

Finance Audit & Risk Committee
Minutes of the Meeting held on Wednesday 29th May 2024
at 6pm via Google Meet




Steve Cooper (SC)	Co-opted Governor		Absent
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		Absent
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. The meeting was declared quorate.</p> <p>Apologies were received and accepted from Steve Cooper for personal reasons. Also from IP and BW.</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 30th April 2024</p> <p>DECISION: Governors deferred scrutiny and approval of the Minutes and matters arising to the next meeting.</p>	
3.	<p>Management Accounts</p> <p><u>Management Accounts to end of March 2024 – Year end</u></p> <p><i>Papers were circulated in advance of the meeting.</i></p> <p>The Year end accounts were noted.</p> <p><i>Governors stated that it is difficult to judge the quality of the numbers in the absence of any audit. It is important to consider how some reassurance can be developed.</i></p> <p>ACTION: DM to enquire how other maintained schools in the SET gain reassurance regarding their financial processes though some form of internal / external audit.</p> <p>DM stated that the biggest challenge for the school is managing the separate budgets and cover sickness within the budget as set. As regards cashflow, if the out of Borough invoices are issued and paid promptly then there should not be a cashflow issue. He is liaising with IP to ensure that costs are spread across the year as far as possible and that the internal budgets managed by Leaders should be spread across the three terms with a spending cap.</p> <p><i>Governors asked for a high level schedule of income and payments across the year to give some reassurance that any potential issues with regards to cashflow and budgets can be identified and addressed at the earliest possible opportunity.</i></p> <p>ACTION: IP to develop a high level schedule of income and payments across the year to facilitate the monitoring of budgets and cashflow.</p> <p><u>Draft Budget for 2024/27 – consideration of key factors / assumptions</u></p> <p><i>Papers were circulated in advance of the meeting.</i></p> <p>DM shared the three-year budget on the screen.</p>	<p>92</p> <p>93</p>

Item	Action
<p><i>Governors thanked David for his work on the plan and asked about comparisons with 2023/24?</i></p> <p>ACTION: DM to include a column with the 2023/24 actual income and expenditure as a reference point prior to FGB.</p> <p>DM talked through the budget noting the top up funding from the LA was still being finalised with the calculations around the T's, U's and S's still to be confirmed. The aim is to ensure that the school can take children with the greatest needs with no financial consequences. This has not yet been fully resolved but the bottom line of £6,306,398 should be broadly correct.</p> <p>The budget assumes that the school will retain the same number of pupils; this should be a safe assumption given the levels of need in Sutton and other local Boroughs. This reduces the risk.</p> <p><i>Governors asked about the funding differential for the T, U and S categories?</i></p> <p>DM explained that children classified as T need 1:1 support for most of the time; S need 1:1 all the time including during breaks; U require the least support (potentially one member of staff to two children) and are therefore the least expensive in staffing terms.</p> <p>The funding is still being negotiated. One challenge is that the children's needs can vary and it is helpful to keep a buffer of agency staff to allow the school's provision to flex according to current needs. If the school has more children in the U category that can help the school to keep this buffer of agency staff.</p> <p><i>Governors asked if the funding directly reflect these ratios?</i></p> <p>DM: Nearly – it still being worked out. At the current time the school is slightly better off with more children at U than S at the moment. The aim is that the formula will be set into our condition documents and it is hoped that the funding can therefore flex if the children's needs change. However, it is recognised that it is difficult to flex in year but it may be possible on a termly basis. The key point is that the school manages within the overall budget envelope.</p> <p><i>Governors asked a range of detailed questions about the budget including when the LA pay, what assumption has been made with regards to inflation and pay rises, the number of students registering for Pupil Premium funding, the number of Lets, sickness cover, catering, vacancies including the new business support roles and the family liaison and welfare roles.</i></p> <p>The Head responded noting that the LA pay termly in arrears and he believes that inflation was set at 3% but he will check this before FGB.</p>	94
<p>ACTION: DM to check what inflation figures were used in the budget to allow governors to judge the risks and potential impact.</p> <p>An important task for the new SBM will be to review the number of families claiming PP funding and to improve the take up by eligible families. Likewise with fundraising and lettings. Currently lettings is largely restricted to the use of the Swimming Pool and is set at £80k for 2024/25 rising by £20k in 2025/26 and a further £30k in year 3. This may be a stretch to achieve in 2026/27 but there is time to review and address this.</p>	95
<p>ACTION: DM to confirm the figures for Lettings in 2023/24 for comparison with the proposed budget to be able to assess any potential risks and impact.</p> <p>It was noted that DM had levelled the budget between years to smooth out the surplus / deficit by year. This was done by reviewing the situation regarding TAs and sickness cover.</p> <p>The catering provider will change during this period as this is contracted through the LA.</p>	96
<p>ACTION: DM to confirm the income and expenditure for catering and the proposed in year balances.</p> <p>DM explained that the LA will be expecting to see vacancies moving over to substantive posts in Year 2 and 3; this will be shown in the Deficit Recovery Plan.</p>	97

