**RESOURCES COMMITTEE MEETING**

**FRIDAY 9TH OCTOBER 2020 – 9.00AM**

**IN BOARDROOM**

## Present:

Mrs J Swettenham Chair of Governors

Ms C Herman Headteacher

Mr A Worth Governor (AW)

Mrs K Boulton Parent Governor

Mr A Williams Governor (AWI)

Mr S Roberts Staff Governor-Business Manager

Mrs D Matthews Finance Manager

Mrs L Smith Scribe

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| 1. | APOLOGIESNeil Purbrick has been appointed to the committee replacing David Churchill who is moving to S&P. The appointment was confirmed too late to allow for Neil’s attendance at this meeting. | **Action** |
| 2. | **MINUTES OF THE LAST RESOURCES COMMITTEE MEETING**  Minutes from the Resources meeting held on 12th June 2020 had been distributed, were not contested, therefore they were agreed and approved. |  |
| 3. | **MATTERS ARISING FROM THE LAST MINUTES**  SR reported to the Committee four purchase orders which due to the pandemic/school closure he was unable to obtain three quotes, and they were over £5,000. This is something that auditors would be likely to flag.  It was explained that these orders were essential for a Sept opening and were both time sensitive and for things with supply\delivery strains due to the pandemic.  Electricity costs – KB asked if this had been concluded yet – SR explained that after review of the meter we now have a net credit of c.£28,000.  JS advised that the Trustees and members would be increasing to 5 (4 are non-trustees). The AGM is being run as a stand alone meeting this year and may have to be done remotely depending on attendance numbers. SR has asked the auditors to attend and give an overview of the accounts for Members. |  |
| 4. | **BUSINESS INTEREST UPDATES**  None declared. |  |
| 5. | **RESOURCES TERMS OF REFERENCE 2020-21**  Two recommendations to amend wording:  Under membership – add in “Finance Manager” will be in attendance.  Under ToR no.7 – amend from Essex Financial Services to Juniper Education Ltd.  The committee were content to approve the ToR with these two changes |  |
| 6. | **FINANCE REPORTS**  A narrative and back up information for Budget Position Year End 19-20, Cashflow year end 2019-20, Budget Position Sept 20, and 5 Year Forecast, had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting the following:  **OUTTURN 19-20 FINAL BUDGET POSITION**   * Final revenue reserves carry-forward was £103k increased from the forecast £52k at June 20 meeting where the budget was agreed. * Significantly more capital expenditure had taken place than was forecast in June, mainly due to preparations for opening in light of Covid requirements. There was no capital c/f as it was all used.   The main variances from the June forecast were:   * Astro re-opening generated £7k income * Dept budgets, exam budget, and support budgets had an additional £31k over what was forecast * Additional income of £10k was received from ASHE in relation to the work CJH does with the organisation   **CASHFLOW**  The final year end cashflow analysis showed the low points for the year were as expected but never as low as forecast.  The year end bank balance was in line with expectation.  SR discussed that the forecast is based on the budget figures as this is the only sensible point of reference to use. The actual flow of funds in and out of the bank will never match this exactly as some payments for the previous year are received and paid after the start or end of the financial year.  There is a fundamental difference between cash flow forecasting and budget outturn forecasting and the differences in what they intended to monitor was discussed.  **OUTTURN 20-21 UPDATED BUDGET POSITION**  Current expected revenue c/f is forecast to be £86,563 (was £9k when budget was set in June)  The main variances that have affected the figure are:   * £50k extra carry forward from 2019-20 * £62k extra catch-up funding (total expected £82k minus the £20k year 7 catch-up funding which is no longer being supplied this year) * £20k extra income from ASHE for the work CJH does with the organisation this year. * Reduced Pupil Premium income by £4,700 in line with confirmed funding * Trip cancellation fees of £22.5k have been included as we may not be able to re-coop these.   Discussion ensued regarding the catch up funding and any restrictions placed on how to spend these funds. SR and CJH explained the “guidance” that had been offered by DFE, and the schools plans to use the funds based on sensibly defined needs not just a broad spend approach on a product(s) that may not be proven to actually deliver required outcomes.  The Committee discussed DFE laptop provision (46 assigned to SHS) and categories of students accessing learning, as well as the issues of getting the laptops to the students in a timely manner. It was also noted that the laptops could not be claimed until we were deemed to be in a high risk area.  Trip cancellation fees of £22,500 was discussed with consideration to getting parents their money back as it’s the right thing to do in the circumstances. All agreed that this was the right course of action.  There may be a route to reclaim some or all of the funds via insurance nearer the trip departure date but this not certain. SR reported that most companies had been flexible but the Ski trip operator had taken a hard line enforcing T&C’s by retaining £17.5k. JS had advised we should get a breakdown of unrecoverable out of pocket costs from the operator. SR reported that they are currently saying they can’t provide that but further enquiries will be made.  