

Finance Audit & Risk Committee
Minutes of the Meeting held on Wednesday 30th April 2024
at 6pm at the Sherwood Hill Campus



Steve Cooper (SC)	Co-opted Governor	Present
Robin Dear (RD)	Foundation Governor (Chair)	Present
Gemma Davies (GD)	Co-opted Governor	Present
David Murden (DM)	Ex-Officio Governor / Headteacher	Present
Lindsay Sedola (LS)	Co-opted Governor	Present
Isabel Paulino (IP)	Interim Finance Manager	Present
Beth Brookes (BB)	Deputy Head (The Hill)	Present
Barry Walder (BW)	Finance Consultant; Schools Management Support Ltd	Absent
Rosemary Viggiani (RV)	Clerk	Present

	Item	Action
1.	<p>Welcome; Apologies for absence and quorum (3)</p> <p>RD opened the meeting at 6:00pm and welcomed everyone to the meeting. All were present. Steve Cooper and Lindsay Sedola were welcomed as new members of the Committee.</p> <p>Declarations of Interest</p> <p>There were no declarations of interest in items on the agenda.</p>	
2.	<p>Minutes of the previous meeting held on 27th February 2024</p> <p>DECISION: Governors approved the minutes of the meetings held on 27th February 2024 as a true and complete record of the meeting.</p> <p>Matters arising (see action list below)</p> <p><u>Action 48:</u> the appointment of the new SBM was discussed and noted as a priority, albeit subject to confirmation of funding from Sutton.</p> <p><i>Governors emphasised the need for a stable support staff and asked about the interim roles.</i></p> <p>It was noted that the current interim SBM now has support and is therefore transitioning from a very operational role into a management role.</p> <p>The outline structure of the future role was discussed and was noted as covering all non-curriculum activities. They will play a key role in reducing costs as staffing and sickness are currently a significant part of the budget.</p> <p><u>Action 60:</u> Discussions re Out of Borough Charging have been held with Sutton and it was confirmed that the school will be increasing its fees for out of Borough students to be at parity with the Sutton fees – or slightly more to cover additional admin costs.</p> <p>The school are currently awaiting agreement re the 'TUS' model of charging which has been brought in after moderation from the LA. It is designed to ensure that the school is not incentivised to prioritise the intake of less challenging students. Final agreement has yet to be reached but it is likely that the sums agreed will mean that all students receive the same funding.</p> <p><i>Governors asked if the period for January to April 2024 has been invoiced?</i></p> <p>DM confirmed that it had been invoiced at £38,708 for students at the Hill and £33,600 at the Park and that this covered the schools costs.</p> <p>Governors asked if these increases had been disputed and whether the school would recover the £400k?</p>	

	Item	Action
	<p>IP confirmed that this had been agreed and that the school should be able to claim costs from when the student joined the school.</p> <p>Governors asked how the lagged funds would be accounted for?</p> <p>IP confirmed that they are on the aged debtor list so would not appear in this year's budget.</p> <p>ACTION: RD/ IP to review the aged debtor report for review at the next Finance meeting.</p> <p>It was confirmed that the school had invoiced for students up to date and agreed the new pricing from 1st April.</p> <p>Governors asked about the position moving forwards and how the school would manage relationships in the light of the increased fees?</p> <p>DM confirmed that there was a plan in place to use the agreed model and that there should not be problems given the increased transparency around the fees. IP is raising the invoices.</p> <p>Action 77: <i>Whilst the February BMR was shared on 12th March, governors expressed disappointment that the March BMR had not yet been shared.</i></p> <p>DM reported that he is working with Carol Warne in Sutton to get a reporting schedule in place and to establish a reporting rhythm.</p> <p>ACTION: DM to confirm a time table of month end finance returns for reporting to the Board.</p>	<p>84</p> <p>85</p>
3.	<p>Management Accounts</p> <p><u>Management Accounts to end of March 2024 – Year end</u></p> <p>It was noted that the Management Accounts to the end of March 2024 were not available prior to the meeting but the accounts to the end of February 2024 had been circulated some time in advance. IP stated that all accounts to the LA up to the end of year had been submitted.</p> <p><i>Governors asked when the final end-of-year submission had to be made?</i></p> <p>IP confirmed that the deadline for submission was the end of May.</p> <p>ACTION: RV to convene a Finance Meeting before end of May to review these.</p> <p><u>Draft Budget for 2024/25 – consideration of key factors / assumptions</u></p> <p>The school shared a draft of the three-year budget (2024 – 2027) which had been presented to the Local Authority earlier today.</p> <p><i>Governors asked about the MSAG and whether / how this flows through into the later years in the forecast.</i></p> <p>ACTION: IP to confirm whether / how MSAG flows through into 2024 – 2027.</p> <p>It was noted that one core assumption is that the number of pupils remains steady at 180 across the period.</p> <p>There are a number of matters that arise from the plans including that of accommodation. There is the possibility of a new two-storey building at the Park but those considerations are still at an early stage.</p> <p>The opportunities to raise additional funds in Years 2 and 3 through Lettings were discussed – could potentially be another £40k. However, caution was noted with regards to setting targets too high and then being held to them in order to avoid a deficit position.</p> <p>The significant increase in the bottom line budget over the past three years was noted – now being close to £9million where it was closer to £5million in 2022; this clearly demonstrates how the school has been significantly under-funded in recent years.</p> <p>Staffing remains the largest single expenditure item and the school and significant effort is being put in to ensure that the numbers in the budget match the establishment.</p>	<p>86</p> <p>87</p>