Item	Action
<p>DM explained the situation regarding the use of an additional PPA teacher for Planning, Preparation and Administration (PPA) cover to replace the current arrangement where Senior TAs act up. This will be costed as a teacher rather than an STA but, whilst more expensive, is the right approach for the children. There will still be opportunities for STAs to cover some sessions to support their CPD. This change is reflected in the £23k quoted in the budget to cover an additional PPA teacher starting in September (so not a full year). It is an entitlement for teachers to have cover for that time. Whilst the use of SLT for cover has been considered, it was decided to restrict this for interventions.</p>	
<p>The Senior Leader budget was discussed noting that one member of the SLT was represented as 0.8 in the budget (which is the reality) but was always shown as 1.0 in the budget as the school cover the Friday she does not work. Because of the need for handover time this has now been included as 1.5 and, in reality this will most likely be used by including the time for 0.4 of an assistant head's time; this will allow work to be delegated and, whilst this costs slightly more it will improve both the quality and efficiency of the management.</p>	
<p>The plans for recruiting an SBM; Finance Manager; Finance Officer and part-time HR manager were discussed. Over the past couple of years monies have been spent on interim solutions; the part-time role of the HR Manager is mitigated by the SLA with Action HR when needed.</p>	
<p>A number of roles will be transitioning from temporary to substantive, allowing for more prudence in this first and second quarter – there are likely to be some savings. It is unlikely all will start in September but the budget allows for a September start.</p>	
<p><i>Governors encouraged the Head to prioritise the establishment of these substantive roles and asked that the plans for the business support staff roles be detailed for FGB.</i></p>	
<p>ACTION: DM to indicate the business support roles and related budgeted for those roles for consideration by FGB.</p>	98
<p>DM noted that he has reduced the budget for staff development and training and will increase that if the monies allow. It was noted that all staff (c230 people) will need to be trained at a high level in Studio 3 behaviour management training. Whilst £53k looks a lot it is commensurate with the school being a centre of excellence. The schools Outreach offer is likely to grow (Row 69) but this has not been included.</p>	
<p>The budget for utilities is flat and it is not certain how this will change over the budget period. There are some risks around this. Overall the strategy has been to manage with minimum reserves in line with the strategy proposed by the LA around reasonableness – to ensure that the school has a small but sufficient surplus to manage within the proposed budget.</p>	
<p>ACTION: DM to consider whether inflation should be applied more consistently across the school's forecast costs and what the situation is with regards to the current utility contracts – whether the costs are set or rise according to an RPI or similar clause.</p>	99
<p><i>Governors asked about the costs relating to Post 16 noting that the reduction from £15k to £5k is a substantial drop.</i></p>	
<p>DM explained that an investment was planned for 2024/25 as this is marked as an area for development in the SDP and by Ofsted.</p>	
<p>It was also noted that colleagues have not been using departmental funds and an improved process needs to be developed to allow colleagues to bid for funds.</p>	
<p>Other matters touched upon included the website costs; swimming teacher costs; vacancy cover and the costs of mid-day supervisors. One of the aims of structuring the budget as presented is to develop greater ownership from all Senior Leaders.</p>	
<p>As regards the additional roles for wellbeing; family liaison etc, the list of all staff (including vacancies) has been reviewed and signed off by the Heads of School.</p>	