SR highlighted that traded income made up £160,000 of our income and will have to be closely monitored should any further lock downs be imposed.  The Outturn was accepted by committee.  **5 YEAR FINANCIAL PLAN**  SR discussed the assumptions and basis for the forecast as detailed in the narrative.  SR then highlighted:   * Expected end of year revenue balance for 2020-21 is £84k up from £9.5k from last report in June 2020. This is in-line with the current outturn forecast * 2020-21 in year deficit is now forecast at (£19k) improved from (£42k) from last forecast * Full 2.75% teaching staff increase has been included for 2020-21 as DFE have indicated there will be no support for it this year. Future years have been forecast at 2%. * Year 4 and 5 of the forecast appear to show the in-year surplus reducing. This is the first forecast where the student numbers stabilise at the max target in year 3 so as expenditure is increased at the same rates for the year 4 and 5 forecast, income does not. SR is content there is no issue with financial decline in year 4 and 5 and will review how future forecasts address year 4 and 5 to give a fairer more “accurate” indication. It was also noted that 3 year forecasts are reasonably accurate and this is the most important time frame to focus on.   AWI asked why there were no PP figures showing – SR informed that he has modelled his own spreadsheet and calculates the PP figures from financial returns rather than completing the numbers in the section which is from a legacy template. It was agreed that this section should either be used to show number of PP students, or removed if it is obsolete. SR will review for the next meeting.  The KPI’s on the summary page were discussed.  JS asked how the teacher/pupil ratio for SHS compared to national (or “similar” schools. SR confirmed it was above the national average based on the latest data available which is always a year behind.  CJH discussed strategic modelling on class sizes and implications this involves. This will be planned alongside financial planning for the future as the two need considering together.  Discussion around Curriculum and financial planning being integrated took place and SR noted that there are tools available to help with this which will be used for future analysis. Currently this is done by having relevant staff work together when planning and modelling scenarios.    SR then highlighted some risks and opportunities from the narrative:  Traded income is the biggest risk this year as it makes up £160k and any lockdown imposed may result in significant loss of revenue.  There may be a route to reclaim up to £25k in covid expenditure for July/Aug as the DFE indicated they would open a claims window in the Autumn term. No news on this yet but SR is monitoring. It was noted that the actual impact of covid costs, including getting the school ready for Sept opening, was closer to £75k.  Ongoing covid costs relating to cleaning materials, PPE, sanitiser etc. was discussed. SR outlined the stock reporting system for all of the items and that it would be analysed at the end of the first half term to try and get a better picture of what costs may be for the whole year. This will be brought to a future meeting  **VIREMENTS**  Virement 1 – roll forward balances from 2019-20. This was discussed and approved. | **SR** |
| 7. | **STAFFING UPDATES**  CJH confirmed there was nothing to add from FGB. |  |
| 8. | **ICE VISIT 3 AND 2019-20**  This visit was undertaken remotely in June.  SR ran through the findings that were discussed:  Page 4 Blue – April ESFA letter should have gone to April Resources but this was cancelled. SR missed it at the June meeting but it is on todays agenda.  Page 6 Green – Purchase card statements signed by Assistant heads when SR is not able to do so. No risk in this practice which has always been done, but really should be documented in the Regs  Page 6 Blue – 1 petty cash transaction exceeded £25.  Page 7 Green – Contracts tracker had not been reviewed this year. It was supposed to go to April Resources but that was cancelled. SR will bring it to a future meeting  Page 8 Blue – Reminder about related party transactions and notifying ESFA. We haven’t had any but point was noted.  Committee accepted the report and agreed the action plans.  **Trustee Summary Report 2019-20**  This report was purchased to meet the requirement in the AFH 2019.  It detailed two red issues that had been reported in previous ICE reports throughout the year. Both these issues had been dealt with at the time.  Committee accepted the report and noted the solutions had been implemented. | **SR**  **SR** |