Item	Action
<p><i>Governors asked whether the school were looking to increase the establishment to reduce agency numbers and thus reduce costs?</i></p> <p>DM confirmed that this was the plan but that the school would still need some agency staff as a buffer. One key focus has been to ensure that Midday cover staff are moved from agency to permanent contracts; TAs likewise.</p> <p>The other potential for reducing costs is to better manage sickness; there is also potential for finding other efficiencies. With a more stable support staff structure it will be possible to find more efficiencies in due course.</p> <p>The challenge of incremental drift in costs was discussed and the importance of being able to increase efficiencies and income from lets to manage this was noted.</p> <p>The historic pressure on the school to take more students was discussed and it was noted that the school has had discussions with the LA acknowledging the safeguarding aspect around pupils and cohorts. If the school can take more students they are open to this but any such decisions would require more safeguards around staff. The school does not wish to return to the historic bartering for each placement. The key in all discussions is around reasonableness. Where the needs of some pupils can't be met then the school needs support to find a more suitable provision.</p> <p><i>Governors asked about the flow of funding?</i></p> <p>DM confirmed that it applies retrospectively and is determined termly. The top up funding is in year but the per place funding may be determined differently.</p> <p>It was noted that the school is starting to get tribunals from parents wanting a place for their students.</p> <p><i>Against this background the importance of having the optimum support staff structure in place was noted. Governors asked how tightly the budget had been set and how much "wriggle room" there might be if the need for changes are identified?</i></p> <p>DM stated that he feels that the school has budgeted for enough but there is limited wriggle room.</p> <p><i>Governors emphasised the need to not build in stretch targets for all opportunities around lettings etc; if those targets were too stretching / unrealistic and then not met, that could quickly leave the school back in deficit.</i></p> <p>The Head felt that the budget was fairly conservative and that the school should find some savings quite quickly e.g. re sickness cover.</p> <p><i>Governors asked about the deficit shown in Year 3?</i></p> <p>The Head confirmed that this was due to incremental drift which has some mitigations in Years 1 and 2 but show through in Year 3.</p> <p><i>Governors asked whether there was any scope for 'smoothing' the budget to be closer to breakeven in all years?</i></p> <p>The Head confirmed that there is still some more work to be done and the Local Authority were likewise keen not to have the deficit in Year 3.</p> <p><i>Governors asked that options for smoothing the budget were explored rather than putting in higher targets for other income in Year 3 which would add unnecessary pressures at that point. It was further noted that there are a number of rows where static costs may not be realistic e.g. with regards to swimming pool maintenance.</i></p> <p>IP said that there may be savings in some of these areas where contracts are due for renewal and it may be possible to negotiate better terms.</p>	

