** |  |
| 7. | **STAFFING UPDATES**CJH gave an overview of the staffing and reported that in terms of teaching, the school was staffed for September. Full breakdown was to be given at FGB. There were still support staff appointments to be made. The Designated Safeguarding Officer role was proving difficult to recruit.Two TAs still to appoint and this was to close 5th July.An Attendance officer role had been appointed.CJH explained it had been more difficult to recruit for support staff roles, due to more movement and expansion. CJH to provide further breakdown, role by role at FGB. |  |
| 8. | **SRMA AUDIT REPORT & RESPONSE**A copy of the SRMA audit report and also a copy of the SHS Response and Action plan document were distributed to Governors prior to the meeting.SR talked through the documents Highlighting:* SRMA audit/visit was prompted by our 20219/20 Budget Forecast Return Outturn that was submitted in May 2020 which showed a forecast in-year deficit of £303k. This was based on data snapshot from April 2020. The in-year deficit ended up actually being £189k and even the higher figure was covered by reserves so we were never going into deficit overall.
* The SRMA audit was formulated against metrics (Kreston/ASCL) and based on data as at Feb 2021.
* SR felt the process was OK and discussions with the SRMA were useful to some degree. Unfortunately, it was felt that the report without some of the context did not fully reflect the overall positive process.
* We were required to submit a response and address the suggestions made in the report. SR discussed what had been submitted starting with an opening section which included all of the background and context to our unique financial situation over the last few years.
* SR discussed the Financial savings recommendations which included reduction of Teaching and Support staff.
* A full breakdown of why this was not practical or accurate is included in the response document and SR talked governors through those points.
* Particular discussion around the fact that our pupil to teacher ratio was within the accepted metrics demonstrated that staff numbers were correct. Our Teacher contact ratio figure of 0.76 was also within the green criteria based on the most recent DFE SRMA Self-Assessment, but was slightly outside of the 0.78-0.80 metric suggested by ASCL. This metric is what was used to suggest a reduction in teachers could be considered. JS commented that this logic didn’t make sense in view of the fact that our pupil numbers were increasing which meant we would be in line with ASCL and were already in line with DFE, Governors agreed.
* SR talked through the rest of the Non-Financial suggestions and action plans as they appear in the SHS response document.
* Particular discussion around Site team salary costs being measured as high against the metrics took place as it was a surprising finding. SR noted that our site team worked all through the holiday and took on repairs, decorating, and projects that the metrics likely base on being outsourced. It was agreed that overall, our solution provides good value for money.

JS noticed there were factual inaccuracies in their report – all agreed this was not good enough.SR confirmed that everything in the SRMA report was suggestion and we are not obligated to act unless we feel it is beneficial. SR did also highlight that we need to document all decisions fully as, in the highly unlikely event that the school finds itself in financial difficulty in the future, the report will be referred to by ESFA.Following the discussion, committee agreed with the actions and responses that had been provided in the SHS Response\Action plan submitted to the ESFA, and as such were happy to agree the response.SR said our response had been acknowledged and had indication from SRMA that it would be signed off and put into “monitoring” mode.It was noted that this had been a lot of work and the report did not necessarily reflect the overall positive feel of the process up to that point. Anecdotal feedback from other schools seemed to share our frustration and feeling that to an extent the SRMA audit process was a bit of a “blunt tool” which works best in Academies that do not have any bespoke situations to take into account. |  |
| 9. | **ICE REPORT 3 OF 3**Page 4 – Blue – reminder that Academies Financial Handbook – internal scrutiny is not just financial and needs to be directed by Trustees. For example Juniper, checks on single central records, Safeguarding.SR felt the risk register is something that’s been directed by Trustees, so this could be added next year.Additional services that could be directed by Trustees were GDPR, scrutiny on cyber security, Website checking, Site security, external report on Health & Safety. It was suggested this is something that could be expanded next year. Academies handbook suggests it should be driven by audit findings and ICE report findings. There was further discussion on linking in monitoring visits next year to the school improvement headlines. CJH felt that may be difficult due to the amount and type of monitoring that would be required. Page 4 – Yellow – EFSA letters need to go to FGB and circulated to SLT. SR will circulate all future letters to SLT. Page 7 – Blue – couldn’t check us on Related Party Transactions, as there hadn’t been any.DM asked about other schools not being happy with Juniper and moving away from them for the ICE. There was some discussion about this on forums and equally some very good reviews too. DM felt the process was robust and a useful service to retain. SR agreed but felt possibly the scope isn’t sufficient for what we need and expanding our scrutiny was important in the future. Committee agreed to monitor the situation and review next year. |  |
| 10. | **BUSINESS CONTINUITY PLAN**No material changes, just contact info and contacts, but amendments have been highlighted in yellow. Committee were happy with this and agreed the plan.Issue dates on 1.6 - SR has put this in Italics as most recent issue, once approved the issue date would be updated. |  |
| 11. | **UPDATES**SR gave an overview of the works planned during the summer. Capital works, we had additional works were scheduled which were reflected in the figures last time.* Refurbishment of the Technology corridor toilets. CJH raised point that toilet doors must be full length.
* Design work in the Hall and Admin. New graphics in the Hall and update the ones in the Admin corridor. Site team will decorate first prior to the new graphics.
* Aircon installs in the 2 worst affected areas of the school. This has been desired for several years but not financially possible.
* Flash flooding affecting the Drama studios – Site worked really hard to dry the floors before the Monday. C8 unfortunately was flooded badly, (no material damage), however remedial works on it have been successful.
* Extra drainage work to be undertaken near the Drama block – AW explained to Committee that a proactive report on weather can be obtained when investigating drainage.
* Playground drainage has been reviewed and a twice yearly jet of drains in that area. SR suggests this could be another area of scrutiny. Discussion took place on any recourse with the company that put in the drains at the time of building – this was clear this would be a long process with them and would take too long, as this needed resolving in the nearer future. It was also unlikely to succeed based on previous attempts to leverage in that area.
* First Aid is being refurbished and moving to the old PE office which will provide 3 private bays and an office at the front costing approximately £2K.
* Carpet replacement – 5 worst rooms in the school to be addressed
* Decarbonisation project is complete and snagging list will be complete by 31st August.
* Budget software – SR reported on bringing in a new finance package in September 2022. In addition, new financial monitoring software was being set up for Sept 2021 and will hopefully provide more flexibility on reporting of management accounts.
* New website is up and running - the intention is to move last years Governors’ meetings over to it, eventually exiting Weebly. JS felt it prudent to retain the last 2 years on Weebly. It was noted that any requests for information could also be accessed through SR or KW.
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| 12. | **POLICY REVIEWS**None |  |
| 13. | **A.O.B.**JS raised issue of possible refurbishment in the future of Science labs. CJH/SR explained this has been one of our CIF applications for the last 2 years.SR reported that there had been a glitch on the cif portal, with it migrating to a new system. The attachments that were intended to accompany the bids didn’t attach and get uploaded. PCH have appealed on our behalf. JS asked about the time frame for appeals - SR explained appeals are normally approved in June/July. CJH explained that it’s only stand-alone academies that have to make cif bids – a MAT get funding which the CEO of each MAT makes the decision on how funds are proportioned across the schools.JS asked if ESFA letters need to be minuted at Resources? SR felt taking to FGB was sufficient, rather than duplicate. |  |

**Date of next meeting: TBC**

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**Signature of Chair of Resources Committee:………………………………………**

**Date: ……………………………………………..**