**Resources Committee Meeting**

**Friday 27th April 2018 – 8.30am – i52**

## Present:

Mrs L Hedden (Chair of Governors)

Mr G Herniman (Chair of Resources)

Ms C Herman-Headteacher

Mr S Murray-*via Skype* (Governor)

Mrs K Boulton (Governor)

Mrs K Shaunak-Hobbs (Governor)

Mr S Roberts (Business Manager)

Mrs D Matthews-(Finance Manager)

Mrs L Smith-(scribe)

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| 1. | ApologiesMr Andrew Worth |
| 2. | **Minutes of last Resources committee meeting**  Minutes from the Resources meeting held on 2nd February 2018 had been distributed, were not contested, and were discussed, agreed, and signed. |
| 3. | **Matters arising from the last minutes**  None. |
| **4.** | **Business Interests Updates**  None declared. |
| **5.** | **\*\* Falling rolls situation update**  CJH gave an overview of the recent concerning developments around the Falling rolls funding. A letter had been received from Clare Kershaw – ECC Director of Education, indicating that as our numbers have gone up so much from the original forecast, we must be in a much better financial position and that they were reviewing our need for the remaining funding with a view to divert the remaining funds to BCHS.  CJH explained that we are not in a better financial position as our costs have gone up in line with income. ASHE had been consulted and had been in to meet with CJH and SR to offer their support and advice. SR had put together the financial reports to show how and why we are not actually better off, and still in need of the funding. He had met with Yannick Stupples-Whyley, Business advisor to Essex CC and Schools Forum, to go through the reports.  Clare and Yannick, along with Joe Chell (School place organisation team leader), had met with CJH and SR and Simon Thompson form ASHE, the previous day and CJH talked through the contents of that meeting. CJH and SR had presented the case to Clare Kershaw who then acknowledged the impact of removing the funding from SHS would be disastrous. CK stated that she had changed her mind based on the meeting and had no intention of financially de-stabilising SHS. She later confirmed this in an email to CJH.  It was discussed that the final decision is with Schools Forum so would not be known until close to the end of May, but in light of the meeting with CK, the risk of losing the funding for this year is minimal.  CJH said she would like to recognise SR’s hard work in putting together all the reports and research in a short period of time.  **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:   * The current position is £251,273 and it was previously £217,070.   SR explained the main additional costs since the last outturn amounted to around £7,800 with the main ones being broken down: freezer, swimming pool pump and premises maintenance costs.  The main savings had been on insurance and trip contingencies, and these amounted to around £7,000. Significant additional savings for this year had been made by staff who left at Easter being replaced for the remainder of the year at a much-reduced cost. |
|  | **Cashflow**  SR explained that a report and narrative had not been produced due to time constraints and offered apologies. SR provided a verbal report, that explained cashflow has been tight (as previously forecast), but has not dropped below £260,000. The Committee concurred that a full report could be provided at the next meeting. SR will communicate any concerns in the meantime.  **Virements**  Virement 20 was discussed, approved and signed.  **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:  SR reported that the forecasts deficit position in 2019/20 is improved from the previous forecasts and is currently negative £45,812. The funding statements for 2018/19 came in March as expected and contained no surprises.  SR clarified that the narrative says it is based on an intake of 240 for year 7 and that should read 248.  SR confirmed that the forecast contained known upcoming costs such as LGPS pension increase, TPS pension increase and all staff pay rises as per the recently agreed proposal.  SR highlighted other issues to be aware of: teaching staff pay rises from September 2018 may be agreed higher than the 1%. The impact of this, if it were agreed at 2% could be £7,000, is applied to mainscale teachers only. Worst-case scenario if it applied to all teaching staff could be £35,000.  LH asked whether the government’s commitment to providing £4,800 per pupil in 2019/20 would have an impact on the forecast. SR confirmed that based on the most recent funding statement, this could mean an additional £50,000 funding in 2019/20. SR also mentioned that we may receive MFG which could be around £25,000 if the £4,800 per pupil was not implemented. SR also raised the possibility that the lump sum may be reduced by £40,000 under the NFF, he is monitoring the situation.  Due to the recent falling rolls situation, SR highlighted that we need to have a plan for if we don’t receive the final £75,000 in 2019/20. SR and CJH are working on possible scenarios to facilitate this. |
| 6. | **Staffing**  CJH reported that we are close to being fully staff for September 2018, barring a Science teacher. A good agency Science teacher is currently being trialled with a view to continuing their employment to cover next year. We are looking to train up a technician via the new teaching apprenticeship scheme, which would allow us to produce our own “home grown” teacher, and enable us to make use of the apprenticeship levy which we pay into.  GH requested an update on the staff survey – CJH reported that she was currently in the process of meeting with staff who left comments and processing anonymous feedback. The intention is to feedback at the start of September what has been put in place on the basis of this staff survey. |