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	<p><i>Governors also asked about acceptable levels of reserves noting that academies often hold reserves of around £500k to cover any unforeseen expenditure. Should the school be aiming to build some reserves?</i></p> <p>It was agreed that the main challenge at the current time is to manage cashflow to avoid going back into deficit.</p> <p>Some areas where there may be opportunities for additional funding from Sutton e.g. for repairs to the building and equipment which are higher than in mainstream schools due to damage to skirting boards, walls, doors etc.</p> <p>As regards the capital provision fund it was noted that the LA have been very supportive. It may be possible to include some additional elements of the premises works in the capital fund.</p> <p>Governors acknowledged the excellent progress on the budget – a major achievement compared with last year and the school has clearly now got a working budget. That said it will be a challenge to transition the financial support work back in house having had consultancy support for some time. The key will be to develop the appropriate infrastructure in house to manage it.</p> <p>ACTION: DM to review the budget and present to an additional Finance Meeting later in May before presenting to FGB in June for approval. The revised budget should also consider the cashflow requirements to ensure that the school can meet all requirements during this period.</p>	88
4.	<p>SFVS</p> <p><u>Update re SFVS for 2024</u></p> <p>It was noted that the SFVS had been approved by FGB on 26th March 2024.</p> <p>The spreadsheet of related party transactions had not been available.</p> <p>The SFVS was not submitted by the Finance Department by the deadline of 31st March but was submitted to the London Borough of Croydon by the Clerk on 8th April to avoid any further delay. The spreadsheet of related party transactions is still outstanding</p> <p>ACTION: IP to submit the RPT spreadsheet to Sutton and share with the Board.</p>	89
5.	<p>Risk Management</p> <p><u>Review of the Risk Register - update re key risks including business support staffing</u></p> <p>There had been no further progress on the Risk Register.</p> <p>ACTION: RD and DM to liaise with regards to the Risk Register as per Action 59.</p> <p><u>Standing item: reporting re any GDPR Breaches</u></p> <p>There were no GDPR Breaches to report.</p>	59
6.	<p>Update re Policies</p> <p><u>Data Protection / GDPR suite of policies:</u></p> <p>CCTV Policy</p> <p>Data Privacy Statement</p> <p>These were not available for approval.</p> <p>ACTION: DM to follow up with the aim of submitting these policies to the Strategy Day on 21st May or FGB on 4th June.</p> <p><u>Finance Policy</u></p> <p>Governors asked if the Sutton Scheme for Financing Schools had been updated for 2024 and, if so, what impact this would have on the school's Finance Manual.</p> <p>ACTION: IP to check whether the Sutton Scheme for Financing Schools has been updated.</p>	90 91

	Item	Action										
7.	<p>Board Structure and Terms of Reference for the Finance, Audit and Risk Committee</p> <p><u>Preparation for review of the Board Structure at the Strategy Day</u></p> <p>The Board structure is due for review at the Strategy Day.</p>											
8.	<p>Confidential items</p> <p>There were no confidential items.</p>											
9.	<p>Any other business / Dates of future meetings</p> <p><i>Governors asked about the planned hand over of financial operations to the school?</i></p> <p>There is a three month period before the contract ends. DM confirmed that the school will have help from Greenshaw Trust in the interim period to help plan for the transition.</p> <p>Governors thanks the Head for the update; it was noted that there may be the need for some independent help initially e.g. for checking bank reconciliations.</p> <p>There was no other business.</p> <p><u>Forthcoming Meetings:</u></p> <table data-bbox="523 741 1038 913"> <tr> <td>Premises, Health & Safety:</td> <td>7th May 2024</td> </tr> <tr> <td>Strategy Day:</td> <td>21st May 2024</td> </tr> <tr> <td>FGB:</td> <td>4th June 2024</td> </tr> <tr> <td>Staffing & Curriculum:</td> <td>18th June 2024</td> </tr> <tr> <td>Finance, Audit & Risk:</td> <td>25th June 2024</td> </tr> </table>	Premises, Health & Safety:	7 th May 2024	Strategy Day:	21 st May 2024	FGB:	4 th June 2024	Staffing & Curriculum:	18 th June 2024	Finance, Audit & Risk:	25 th June 2024	
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	<p>The meeting closed at 8:05pm</p>											

Signed: <u>L Sedola</u>	Print Name: <u>Lindsay Sedola</u>
Chair	Date: <u>21/07 24/06/24</u>

