**RESOURCES COMMITTEE MEETING**

**BOARD ROOM**

**FRIDAY 15TH OCTOBER 2021 – 9.30AM**

## Present:

Mrs J Swettenham Chair of Governors

Ms C Herman Headteacher

Mrs K Boulton Governor

Mr N Purbrick Governor

Mr A Williams Governor

Mr A Worth Governor (VIA Skype)

Mr S Roberts Staff Governor-Chief Finance & Operations Officer

Mrs D Matthews Finance Manager

Mrs L Smith Clerk

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| 1. | APOLOGIESNone. | **Action** |
| 2. | **MINUTES OF THE LAST RESOURCES COMMITTEE MEETING**  Minutes from the Resources meeting held on 2nd July 2021 had been distributed, were not contested, therefore they were approved and could be signed. |  |
| 3. | **MATTERS ARISING FROM THE LAST MINUTES**  SR – reported that there was no carry forward from the Covid recovery funding of £89,040.  SR also noted that the school has recovery funding of £23,400, school lead tutoring grant of £19,500 and a grant of £4,400 for 16-19 tuition.  KB asked about works completed from the summer, in particular where we were with the sports hall flooring. SR confirmed that meetings were taking place during the half term regarding this.  Regarding the Decarbonisation project, snagging list had been looked at and pumps in position and would also be addressed during the half term break. |  |
| 4. | **BUSINESS INTEREST UPDATES**  None declared. |  |
| 5. | **TERMS OF REFERENCE 2021-22**  KB and JS queried points 20 to 22 and if they should sit in Resources Committee. Decisions were made as follows:  Committee agreed to remove No. 20.  No.21-to move to Pay Committee (**inform KW**).  No.22-to remain in Resources Committee.  No.23-To be reviewed in January 22 for S & P Committee.  No.8 – Charging & Remissions Policy-discussion followed regarding where this should sit-currently in Standards & Performance, Committee agreed it should be removed from S & P and be moved to Resources Committee.  Committee approved the Terms of Reference as per above points. | **KW/LS** |
| 6. | **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:  **BUDGET POSITION 2020-21 FINAL BUDGET POSITION**   * End revenue total £305,535 (revised from £212,915 forecast in June) * Rolled over budgets were £155K * Reserves were £149.5k (up from £70k forecast in June) * Final staffing bill was £22K less than forecast, this included an element of maternity and other start dates of staff. * Salix decarbonisation project £30K contribution from school did not fall due last year and is being monitored to see what if any school contribution is needed after retention period and final costs are presented. * Also received an additional £20K Covid testing grant. * Energy came in £8K less than previous report. (Energy prices to be monitored). * £54K surplus end of year instead of a deficit. KB congratulated SR on this position.   **CASHFLOW 2020-21 FINAL POSITION**  Final cashflow – reported that there were no concerns during the final months of the year and the year end cash in bank position was £801K which includes £230K of Salix funding for PSDS project.  **BUDGET POSITION – 2021-22 UPDATED BUDGET POSITION**  Budget was set in June to include £303K forecast reserves, currently looking at having £228K which includes sinking fund. Starting funds were increased due to extra carry forward. Additional income for School lead tutoring grant of £25k, and £15K income from Essex Taskforce.  Trustees queried the Essex Taskforce income, SR and CJH detailed the work our SEN Assistant Head has been seconded to carry out and why.  Summer school’s funding had been estimated at £45K, however had been revised to reflect actual costs of £22k. Trustees queried if this had left us incurring costs. SR confirmed the summer schools costs had all been re-claimed within the £22k.  Another significant variation to expenditure has been an additional £65K staffing costs.  Trustees questioned how this increase in expenditure had arisen.  SR highlighted some additional TLR awards relating to the new Head of Year system (£15k) as well as an individual who had been scheduled to reduce their hours and leave the pension scheme for their last year before retirement. They have now opted to remain full time and in the pension scheme until they retire next year. (£24k)  SR added that all decisions are made taking into account school needs and affordability.  SR also gave examples of how staffing cost forecasts change throughout the year and measures taken to plan and monitor these. A spreadsheet of all in-year adjustments to the staff cost calculators is maintained. This records every change to staffing costs compared to the original budget and subsequent changes.  Trustees noted that the most recent teachers’ pay review decisions had not been included as the report was completed prior to the completion of reviews. SR commented that the most recent costs were reflected in the 5-year forecast on the agenda and would be shown on the next monthly budget position report.  Trustees noted that just a couple of changes like this accounted for most of the variation and were reassured by the systems that were in place for planning, monitoring and managing.  Trustees had noted the huge increase in forecast energy costs - SR gave an overview of the expected impact of the significant energy price increases estimating that it may be possible an additional £100k may be incurred over what has been budgeted.  SR also detailed the significant challenges in even getting a fixed price contract and gave examples of the current “standard” rate against what our increased rate is.  Trustees enquired what if any financial support was available and SR confirmed that none had been mentioned yet. It was noted that as more public sector site’s fixed energy contracts expire, more organisations will be affected and pressure may grow for support to be provided but this is far from certain.  Trustees questioned if the impact of the PSDS and likely savings had been taken into account and SR confirmed that it had and detailed the methodology.  It was agreed by all that the actual impact is not going to be known until later in the year when the new billing had been in place for a while.  