| **7.** | **ICE Report (2 of 3)**  SR provided feedback on the most recent ICE report that had been provided to Governors.  SR discussed the yellow indicator attributed to segregation of duties around payroll processing:  We disagree with the evaluation that segregation is not appropriate. The report states that an individual with administrator and approver rights could authorise their own changes. Experience has shown that the software does not allow this to happen. SR, DM and KW queried this with the ICE inspector who was going to check with her Tech department.  SR described the current process whereby the HR or Finance Manager processes the relevant data, this is printed and passed to SR who checks and signs the paper copies. They are then passed back to the person processing, who then finalises them on the system ready for approval. At this stage, the approval report is sent to the relevant member of staff that did not produce the data. This staff member then does the system approval. SR pointed out that this is checked by 3 different people and there is benefit in both the HR and Finance Manager seeing the data, as any discrepancies would be picked up on.  SR explained that the ICE report is advisory and based on Essex Finance best practice guides. SR suggested that if we are happy with our current processes we could update our finance regulations. SR noted that this would still show up as a green advisory in future reports but is happy that our process is secure and robust.  SR went on to discuss that the green advisory under segregation of duties in the report:  The report recommended that approved E Payroll reports also be signed by the Business Manager. SR said that our current process involves him checking and signing the report that is produced just before system approval takes place.  In addition to this, an employee list is checked and verified by the Finance Manager and Business Manager each month. Payroll is reconciled and SR checks and signs the system reconciliation. These two checks cover the same area of risk that the Essex Finance team raised.  Governors tested the risk of collusion which would be necessary between three people for fraud to occur under the School’s processes. SR explained there is no way for fraud to take place involving any less than 3 members of staff, and it would be spotted within a month either way. SR was confident that our current processes provide sufficient assurance and we have mitigated the risk of fraud.  SR asked that Governors approve changing our financial regulations to accept our processes are different from those recommended by Essex Finance and the reasons why. Governors approved this recommendation. SR will include this in the next version of regulations which will go to Governors for approval. |
| **8.** | **Updates**  Apprenticeship levy-SR reported that we are currently paying around £480 pm.  Our current balance is around £4,600. If our technician completes the teaching apprenticeship that will use almost all of our balance to the end of 2018/19.  Contracts-SR confirmed the cleaning contract is going out to tender and we are using Litmus for contract assurance. It is anticipated the OJEU process will begin within the next two weeks. Based on that, the earliest appointment date will be October half term 2018 which is what we are working to.  Churchill will be asked to continue on a monthly basis from the end of their contract in August until the new contract is awarded in October.  LH asked that the team check the point at which a governor or governors would need to become involved in the procurement, and at which level (e.g. member or Chair) and ensure that the requirement for this engagement is factored into the timetable. The value of the contract requires governor involvement.  GDPR-SR reported that we are on track to meet the key requirements of compliance by May 25th 2018 as required. It was noted that the DFE guidance and toolkit had only just been released on Monday 23rd April. SR will share this with the data information team who are working on the GDPR compliance.  Data protection officer service is in place with Essex IGS and our internal team are currently working on information asset register, privacy notices and updating policies. SR remains focussed on addressing training and awareness over the next few weeks. Essex IGS online training materials should be available very shortly and will cover staff and Governor annual training.  SR and the information team are looking at bespoke training needs across the staff. |
| **9.** | **ESFA Letter**  The ESFA letter of March 2018 was discussed. Key points were:   * BFRO is currently being produced to meet the May 18th deadline. * Other deadlines were noted. * New procedures for naming academies who did not comply was discussed, and it was noted that SHS has met all deadlines. * It was also discussed that the new requirement for producing a 3 year budget forecast return in July will be addressed. |
| **10.** | **Finance Regulations**  SR apologised for not having the revised regulations produced in time for the meeting. He requested that he and DM produce a tracked changes version over the next week or so and circulate this to the Committee for review. SR and DM requested that the revised version be reviewed with a target of approval by 25th May (before half term). The Chair agreed this. |
| **11.** | **Premises**  A premises report was produced and circulated to Governors prior to the meeting.  Key points covered were:   * Two recent break-ins during which lead and copper pipes had been stolen, which caused irreparable damage to a boiler. An insurance claim has been approved and is in the process of work being undertaken to make repair. The contractors working on the roofing would be meeting the School’s other costs, such as the insurance excess, as they had delayed removing their scaffolding which facilitated the theft. SR has reviewed site security and doesn’t feel there’s anything further we need to do and our current measures are sufficient. LH, on behalf of AW, asked about CCTV. SR reported that the thief had been caught on CCTV but the images could not help identify the thief and, while the incidents had been reported to the police, they were taking no further action. * SR reported that the Salix energy bid had been successful and work to replace lighting with energy efficient LED across the school, would take place over the summer. LH, on behalf of AW, suggested that PCH be asked to consider separate procurement of materials and installation. SR would pass the suggestion on to PCH, to see if any savings from the grant could be made if they could be deployed elsewhere. * SR fed back that due to the pool doser replacement this year, we have realised cost savings of £1,000 on chemical purchases. |
| **12.** | **Risk Register**  GDPR was added in March – there were no concerns or further changes that Committee considered should be added. |
| **13.** | **NatWest Account**  It was reported the balance is £1,251.03 as at 12.4.18 |
| **14**. | **A.O.B**  None. |
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**Date of next meeting: Friday 15th June 2018 in i52 at 8.30am**