

## **RESOURCES COMMITTEE MEETING**

**FRIDAY 23<sup>rd</sup> APRIL 2021 – 8.30AM – via Zoom**

**Present:**

Mrs J Swettenham	Chair of Governors
Ms C Herman	Headteacher
Mrs K Boulton	Governor
Mr A Williams	Parent Governor
Mr N Purbrick	Governor
Mr S Roberts	Staff Governor-Business Manager
Mrs D Matthews	Finance Manager
Mrs L Smith	Clerk

1.	<b><u>APOLOGIES</u></b>	<b><u>Action</u></b>
	None received.	
2.	<p><b><u>MINUTES OF THE LAST RESOURCES COMMITTEE MEETING</u></b></p> <p>Minutes from the Resources meeting held on 12<sup>th</sup> February 2021 had been distributed, were not contested, therefore they were approved and could be signed.</p>	
3.	<p><b><u>MATTERS ARISING FROM THE LAST MINUTES</u></b></p> <p>Any matters arising were to be covered on the agenda.</p>	
4.	<p><b><u>BUSINESS INTEREST UPDATES</u></b></p> <p>None declared.</p>	
5.	<p><b><u>FINANCE REPORTS</u></b></p> <p>Reports and a detailed narrative for each of the Budget Position, Cashflow, and 5 Year Forecast, had been provided by SR to Governors prior to the meeting. SR discussed the content of the reports and narratives, highlighting:</p> <p><b><u>OUTTURN 2020-21 UPDATED BUDGET POSITION</u></b></p> <ul style="list-style-type: none"> <li>• Change in the format was explained in narrative.</li> <li>• The latest forecast was £141k up from £112k (an increase of about £29K) on the last report</li> <li>• The main variations which have facilitated this increase were covered in the narrative and highlighted for discussion as follows</li> <li>• The Covid premium (instead of catchup premium), was forecast at £82K, calculations on increased pupil numbers increased amount by £6K. Additionally a reclaim from free school meal payments that we paid out for was reimbursed. Also a £5.5K had been allocated to us</li> </ul>	

for the Covid testing programme. £7K savings made as we were due to recruit for an Oasis Manager that was taken up by an internal candidate. We are likely to receive a summer school grant of just over £70K from the government.

- We may need to contribute £30K to the costs of the decarbonisation project (this will be covered later in the agenda). KB asked if this was expected or due to increased costs. SR reported that originally a school contribution was expected, then as the project progressed became very unlikely but due to project completion expectations was now a possibility again.
- JS raised the subject of saving on supply costs and exams and whether there would be underspending with certain cost centres. Although there are usually always underspends in various budgets, SR felt it is too early to say currently.
- JS queried whether it was a given that the union negotiation had completed at zero percent, due to the fact that support staff staffing figures are a significant part of the budget. SR confirmed that the unions are still protesting and have not agreed the freeze but it is highly unlikely it will change, and as such is confident that this would not be a risk. SR is confident for budgeting purposes, that the pay freeze will remain.
- JS Queried if letting income of £40k before 31<sup>st</sup> Aug was realistic? SR reported that based on current uptake of the outdoor facilities and with more easing expected soon, £40k is realistic. SR did acknowledge possible risks to this including further lockdowns\restrictions, and an issue with the sports centre floor which may limit some of the football activities in there until repaired.

**The Outturn forecast was accepted by the committee following the discussion points.**

### **5 YEAR FINANCIAL FORECAST**

The current forecast in year position for 2020-21 was reported as a deficit of £110k (was £80k on previous report), with an expected year-end balance of £141k as per the Outturn report.

SR gave explanation on GAG funding and the move towards the National Funding Formula impact on next years funding. It is expected that the school will be around £40K better off than we would have been under the old formula but this was difficult to pin point as the TPEG and TPG are now rolled into the GAG funding and not separate.

SR confirmed the TPEG and TPG will still be paid separately for 6<sup>th</sup> form next year.

