**RESOURCES COMMITTEE MEETING**

**FRIDAY 3RD DECEMBER 2021 – 8.30AM**

## Present:

Mrs J Swettenham Chair of Governors

Ms C Herman Headteacher

Mr A Worth Governor

Mrs K Boulton Parent Governor – Chair of Resources

Mrs V Noonan Parent Governor

Mr S Roberts Chief Finance & Operations Officer

Mrs D Matthews Finance Manager

Mrs L Smith Clerk

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| 1. | APOLOGIESNeil Purbrick and Andy Williams | **Action** |
| 2. | **MINUTES OF THE LAST RESOURCES COMMITTEE MEETING**  Minutes from the Resources meeting held on 15th October 2021 had been distributed, were not contested, and were approved. |  |
| 3. | **MATTERS ARISING FROM THE LAST MINUTES**  Matters arising were all to be covered within agenda items. |  |
| 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. A brief overview explanation was provided by SR in respect of what the Governor reports reflect. SR discussed the content of the narratives, highlighting:  **BUDGET POSITION**  The forecast year end revenue position is £214k with an in-year deficit of (£68k) which reflects a slight improvement from the last report.  Expected income is up by £9.5k which includes a 16-19 tuition grant and CCF grant for our cadet force, as well as some additional SEN income.  Expenditure has increased by £24k, the majority of which is an increase in expected staffing costs of £19.5k.  The £19.5k costs include savings of £23k form a teacher who is leaving and not being replaced, and some department savings within the Site Team. Additional costs of £42.5k include recruiting a new SSI for the Cadet Force on increased hours to cover expanding group sizes and other duties, increases to hours for the LSA team, additional cost of Science support with a fulltime member of staff being recruited to replace a part time member, and a new part time librarian who has been recruited to facilitate staff changes elsewhere.  SR went on to explain the process for recording all in-year staff changes and the cost impact of each. While reports of impact are reported at a strategic level to Trustees, very detailed records of changes, impact, and decision making process, are maintained at an operation leadership level.  SR reported the increase in NI contributions in April would have a cost of around £19,000 but the DfE have confirmed there will be a grant to cover this which should be available from Aprill 2022. The amount and method of payment should be known by around February/March 2022.  Trustees enquired about possible support staff increase from April 2021 and back pay and the impact it may have. SR updated on the latest position of the Unions and Employers which seem to be at a stand still. Industrial action has been mentioned but does not seem to be likely at this stage. SR reported that the max impact of any decision could be up to £40k in costs to the school if the 1.65% were awarded and back dated to April 2021.  SR has forecast an additional £100,000 for energy, however it will not be known until later in the year, exactly what the energy impact is. It is also too early to see any impact of the PSDS project and if that results in any cost reductions which may help offset the huge increase in energy prices.  AW asked about monthly costs of energy and any possibilities of moving contract if these drop through the year – SR explained how the procurement of energy contracts works with our management company and that the school is contracted to a fixed rate until September 2022.  It was discussed that savings of around £8,000 in agency staff as interim measures were being made within both Science and Maths Departments.  **Budget position report had been discussed and approved by the committee**.  **CASHFLOW**  SR provided explanation of the spreadsheet, explaining the ring fenced funds for the Astro. SR reported the spreadsheet will show actual expenditure in January, then April, flagging any months which may prove difficult. There were no concerns currently though.  JS raised points on figures for all other income and what is or isn’t included, such as ASHE and Tony Taylor’s income from his secondment. SR explained that any know increases like that would be included in the forecast figure when it is next reviewed.  CJH’s Ofsted work was included as a lump sum income. Discussion followed that it’s reflected as a gross figure and costs have to be deducted.  **Cashflow report had been discussed and approved by the committee**.  **5 YEAR FINANCIAL PLAN**  SR provided brief explanation on what each column reflected.  Years 1-3 are reasonably useful and accurate and are what we are expected to report to ESFA and held accountable to. Years 4-5 are horizon planning and are of limited benefit as we emerge into a more stable position that we have been over the past few years.  Assumptions about funding, income and expenditure increases are detailed in the narrative and were referenced by SR.  Currently there is a healthy in-year surplus forecast for 2022-23 and 2023-24. This in turn is ensuring an increasing end of year reserve position for the next few years.  Risks and opportunities were discussed including:  Full years impact of NI increase (£50k) but this should be covered by a grant.  Support staff pay rise for April 2021 and any backdated pay arrangements. SR also noted that and support staff pay decision for April 2022 is unlikely to be funded by ESFA.  Risks in the energy market not improving may mean forecast costs for next year might need to be increased.  