	Item	Action						
	<p>All wellbeing roles are now budgeted from September with money being sourced from the sickness cover pot. If more cover is needed it can be provided by these roles where necessary.</p> <p>ACTION: IP to provide greater granularity with regards to staffing by month to allow governors to better understand the staffing in place by role, campus and month.</p> <p>The approach to managing sickness was discussed allowing cover to match the actual students in class on a day-by-day basis.</p> <p>The budgets for the various SLAs was noted; these will be reviewed by the new SBM in due course.</p> <p>Other matters discussed included the mini-buses and the FOSPS target to provide a new one.</p> <p>Overall the Governors felt that the budget was in better shape than previously and thanked the Head for his work in this area.</p> <p>ACTION: DM to provide a summary of the key assumptions underpinning the budget for consideration by the Board.</p> <p>DECISION: The Committee recommended the budget to FGB for approval.</p>	<p>100</p> <p>101</p>						
4.	<p>Aged Debtor Report</p> <p><i>Papers were circulated in advance of the meeting.</i></p> <p><i>Governors reviewed the Aged Debtor report and asked about the process for aging outside of expected payment terms?</i></p> <p>DM explained how the process for Out of Borough invoicing / follow up has been developed. It was noted that all the Boroughs had issues with the accuracy of their student records and this has been a useful review process.</p> <p>The school was encouraged to continue chasing for payment as the older a debt becomes the harder it is to secure the payment.</p> <p>It was noted that IP is following up on this work and it was noted that significant progress has been made; Governors thanked IP and noted the encouraging improvements.</p>							
5.	<p>SFVS / Related Party Transactions</p> <p><u>Receipt of spreadsheet re Related Party Transactions and confirmation of submission to Sutton.</u></p> <p>The spreadsheet of related party transactions has not yet been provided.</p> <p>ACTION: DM to follow up with IP regarding the Related Party Transactions Spreadsheet.</p>	79						
6.	<p>Confidential items</p> <p>There were no confidential items.</p>							
7.	<p>Any other business / Dates of future meetings</p> <p>There was no other business.</p> <p><i>Governors thanked DM for his work in this area, and that of the team. The budget is in much better shape than last year.</i></p> <p>Forthcoming Meetings:</p> <table data-bbox="507 1693 1023 1798"> <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>	FGB:	4 th June 2024	Staffing & Curriculum:	18 th June 2024	Finance, Audit & Risk:	25 th June 2024	
FGB:	4 th June 2024							
Staffing & Curriculum:	18 th June 2024							
Finance, Audit & Risk:	25 th June 2024							
	<p>The meeting closed at 7:27pm</p>							

Signed:		Print Name:	Lindsay Sedola
Chair		Date:	24/06/24

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. Ctte 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 Clara 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 Clara 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.

Item #	Action point	Who	By when	Update
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.
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.
83	DM to speak to Clara 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
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 MSAAG 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

Item #	Action point	Who	By when	Update
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	
Actions arising from the meeting of 29 th May 2024				
92	DM to enquire how other maintained schools in the SET gain reassurance regarding their financial processes through some form of internal / external audit.	DM	Sept 24	
93	IP to develop a high-level schedule of income and payments across the year to facilitate the monitoring of budgets and cashflow.	IP	Sept 24	
94	DM to include a column with the 2023/24 actual income and expenditure as a reference point prior to FGB.	DM	4/6/24	
95	DM to check what inflation figures were used in the budget to allow governors to judge the risks and potential impact.	DM	4/6/24	
96	DM to confirm the figures for Lettings in 2023/24 for comparison with the proposed budget to be able to assess any potential risks and impact.	DM	4/6/24	
97	DM to confirm the income and expenditure for catering and the proposed in year balances.	DM	4/6/24	
98	DM to indicate the business support roles and related budgeted for those roles for consideration by FGB.	DM	4/6/24	
99	DM to consider whether inflation should be applied more consistently across the school's forecast costs and what the situation is with regards to the current utility contracts – whether the costs are set or rise according to an RPI or similar clause.	DM	4/6/24	
100	IP to provide greater granularity with regards to staffing by month to allow governors to better understand the staffing in place by role, campus and month.	IP	4/6/24	
101	DM to provide a summary of the key assumptions underpinning the budget for consideration by the Board.	DM	4/6/24	