SR explained that income forecast for the next 4 years was based on current (2021-22) formula figures so should represent the lowest possible income.

Staffing calculators for the same period show the max staff option although it is expected that this may fall by 1 next year which will be reflected as

soon as confirmed.

SR has increased the forecasted budget for IT maintenance due to an ongoing refresh\maintenance project (to be covered later in agenda).

KPI's - SR feels the KPI's and reporting thereof, needs a full review which will be undertaken before the end of the academic year. It was agreed that the KPIs we currently review, are not necessarily the most appropriate and useful measure moving forward, as the schools position is changing. SR detailed a target of linking KPIs with benchmarking reporting and presenting as a separate item not part of the 5 year forecast. SR feels KPI's need to be reviewed at Resources Committee, and possibly FGB as well in order to evidence the fact that we are monitoring KPI's and benchmarking a lot more thoroughly.

SR felt the 5 year forecast paints a good picture and looks healthy for the 3 year period where reasonable accuracy is expected. Longer term, there are no big concerns to our financial stability.

JS queried the in-year deficit figure having increased from the previous report and if there are any concerns this may increase further adding risk to our forecast end on year balance – SR confirmed he couldn't foresee any increase in this, especially as our staffing for the remainder of the year was set and this is our biggest expenditure.

There are some capital projects that the school would like to undertake during the summer including refurbishing some toilets, but it was felt that savings in cost centres such as exams and cover, would likely balance the extra expenditure.

JS also queried the increase of cleaning costs including the 5% estimate each year, and if this was realistic. SR explained this was driven by an expected increase of the minimum wage each year which is allowed for in the contract. The cleaning costs were also increased this year as we hired an additional janitor for sanitising during the day. This contract ends in Aug and we have the option to retain or remove the position. SR feels this role would be beneficial to retain after the year's contract expires, therefore has left the costs in the forecast, but if we decide against, then there would be a cost reduction.

**The 5 year forecast was accepted by the committee following the discussion points.**

### **VIREMENTS**

SR gave an overview of what virements 8-10 were covering.

JS indicated that virement 10 needs to be reported to FGB as it's over £35K.

DM raised the point that our financial regulations state all virements should be reported to FGB.

	<p>There was discussion about how best to address this and the pros and cons of amending the financial regulations or reporting all virements to FGB and how best to do so.</p> <p>It was decided that all virements would be reported to FGB and this would be done by building into the Resources Chair's briefing at FGB moving forward.</p> <p><b>Following the discussion points, the virements were approved for signing</b></p> <p><b><u>CASHFLOW</u></b></p> <p>SR confirmed that the issue raised by JS at the last meeting around the Local Authority (SEN) income not being listed correctly, had now been rectified. Previous month's income had been separated out from the "All other income" category where it had been reported in error, and any recent income had been categorised correctly.</p> <p>SR reported that the significantly higher than forecast expenditure in Dec had indeed levelled out as expected over the following couple of months and is now back in line with expectations.</p> <p>It was noted that we are past the months which were forecast to be our lowest balance and no significant issues are forecast for the remainder of the year.</p>	
<p>6.</p>	<p><b><u>STAFFING UPDATES</u></b></p> <p>CJH gave an overview of the posts that have been appointed for September. Two appointments have been made for just after Easter-TL for Computer Science which has allowed the interim TL to move over to her new role as deputy Senco. A transition teacher has also been appointed. From September we have 7 new members of teaching staff. 1 in Social Sciences, 3 in English Dept, 1.4 in Science and 1 in PE Dept. The new pastoral manager for year 7 starting in June, in order to be ready for the year 6 to 7 transition period. Internal appointment made for TL Drama and 2 further (possibly), NQT teachers for Drama next week. CJH noted there could be further movement as a couple of staff have applications elsewhere.</p> <p>KB asked what the reasons for staff movement were – CJH offered the various reasons including promotion, and the required expansion in the English Department It was also felt that nationally, people were starting to consider career moves again as we come out of a difficult period impacted by the pandemic.</p>	
<p>7.</p>	<p><b><u>ICE REPORT 2 OF 3</u></b></p> <p>SR ran through the findings of the report and covered:</p> <p>Page 4 – Blue – Virement 5 needs to be taken to FGB and included in the minutes this was now done and future virements to FGB has been</p>	