SR detailed another significant increase in forecast expenditure relating to Grounds Maintenance of around £8k. This s due to an expansion of the contract to increase the service provided. The contract had been minimal for some time and the site was showing some negative signs from this. An enhanced contract will address these issues.  Trustees noted the reasoning and questioned how this would be reviewed, and what protections were in place if the service did not show the expected results. SR detailed the contract extension clauses that are in place that allow both parties a break point at the end of the year, or the option to extend by one more year. Trustees noted the contract assurance.  **CASHFLOW UPDATED** - SR explained the cashflow sheet in line with narrative and cash levels. SR reported that he sees no causes for concern with the September’s actual figures. SR noted the months that are likely to be low were possibly April, May, June, however this would, as always be monitored by Finance together with careful invoice payments.  Trustees noted the report and forecast assumptions.  **5 YEAR FINANCIAL FORECAST**  SR reported that two models had been given to provide some sensitivity analysis ~~being~~ as funding rate increases for next year were not yet known.  Model 1 is a very conservative view with Model 2 reflecting a more likely position.  Both models include the latest Teachers’ pay review impact on a separate line under staff expenditure. They also include an expected saving in support staff of £36k from year 2.  Both models are the same for current year and show the full in-year deficit of (£69k) and overall surplus of £213k.  Model one – increased AWPU by 1% from the 2021-22 base rate for years 2 to 5.  Model two – increased AWPU by 2.5% from the 2021-22 base rate for years 2 to 5. SR explained that the average increase over the last 3 years had been just under 3% but most recently had been 5.5% and 4.5%. Based on this, an average of 2.5% was used.  Trustees questioned the identified support staff saving in years 2-5 and explanation was given that a retiring member of staff may not be replaced. As a decision is made, the staffing calculators will be updated and included in future reports.  Energy – SR reported that information received may show the market showing some signs of stabilisation from April 2022. Given the uncertainties, an increase in the original expected costs for 2022-23 onwards has been include in the forecast.  Discussion followed on 3 year forecast being the marker that the ESFA holds the school to account on. Years 4 and 5 are purely “horizon planning” for the school’s benefit.  SR explained that any future expenditure of the sinking fund which is expected within the next 4 years, would likely create an in-year deficit but would be an easy explanation on the Account Return as we would be re-investing into an asset.  KB asked about when rates come through for the AWPU. SR expects it around the February forum meeting.  Trustees expressed concern at the severe increases in energy prices and the effect it will have on not only school, but other public sector areas too. SR will be following the market news and making enquiries about additional funding but as the moment, none is expected.  JS raised topic of increased NI costs which will impact further down the line-SR thought that this shouldn’t affect the school too heavily and also mentioned that the support staff unions were still battling for a back dated pay rise to last April and noted that there were reserves to cover this cost if it materialises.  Cleaning recruitment difficulties – currently very difficult and very stretched – SR reported that he will be meeting with the area manager on how to manage this crisis. The same difficulties were appearing within Catering and the related issues in deliveries and supplies etc.  JS asked about the level of cleaning around the school-SR reported that the standard of cleaning had dropped, although the sanitising is still happening. Discussion followed on whether pay increases for cleaners would help. The cleaners are working with the school in order to resolve this very difficult situation.  SR reported on the year 12 numbers this year and the strain that has been put on space, resources and catering etc.. With a planned reduction in Year 12 intake next year, numbers will stabilise back in line with strategic plans over the next couple of years. SR also highlighted that the increased numbers create a 2 year inflated income from 2022-23 but this should be viewed cautiously as it drops off suddenly the following year as number in KS5 return to normal.  AWI discussed risk registers and the implications caused by the increased energy costs to schools. Further discussion ensued on the difficulties with the energy contract and procurement of such.  JS asked about CIF bids – this is under item 11 on the agenda.  **Committee were happy to approve the 5 year financial forecast**.  **VIREMENTS**  Virement one – this was a carry forward of funds from last year into various cost centre.  These were discussed, approved and authorised. |  |
| 7. | **STAFFING UPDATES**  CJH gave an overview of the staffing and reported that there had been an unexpected resignation in the Maths department which had now been recruited for, but not in post until Easter 2022. A resolution is being found as to the staffing in between times. CJH explained the staffing needs for Maths next September and the current capacity of staff and the physical capacity challenges at the moment. CJH also reported that the Christian Workers Trust have been given notice due to space issues, and that the ultimate space need was for a Science and Sixth form block buildings. Different solutions are being costed and looked at for interim measures.  Plans for a carousel of new subjects for KS4 were discussed. This would give “taster” sessions to year 9 before they selected their options. It will enable them to make choices knowing a bit more about the subject content and delivery and will hopefully minimise requests to swap courses which are becoming difficult to arrange as the school grows. With capacity on courses being reached and increasing demand in some areas, it is felt that this system will improve the students ability to make subject decisions and all facilitate curriculum planning and timetabling as the school has grown. |  |