LS

Action list

Item #	Action point	Who	By when	Update
Actions arising from the meeting of 8 th March 2023				
48	DM to follow up regarding the outstanding parent debt for school dinners and report back to Governors at the next Finance Committee. Management to ensure that the school follows its published process for managing payment/non-payment for school meals. Also to explore support for families to claim free school meals and to signpost to support to enable them to access wider benefits as appropriate.	DS / DM	Fin. Cttee Autumn 2024	Action remains open pending appointment of the new School Business Manager and support staff. This is currently subject to confirmation of finances with Sutton.
Actions arising from the meeting of 10 th May 2023				
49	DM to initiate a review of the non-classroom based support staff structure at the earliest opportunity.	DM	Autumn 2024	See note on p1, Item 2 of the Minutes of 27 th Feb 24. Action remains open
Actions arising from the meeting of 12 th July 2023				
55	DM to formalise the rationale re the TA pay scale for approval by the Committee/GB	DM	Summer Term 24	This is on the list of actions for Ciara and will be addressed in the summer term; action remains open.
59	RD and DS to meet to re-structure the Risk Register into a more usable format.	RD / DM	Aut Term 2023	DM has updated the Risk Register to make it more accessible. RD and DM to liaise with KC and Ciara to review the format, scoring & mitigation. Alex at Greenshaw Academy Trust is providing support in the interim and this will be within the remit of the new SBM. Action remains open.
Actions arising from the meeting of 1 st November 2023				
60	DM to write to the Committee to confirm what is being requested of the Out of Borough Schools noting what the fees are now, what they will increase to and will include a facility to increase this in future and add a premium for the additional admin costs.	DM	Dec 2023	See discussion in Item 2; page 1 above. Action remains open.
62	BW / SC to provide a written summary of key points for governors to note and discuss in future finance reports. To be available prior to the meeting.	BW / SC	Dec 2023	Action completed and closed; reports will be ongoing.

Item #	Action point	Who	By when	Update
Actions arising from the meeting of 12 th December 2023				
70	DM to update Governors regularly following the meetings with the LA.	DM	Jan 24	Action completed and closed; updates will be ongoing.
Actions arising from the meeting of 27 th February 2024				
77	BW to circulate all monthly accounts to the Board when they are available.	BW / IP	Ongoing	The February BMR was shared on 12 th March 2024. The March report has not yet been shared. DM to confirm a time table of month end returns for reporting to the Board. Action remains open.
78	DM to nudge Beth Brookes re the transfer from the School Fund bank account.	DM	Easter	Action remains open.
79	All to review the final SFVS document prior to submission to FGB in March 2024. Related Party Transactions file to be presented to Governors for information.	All	March 2024	The final SFVS was approved at FGB in March 2024 but its submission was delayed by Finance; it was finally submitted by the Clerk but the Related Party Transactions file remains outstanding. GD and DM to liaise regarding Board / School responsibilities regarding submissions to Sutton. Action remains open.
80	DM to liaise with Karen about the situation with residents, parents and parking at the Park.	DM / KC	March 2024	There have been no further issues since the last meeting. KC is in liaison with the police. Action closed.
81	DM to table the Risk Register to FGB in March 2024	DM	June 2024	To table at the June 2024 FGB. Action remains open.
82	RD to liaise with Karen Cunningham to review the Risk Register for re-submission to the Committee in the Summer Term. This should include the inclusion of risks around community relationships and the potential for damage to reputational risk through social media.	RD/KC	Summer 2024	As per Item 81; action closed.
83	DM to speak to Ciara and Karen re the CCTV Policy and Privacy Statements and to bring them to Finance / FGB before the end of the Summer Term.	DM / KC	Summer 2024	Action remains open

Item #	Action point	Who	By when	Update
Actions arising from the meeting of 30 th April 2024				
84	RD/ IP to review the aged debtor report for review at the next Finance meeting.	RD/IP	June 24	Aged Debtor Report provided
85	DM to confirm a time table of month end finance returns for reporting to the Board.	DM	June 24	
86	RV to convene a Finance Meeting before end of May to approve the 2023/24 end of year report and budget submission for 2024 – 2027.	RV	May 24	Meeting arranged for 29 th May; recommend action closed
87	IP to confirm whether / how MSAG flows through into 2024 – 2027.	IP	May 24	
88	DM to review the budget and present to an additional Finance Meeting later in May before presenting to FGB in June for approval. The revised budget should also consider the cashflow requirements to ensure that the school can meet all requirements during this period.	DM	May 24	Meeting arranged for 29 th May; recommend action closed
89	IP to submit the RPT spreadsheet to Sutton and share with the Board.	IP	May 24	
90	DM to follow up with the aim of submitting the CCTV policy and Data Privacy Statements to the Strategy Day on 21 st May or FGB on 4 th June.	DM	June 24	
91	IP to check whether the Sutton Scheme for Financing Schools has been updated.	IP	June 24	