	<p>discussed and agreed under a previous item.</p> <p>Page 5 – Red – Sharing of monthly management accounts to weebly were missed in October and November which meant the requirement for monthly reports to the Chair and Vice Chair had not been met. SR accepted that these should have been done and will ensure monthly reports are uploaded moving forward.</p> <p>It was also raised by governors, that evidence of review and discussion of the management accounts should be included in the minutes of the Resource Committee and Full Governing Body meetings in particular.</p> <p>Page 5 – Yellow – KPI review not consistently recorded. Evidence should be recorded in correct meetings.</p> <p>Page 8 – Green - Letting rates review (discussed later in this agenda). Page 8 – Blue - Trips income procedures could not be tested and assured as no trips going ahead this year.</p> <p>JS asked committee members whether they'd registered for the "view my financial information" tool – SR confirmed once they had registered he would be notified and would authorise.</p> <p>JS felt that Full Governing Body need a separate item for the agenda for management accounts as it reflects governance.</p>	
8.	<p><b><u>FINANCE REGULATIONS REVIEW</u></b></p> <p>These were last reviewed in 2019. A copy had been previously circulated to governors with all changes highlighted in yellow.</p> <p>SR reported that there were only a few changes and all of these were in line with previous MWS and ICE findings.</p> <p>P. 6 – an amendment to Petty cash limit – separated out – what we hold and payments made. P. 37 – Despite being listed elsewhere, the Assistant Heads weren't listed as authorised signatories, therefore were added into the authorised list. P. 39 &amp; 40 – clarification was included on capitalisation limits on assets and what is put on the assets register.</p> <p>SR recommended that from previous discussion, the wording in the regulations about all virements going to FGB, should remain unchanged.</p> <p><b>All changes were agreed and the Regulations were approved to be taken to FGB for ratification.</b></p>	
9.	<p><b><u>LETTINGS RATES REVIEW</u></b></p> <p>SR recommended that no changes to the rates should be considered this year particularly in the current climate.</p>	

	<p>KB enquired how competitive SHS was compared to other schools – SR reported that from limited benchmarking that was available we are around average. More benchmarking for the Astro was possible and had been confirmed by our Football Development officer 2 years ago that we were a little below where we could be so rates were increased at that time.</p> <p>AWI suggested that managing renter’s expectations explaining why we’re not increasing charges. This would make it more understandable if and when we do increase rates in the future. Consensus was this was a wise move-SR to discuss with Kevin Lorkins and our Site Manager.</p> <p><b>Committee were happy to approve the lettings rates for 2020-21</b></p>	
10.	<p><b><u>IT INFRASTRUCTURE REPORT</u></b></p> <p>SR noted that while this was an operational project it was felt that it should be reported to Governors as it is a completely new way of dealing with IT infrastructure and also represents very significant ongoing expenditure to the school</p> <p>The project is to address the (beyond) end of life core equipment our network uses in respect of the internet firewall and the core and edge switching. All IT systems and usage relies on these core systems and we are already seeing issues, especially with the firewall, that are affecting teaching, learning, and operations of the school.</p> <p>SR gave an overview of what the firewall and switches were and what they did.</p> <p>Background:</p> <ul style="list-style-type: none"> <li>• The firewall was installed in 2015 and runs 24/7</li> <li>• Internet traffic capacity is capped at 100mb for the site which was fine in 2015 but as technology has moved on and more is on the cloud, this is now severely limiting</li> <li>• Switches were installed in 2013/14 and run 24/7</li> <li>• Without the core switches, nothing will run at all on site. Edge switches would affect different areas of the school</li> </ul> <p>Rationale:</p> <ul style="list-style-type: none"> <li>• The licences and maintenance for all these systems is done on a 3 year basis and expires in June 2021. Just to renew these on the current hardware would be more that £10k payable this year</li> <li>• We need to target investment where it is going to have the most impact and the core structure is already limiting us and will only get worse from here</li> <li>• Use of technology is changing and more learning and resources are internet based and the way that is accessed (devices) is changing</li> </ul> <p>Costs:</p>	SR