SR reported on an ESFA finance event that had been attended that was quite useful. Some key points from that were:  Expected 5% increase in per pupil funding for 2022-23 based on NFF. It was noted that the actual increase for us could not be calculated as we are currently on the Essex formula which differs from the NFF.  This increase however, is expected to cover inflationary costs which the ESFA expect to include future pay rises and energy costs.  Continuation of the Recovery grant for the next 2 years was confirmed whci is good news.  The commitment to increasing the entry salary for teachers to £30k was discussed and SR and CJH detailed the full impact of the knock on of increasing all scales above that. It would be un-manageable and this impact would need to be considered by the Government before they pushed ahead with it. Trustees enquired how big of a risk, or how likely this is to happen. Current feeling is that it is not high on the agenda and common sense is likely to prevail but the situation must be monitored.  **The 5 year forecast was discussed and approved by the committee**. |  |
| 6. | **STAFFING UPDATES**  CJH gave a brief overview of staff movements in the following departments: English, Science (technician), two staff in Maths, two staff in SEN department. The new Maths staff would be starting in January and Easter. In the meantime, one of our part time staff would be going to full time to plug the gap for a term.  Science Technician interviews were taking place next week. A Science teacher was still required – one Science teacher was returning early in order to assist. In total there would be a 6 week gap ahead to manage.  TA interviews were held on 3.12.21. |  |
| 7. | **2020-21 TRUSTEES SUMMARY ICE REPORT**  SR ran through the report which summarised the findings of the ICE reports previously discussed throughout the year. Each point included had a management response which had previously been agreed at committee. Each of these responses were confirmed and accepted and the report would now be sent the auditors as part of the audited accounts reporting procedure.  JS asked if SR could check on the “Dear Accounting letters” circulation to SLT and Members which SR will action as necessary.  Medium priority from the report was one of the two members are not independent of the board of trustees, however extra recruiting had taken place and we now have 5 members with only 1 as a Trustee. | **SR** |
| 8. | **KEY PERFORMANCE INDICATORS AND BENCHMARKING**  SR presented an initial KPI tracker which mirrors KPI’s currently included in the end of year Financial Reports. It was recommended that the list of KPI’s be expanded but as a starting point, this would be useful. It will allow monitoring of KPI’s termly and as it is expanded, will be a very useful monitoring tool.  VMFI – the latest report against a pre-set group of comparator schools was shared. It was noted that this was based on 2019-20 data being compared to 2018-19 data so is not a current reflection. This report may be useful once a year to see how we measure up against previous year in the top areas for investigation which are highlighted.  Benchmarking card 2019-20 – was presented and noted that it was looking at 2019-20 data. The “Areas of interest for all schools” shows we are comparing well. The “Areas for further investigation” highlight support staff costs as % of expenditure. SR feels that some element of this may be due to categorisation under the consistent financial reporting standards and some of our categories may need reviewing.  “Energy as % of total Expenditure” was also highlighted. SR will investigate this but it was noted that when comparing “similar” schools, it take no account of site variance such as swimming pools, astro floodlighting etc.. so this may not be as much of a variance when compared to school with similar facilities.  Benchmarking charts – SR presented a selection of charts that he had pulled taken from the DfE Financial benchmarking website. It was explained that it was based on 2019-20 data which must be noted. The comparator schools had been defined as Essex academies with similar pupil and FSM numbers. The charts were targeted at areas identified either by us or the benchmarking card previously.  Staff cost as % of total expenditure showed us in the top 20% of comparator schools but there were no concerning differences to others.  A selection of charts around utility costs were analysed and Trustees notes the Energy total costs were high. It was also noted that there was a huge variation in costs for the comparator schools ranging from £63k to £192k raising the concern that like for like data may not be being compared here. SR will investigate further on Energy costs throughout the year.  Trustees questioned the relatively high water and sewerage comparison costs. SR felt this may be another area where different facilities in comparator school may not be taken into account for the data (i.e. swimming pool, out of hours lettings, showers etc..). Further investigation will take place for assurance.  A selection of charts around workforce, including staff numbers, pupil – teacher ratio, and curriculum/support/and admin staff were discussed.  The high PTR was noted by trustees and it was explained this due to having to grow staff slowly as pupil number grow and keeping recruitment to a minimum.  Trustees noted no cause for concern in the charts against comparator schools and it was agreed that defined/targeted benchmarking and comparisons would be more helpful that the generic ones moving forward.  Trustees questioned how the staff numbers and FTE was calculated in the data and how part time staff, or maternities etc.. are shown. SR explained that part time staff FTE is pro-rata and maternities are all included in the FTE calculations.  Trustees requested that Benchmarking be brought to Resources termly which SR noted for future agendas. SR also highlighted that as the more up to date data is included in DfE comparison sites, it may be worth looking again at the categories we considered today. Trustees agreed this would be helpful. |  |