| 9. | **ICE SCHEME OF WORK 2020-21**  The scheme of work from Juniper for 2020-21 was discussed.  SR also shared feedback form the Auditors that the requirements of the AFH 2020 sharpen the requirements for Trustees to direct the internal audit, not just accept the scheme of work form a third party.  This should be driven by the risk register, auditors feedback, and any other internal monitoring which may highlight target areas.  SR recommended that Trustees approve the Juniper scheme of work but in addition, direct Juniper to any areas of particular focus that should be scrutinised further.  Although the ICE reports of the last few years have not highlighted major concerns, some of the minor recurring findings are around the Financial Regulations and recording Governance. It was suggested that Juniper should be directed to focus on these areas as well as the standard scheme of work.  SR also suggested that the scope of work for the internal audit should be re-visited once we have the feedback from auditors in December to see if there are any other areas of focus needed.  Trustees should also give some thought to non-financial risks on the risk register and consider what, if any, internal auditing should be done for these.  Discussion took place around how well the amended procedures worked during lockdown and if there were any lessons to be learned for the future. It was agreed that what was put in place worked very well but should be reviewed along with the financial regulations as future lockdowns may have a higher emphasis on expectations for procedures and these may be more heavily enforced.  JS raised topic of Risk Register and all trustees having a better understanding of it. It was agreed that Resources will continue to review every other meeting and that thought will be given to reviewing it more than once (as currently) at FGB. |  |
| 10. | **ACADEMIES FINANCIAL HANDBOOK 2020 – KEY UPDATES**  SR and JS reiterated how important the AFH is as that is what Trustees are held accountable to.  SR highlighted that P9 detailing the changes for this year, and section from P60 detailing the “Musts”, are particularly important for Trustees to have a firm understanding of.  Some of the key points and changes for this year were discussed and any further questions from Trustees will be directed to SR in the first instance. |  |
| 11. | **ESFA LETTERS – APRIL 2020, JULY 2020, AUGUST 2020**  The letters from April, July and August were discussed with key points from each examined.  JS asked about trust business and communication with\to Members is sufficient being discussed once per year at the AGM. It was agreed that it was but any extraordinary business could be dealt with by calling a general meeting with members at any time. |  |
| 12. | **UPDATES**  Outdoor Social Space – SR detailed the measures taken to enhance outdoor space to facilitate year group bubbles at social times. This included additional picnic tables demarcation lines and additional covered spaced that will be brought in. There are plans to add at least one more canopy area similar to the pavilion facility throughout this year.  SR described how these facilities are being used now to help with covid response, but also how these will be useful in a post covid environment. Any investment is being carefully considered to maximise immediate impact and long term utilisation.  Site Upgrade Summer 2020 – There was a lot of works completed over the summer which were not covid related, but much needed site improvements. SR ran through the details of these highlighting:   * New showers and plumbing in the changing rooms, as well as decoration and new lighting. This addresses the previous safety concerns over the shower areas and also gives the area an uplift. * New boardroom was created to replace the facility lost within the 6th form move * 6th form move to iBlock complete with huge study space and computer facilities. * New 6th form café installed in space previously occupied by Year 11 café. This provides excellent catering facilities in the new 6th form area. * H50 has been upgraded from a small run down study room to a great new space to replace the Hub and double up as a visitor waiting area when needed. * The old 6th form common room has been converted into a multi use space for Music including a classroom, practice rooms, and storage areas. * Drama have gained a work space which was the old 6th form study space, and two room have been treated with blackout facilities to provide great rehearsal spaces.   Website – The new website is now near completion and content is being updated ready for launch. This is aimed for around Christmas time.  (AW left meeting at 10.30am.) |  |
| 13. | **POLICY REVIEWS**  None |  |
| 14. | **RISK REGISTER**  JS asked about how staff absences were faring and how cover was being affected accordingly. CJH reported that no external cover at all had yet been necessary. AWI suggested it may be worth putting on the Risk Register as it’s now an identified risk.  JS discussed further how Covid was linked to many other categories on the register. All agreed that wording in each of these categories should be updated to reflect this.  It was also agreed that an additional risk should be included around procedures and practices during any future lockdowns, and what impact this may have on school operations.  SR to draft the changes discussed and circulate via email. This can be agreed in correspondence and ratified at next Resources meeting before going to FGB. | **SR**  **SR** |
| 15. | **A.O.B.**  Change of 25th June 2021 meeting to 2nd July 2021 confirmed.  Last of the falling rolls payment had been received. |  |

**Date of next meeting: 27th November, 2020**

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

**Date: ……………………………………………..**