- Based on a 5 year period (which is what we have defined as an expected lifespan of IT equipment), Total cost is around £250k (£50k p/a)

Options:

- **Save up for 3 years + and buy outright** – not practical as current technology and service is already causing issues
- **Explore Lease arrangements** – restrictions around leasing for academies, still have ownership/maintenance costs, high upfront costs
- **Subscription based model** being offered by a company we have dealt with for several years (LAN 3). This is a new type of model for hardware but is used extensively for software and resources. LAN 3 are currently the only company we found doing this, but it is expected that this will become more popular – no ownership/maintenance costs, lower upfront costs, flexible arrangement that can be cancelled easily.

### **Firewall**

The firewall solution would increase internet traffic capacity to 1000mb and provide state of the art protection in the form of a Palo Alto industry leading solution

The subscription costs are £1,415 p/m (reducing in year 4 and 5 – total cost for 5 years = £76k

Alternative quotes for a subscription model were not available as other companies indicated they could not provide the service.

Alternative costs for purchase or lease were obtained and compared on a 5 year total cost basis:

LAN3 (subscription) - £76k

Virgin (Annual fee x5) - £140k (they insisted on adding managed services and redundant backup kit despite requests not to, so their quote certainly isn't like for like)

Planet IT (total upfront) - £75k

### **Switching**

The switching we use is from a manufacturer called Extreme which is upper mid-range on the market.

Due the way Extreme work with Preferred Partners, it was difficult to get comparison quotes and they only generally offer a quote via one partner company. An alternative quote was eventually obtained, but again, this was not on a subscription based model as LAN 3 are the only ones that do this currently

Alternative costs for purchase or lease were obtained and compared on a 5 year total cost basis:

	<p>LAN3 (subscription) - £175k Charterhouse (total upfront) - £170k</p> <p>SR acknowledged the slightly higher costs over 5 years but felt the low upfront costs, making the project possible, and the flexibility and removal of ownership/maintenance cost, making the project sustainable and reducing risk, made the proposal a very good way forward.</p> <p>AWI discussed the merits of having a decent firewall and concurred with SR's infrastructure proposal and the subscription model.</p> <p>NP agrees we need to get fundamentals correct – i.e. the firewall - especially as remote connections seem to be the way the world is going.</p> <p>KB asked if there were any risks using LAN3 – SR explained that any monetary loss would be a maximum of £12K of installation costs even if we changed our minds early in the agreement. As we have no lease commitment or upfront payment for the kit, all other risk is mitigated. The firewall would incur a fee if we cancel within 3 years but this would be mitigated with whatever solution we identified to replace at the time.</p> <p>JS agrees this is a compelling case given the sensitive information the school holds. JS feels the model proposed is the more flexible, particularly as our upfront costs are low this year and liability is limited mainly to install costs. JS was supportive of this project.</p> <p>CJH asked about the timeline for delivery - SR explained that the firewall would go in during the May/June half term, and would make the biggest difference, and as the switching project is so huge, summer holidays is the only time available for this. The plan is everything should be up and running for the start of September 2021.</p> <p>AWI asked about the Weebly site not being on a secure platform– SR explained that all the governor data will be moved and accessed in future via the school website, which has a secure area.</p> <p><b>The Committee agreed that the proposed solution was the best option and acknowledged the expenditure commitment.</b></p>	
11.	<p><b><u>ESFA LETTERS</u></b></p> <p>None.</p>	
12.	<p><b><u>RISK REGISTER</u></b></p> <p>SR felt this requires a full review as it's no longer delivering fully what we need now from a risk register. It was noted that what we have is OK but not a responsive "live" document. With the move towards more requirements and review in these areas, and to provide a more active and useful report, we should carry out a full review now.</p> <p>SR suggests possibly review at FGB instead or as well as Resources.</p>	<p><b>SR/AWI</b></p>