| 9. | **GDPR AUDIT**  SR reported that the GDPR audit had gone well and we had improved from Limited assurance to Adequate assurance.  SR gave an overview of the summary findings RAG rating grid on the front page.  Trustees queried the Red rating against Marketing. SR explained that there was only one measure under that criteria and we currently include PTA adverts in our newsletter which is technically counted as direct marketing of a separate organisation. As this one criteria is red, the whole category is red. The solution is to provide links to PTA adverts instead of including them in the newsletter. This will be implemented. Trustees were content with the explanation.  SR explained the areas of focus this year including, Marketing links, Data retention, CCTV signage, and regular updates and training to all staff and Governors. It is hoped with improvement in these areas, we can improve to Good assurance at the next audit.  Trustees were happy with the action plan. |  |
| 10. | **UPDATES**  **Accounts initial feedback/discussion**  SR reported that the auditors presentation had moved to FGB now as Resources Committee are responsible for approving, and FGB then accept recommendation. Resources governors will be in attendance at the FGB, so it was thought better use of time to have MWS present the accounts in full at FGB.  Trustees questioned the slight difference in year-end balance compared to final budget position report previously presented. SR indicated this could be down to handling of Salix loans and a slight variation in Revenue to Capital in the accounts, but he would investigate.  **\*Following the meeting, it was ascertained that the variation was due to a reduction in Summer School Grant funding which came in October but was estimated in Sept for the year-end budget position report to Resources\***  MWS will be doing a full presentation to FGB and all further questions will be covered at that meeting.  **Sports Hall insurance works**  SR gave an update on the previously reported Insurance claim regarding the damage to the sports hall floor from flooding.  Loss adjusters have determined that the whole floor needs to be replaced which will be £100k plus claim. SR is working with them to get agreed a schedule but it is likely to be Summer holidays 2022 due to the time it takes to complete the work, a 6 week window would be good.  The school are responsible for some repairs and fixes which will be done as soon as possible.  **Payment by card implementation**  SR explained the rationale and benefits for implementing a card payment machine for the school. There is a £49 sign-up fee and 1.7% transaction fee. Once credit checks have been completed we can use this card machine.  As this can be seen as a form of lending, it should be reported to Resources and Trustees were satisfied that it was a good decision to go ahead. |  |
| 11. | **POLICY REVIEWS**  SR apologised for the Equality & Diversity Policy not being distributed, but would distribute to the Committee after the meeting via email for ratification at FGB.  CJH left the meeting at 9.58am.  Health & Safety and Charging & Remissions required date changes only.  CCTV policy needed a complete overhaul.  Biometrics – Committee requested that a SHS front sheet be applied to the front in order that it appears the same as other policies.  Trustees requested that the front page of the Biometrics policy be updated to match the format of other school policies which will be actioned before publication.  On this basis Committee were happy to approve the policies presented and to review the Equality and Diversity policy in correspondence following the meeting. | **SR** |
| 12. | **RISK REGISTER RE-DESIGN**  SR gave an overview of the design of the new Risk Register and noted it was a work in progress and was being evaluated here for design and structure not content as only a few examples had been included.  SR noted that the brief to make this more of a live document was what had driven many of the additions. When finalised, it is envisioned that this will be reviewed by SLT as well as Trustees making it more operational as well as strategic. Trustees agreed this was a good approach.  Trustees liked the column for movement which will show if a risk has gone up or down but also suggested that a previous numerical value of risk column be added so it can be compared to current numerical value of Risk. SR will look at how best to work this in.  VN also suggested that access to previously completed (archived) risks is important, especially as we move to a more live system where short term risks may be resolved fairly quickly (within a term etc..). Having these available for review and tracking any repeat risks, or pattern tracking would be very helpful. Trustees all agreed this was a good idea and SR will build in a solution for this. | **SR**  **SR** |
| 13. | **A.O.B.**  All four policies were to go on the FGB agenda. SR to liaise with KW. | **SR** |

**Date of next meeting: 11th February 2022**

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

**Date: ……………………………………………..**