| 8. | **2020-21 TRUSTEES SUMMARY ICE REPORT**  SR explained that this would have to be deferred until it comes in and will be sent via email for the Committee’s information for approval in due course. |  |
| 9. | **ACADEMY TRUST HANDBOOK 2021**  JS circulated this prior to the summer holidays-SR felt this was more a discussion point but had 3 significant things to raise:  Requirement for re-tendering the auditors contract every 5 years. SR needs to find out exactly what is expected whether the school can change audit teams or not.  External reviews on governance – SR felt we shouldn’t change course currently.  Minutes of all committee meetings are made public on request. A suggestion that came out of the SMRA audit was to publish them on our website, however we need to consider whether there are confidential items within minutes. SR noted that it may possible to read a script stating why the public was excluded from the next section. This would include reasons such as sensitive information about the business or operational matters that would be compromised if they were in the public domain. SR to address later in the year, as after discussion, there could potentially be content that shouldn’t be freely available to the public. |  |
| 10. | **ICE SCHEME OF WORK 2021-22 & AUDIT COMMITTEE’S DIRECTED FOCUS**  SR raised the requirement for a more directed approach to internal controls that goes beyond the standard 3 visits we have in place already. A copy of the basic Juniper scheme of work (3 day visits), as well as information on other types of internal control services had been published to Trustees prior to the meeting.  Trustees were content to agree the scheme of work for the standard 3 day visits from Juniper.  Trustees then discussed options for additional priorities for internal controls review.   * GDPR was chosen as our most recent audit had shown “limited assurance” which made it an important area to target. * Cyber security was chosen as it is a real hot topic and while we have not had direct issues in this area to date, the potential for harm is significant with attacks on the rise and schools being targeted more and more.   SR gave some overview of work our T Manager has done and areas highlighted for review with cyber security. These included basic penetration testing that had taken place over the summer. It was acknowledged that this is an area that needs further testing and assurance and will be included in the Cyber security control evaluations. SR will now work with the IT Manger to put together a programme of testing which will be reported back.  AWI commented that he has experience in this field and gave some explanation. He also indicated he would be willing to be involved as needed.  Trustees agreed the basic ICE package and the additional areas for review for 2021-22 as detailed. |  |
| 11. | **UPDATES**  Preliminary audit feedback:  16-19 6th form bursary – SR explained that the amount varies each year and how the allocations are usually made and how to make allocation fair. ESFA have now decided that schools are not allowed to do a flat rate payment – and to evidence appropriate use of funds for young people. This came out after the process of applying for the bursary had started. The bursary funding cannot be carried forward.  HMRC checks – individual names now have to be put on a generic check, as opposed to running a brand new check each time.  Trustees names to be updated – accounting officers letters go to everybody.  Lloyds Bank account with a zero balance – explanation was that it’s a client holding account when we pay funds in.  KB noted how good procedures are in the Finance Office with SR thanking the Finance team.  Energy analysis 2020-21 and 2021-22 impact – SR reported on usage statistics on graphs previously provided and the fault found on a meter that Zenergi didn’t pick up on. This eventually produced a £35K rebate. SR hopes that the decarbonisation project helps with the usage over the next year.  Trustees questioned some usage spikes during certain months and SR explained that unfortunately that was during the time when the meter was down and estimated billing was in place. Usage over the next year or two will give a much better overview of patterns and any possible areas for investigation.  Gas usage – more of a consistent graph - SR gave a brief overview of this and there were no areas of concern. Further explanation was given by SR on pricing. All agreed that a longer period of time was necessary to see any savings from the decarbonisation project.  CIF Appeals and 2021 Submission –bids are going in for the same projects, Science refurb and roofing. We are using the feedback from previous failed bids to target the revised bids.  Trustees questioned previous reports into the Science lab conditions and surveys carried out by the ESFA in the past. SR explained that evidence from those reports is used as part of the submission. |  |
| 12. | **POLICY REVIEWS**  None |  |
| 13. | **RISK REGISTER**  The full re-design of the risk register is not yet complete but it was felt necessary to review the old model which is still current as it was due on the schedule.  Trustees agreed that it is adequate with a couple of minor wording changes needed.  The re-designed risk register will be fully reviewed hen it is next scheduled at the Feb Resources meeting and then taken to FGB from there.  That being the case, Trustees were content to agree the Risk Register pending the wording changes. | **SR** |
| 14. | **A.O.B.**  JS said we have two policies that come under the Resources remit:  CCTV and Charging & Remissions Policy – both need reviewing as out of date. SR felt the CCTV needed a full audit with IT Manager on every camera, with reasoning for its placement documented. AWI suggested that quite a few cameras will have the same reason for being in place and its purpose. It was suggested that when the CCTV is serviced, that they could label up the cameras at the same time.  DM praised the appointment of the new member of staff in Finance as it is working well! |  |

**Date of next meeting: Friday December 3rd 2021 at 8.30am**

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

**Date: ……………………………………………..**