	<p>JS felt that after discussions she had with KB the risk register definitely requires a revamp, but doesn't feel it's currently as useful as it could be.</p> <p>JS feels the sense she is getting from government, is that the risk register is going to be more central than it had been previously and required to be reviewed more regularly at both sub-committee and at FGB. It's increasing importance means this is a document that needs improving</p> <p>JS felt it doesn't get updated regularly enough and the information/formats are as good as it needs to be.</p> <p>AWI volunteered to be involved in the review as he has experience in this field. SR thanked AWI and gladly accepted the offer.</p>	
13.	<p><b><u>UPDATES</u></b></p> <p>Decarbonisation – SR briefed the Committee on the numerous challenges with this project. Given the tight timeframe, it was expected to be challenging and certainly had been. Most of the issues had been political and administrative on the part of Salix, but we are now in a position of agreement and assurance for the project completion.</p> <p>SR confirmed the costs savings to our energy are significant mainly due to the replacement of all light fittings with LED around the school. Further savings could become evident as the benefits of the additional Solar Panels are revealed.</p> <p>JS queried what our maximum contribution is, if there is one. SR reported that it would be a max of £30K but likely significantly less once the final reports are confirmed. JS also asked if this was in the budget Outturn currently. SR responded that while it is not currently in the budget, there is an expectation that any cost will be offset by savings which are also not currently reflected in the Outturn. These should all be more certain by the time of the next report.</p> <p>CJH thanked SR for his hard work on this project. JS also added to that and looked forward to the cost savings the school may receive.</p> <p>SR updated the committee on the leak in the Sports hall. Tests are being undertaken currently to confirm the cause of the water ingress and remedial work will be undertaken. A loss adjuster is assigned to the claim and is happy with our current handling. Once a cause has been confirmed and fixed, we can proceed with a claim to repair\replace any damage caused by the water. This could range from a small repair to a full replace of the floor but this will be determined once all information is available. A section of flooring has been removed to assess the damage and it has been agreed that no further work will take place until after the academic assessments have taken place in there as there is nowhere else to run these.</p>	

	<p>It has been risk assessed and agreed the testing and PE lessons can continue, as well as some smaller lettings and clubs (when allowed), however it is felt unwise to permit some football activities as these may not be as easy to mitigate the risk with barriers up around the removed area of floor.</p> <p>SR did note that this may affect lettings income for the Sports Hall but was unavoidable and shouldn't affect the overall expected income for the whole school facilities.</p>	
14.	<p><b><u>POLICY REVIEWS</u></b></p> <ul style="list-style-type: none"> <li>• Whistleblowing – Committee approved this.</li> <li>• Code of Conduct – nothing actively changed. Committee approved – just to change the date to 2020.</li> </ul>	<b>SR</b>
15.	<p><b><u>A.O.B.</u></b></p> <p>SR - DM identified a fraudulent transaction on the school's mastercard which has now been dealt with appropriately and swiftly. It was most likely to be an online card error and it is not felt that our systems are compromised in any way.</p> <p>NP – discussed the delivery of Science rods addressed to him which he had received the confirmation email for. This must have been an error on the company's part and DM will look into this and update NP once we have clarification.</p> <p>KB thanked SR once again for all his hard work on all the projects.</p> <p>Meeting finished at 10.02am.</p>	<b>DM</b>

**Date of next meeting: Friday 2<sup>nd</sup> July 2021**

**Signature of Chair of Resources Committee:.....** *Katherine Bowditch*

**Date: .....** *21 July 2021*