

Finance Committee
Minutes of the Meeting held on Wednesday 10th May 2023
at 6pm at the Sherwood Hill Campus



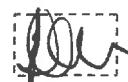
Sherwood Park School
 Sherwood Park Campus &
 Sherwood Hill Campus

Robin Dear (RD)	Foundation Governor	Present	
Gemma Davies	Co-opted Governor	Present	
Matthew Grew (MG)	Co-opted Governor	Present	
Claire Hadcocks (CH)	Co-opted Governor	Present	
Brian Ikin (BI)	Co-opted Governor (Chair)		Absent
David Murden (DM)	Ex-Officio Governor / Headteacher	Present	
Chris Williams (CW)	Local Authority Governor	Present	
Debbie Sinclair (DS)	School Business Manager	Present	
Barry Walder (BW)	Finance Consultant; Schools Management Support Ltd	Present	
Rosemary Viggiani (RV)	Clerk	Present	

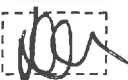
	Item	Action
1.	<p>Welcome; Apologies for absence and quorum (3)</p> <p>RD opened the meeting at 6pm and welcomed Debbie Sinclair as the recently appointed interim School Business Manager.</p> <p>Apologies were received and accepted from BI for personal reasons.</p> <p>Declarations of Interest</p> <p>There were no declarations of interest regarding items on the agenda.</p>	
2.	<p>Minutes of the previous meeting held on 8th March 2023</p> <p>DECISION: Governors approved the minutes of the meetings held on 8th March 2023 as a true and complete record of the meeting.</p> <p>Matters arising (see action list below)</p> <p>Action 38: Capping of TA scale in the future</p> <p><i>Governors asked about the scales used by the school, how they compare with other schools and whether progression is automatic?</i></p> <p>DM confirmed that capping could be looked at for new entrants but he is concerned about the potential impact this could have on retention. The current scales are 7 – 15 for TA's and 15 – 20 for senior TA's and progression is automatic. The school is funded assuming scale point 9.</p> <p><i>Governors asked to what extent new entrants are aware of the progression and whether it would be a barrier to recruitment if it were reduced?</i></p> <p>DM and BB said that they thought it would not have a significant impact on recruitment and that this should be reviewed during the planned review and restructure of support staff.</p> <p><i>Governors asked about the range, where staff currently sit across the range and the financial impact of this.</i></p> <p>BW confirmed that the financial progression across the whole range is c£6k / £7k; across the school this is significant. Many of our TA's are on around £26k compared to £22k in other schools. Our costs are more aligned with the cost of agency staff. Whilst funded for Point 9, more of our staff are at Point 12 and this is adding to the budget deficit.</p> <p>DM stated that he is planning to provide a delegated budget to the Head of School at each campus as a part of the current budget setting process.</p> <p>Actions 37 and 38 were closed to be replaced by Action 49.</p>	

	Item	Action
	<p>ACTION: DM to initiate a review of the support staff structure at the earliest opportunity to include the potential for capping the TA scale and linking progression to performance.</p> <p>DECISION: Recruitment should be frozen pending the review and approval of the budget.</p>	49
3.	<p>Management Accounts and future budget scenarios</p> <p><u>Management Accounts to end of March 2023 (M12 – End of Year)</u></p> <p>The BMR had been circulated prior to the meeting.</p> <p>BW reported that he had already submitted the year end figures to the Local Authority.</p> <p>It was noted that the additional funding of £183k for the 12 months from September 2022 had been agreed after the year end but the school had been given approval to accrue 7/12 of the £183k for the period September 2022 – March 2023. The accounts had then been re-submitted.</p> <p>It was noted that the in-year deficit reported in the papers circulated prior to the meeting was £299,414.</p> <p><i>Governors asked for confirmation that this additional funding was included in this figure and hence in the total revenue carried forward deficit figure of £747,424 quoted in the papers circulated?</i></p> <p>BW confirmed that this was the case.</p> <p>It was noted that the additional £183k effectively covers the staffing that the school has already put in place.</p> <p>The per-head top-up funding for students was noted as £21k per student at the Park and £28k per student at the Hill without individual top ups. The core £10k funding per student is added to these figures.</p> <p>The Head and the Leadership Team argue that actually both sites have students with the higher needs; it is hoped that the forthcoming Moderation will prove that this is the case.</p> <p>Currently the school has two pathways defined – the Park and the Hill. However, it has become apparent that other schools have more pathways defined and this may be an option for Sherwood Park moving forwards.</p> <p><i>Governors asked about the main factors that gave rise to the overspend for 2022/23 noting that up to June 2022 the finances had been on track to deliver the planned £50k surplus?</i></p> <p>BW reported that, in setting the budget for 2022/23 that team had costed the staff that the school had in place and tried to work within the funding. However, this had not been possible due to a number of factors arising during the year including the:</p> <ul style="list-style-type: none"> – unfunded pay award of around £200k; – increased utility costs; – unbudgeted long term sickness and HR issues; – staffing decisions made e.g. to employ Sylvia <p><i>Governors noted that the good relationships and regular communications with the Local Authority meant that these figures were not a surprise to the Authority. But, despite this it was noted that there are risks associated with the current deficit and the potential for changes in personnel at the LA and Governors therefore asked - at what point do the LA say 'enough' and what would the consequences be at that point?</i></p> <p>BW confirmed that the LA had not expressed concern over the deficit to date but they want the school balanced moving forwards. The school is taking increased numbers and meeting their needs; the LA are providing additional funding and the understanding at the time was that this would help contribute to reducing the deficit. However, the figures are showing differently and this therefore needs further discussion with the LA. However, there is no immediate pressure.</p> <p>Governors agreed that the school had presented the reasons for the drift in the deficit for 2022/23 and that the variance is understandable given the circumstances during the year. It was also noted that the LA were aware of the situation.</p> <p>DECISION: Governors approved the Budget End-of-Year Return for 2022-23.</p>	

	Item	Action
4.	<p>Budget for 2023/24</p> <p><u>Draft Budget for 2023/24</u></p> <p><i>It was noted that Governors were unable to review the papers in any detail as they were provided on the day of the meeting.</i></p> <p><i>The Sutton Scheme for Financing Schools had been circulated prior to the meeting and Governors noted that, under para 4.6, schools have to submit a deficit recovery plan if they are seeking approval for a planned (licensed) deficit.</i></p> <p>DM agreed that there are difficult decisions to be made and that DS, the interim School Business Manager, is looking at each part of the establishment set up and where the funding is going in order to provide the information required to make the most appropriate decisions.</p> <p><i>Governors asked why this information was not already available? It is frustrating as it seems that the school and the board never get to the point of making decisions.</i></p> <p>DM confirmed that this was largely due to not having an SBM in place. BW is unable to provide the resources needed to fully manage the complex budget with many agency staff and a high turnover of senior leaders and other staff due to sickness. Too many decisions have therefore been made on 'ball-park' information.</p> <p>DM is aware that the current draft budget still needs further work to provide more robust information and it needs to be viewed in this light. However, he is hopeful that the more robust data will be available shortly. He can then present the Board with different scenarios. It may be necessary to scale back new positions. £250k has been ring-fenced for sustaining the school but it may be necessary to stagger recruitment.</p> <p>£150k can be saved by moving the mid day supervisors from the agency on to payroll.</p> <p>The work currently being undertaken will allow the leadership team to make more informed decisions. The aim will be to develop budgets for each of the schools – the Hill and the Park – which can be managed by the Heads of School at each campus.</p> <p><i>Governors stated that they need some assurances. The draft budget numbers for next year show an increase in costs of £1.6m. Governors need to understand what is driving that and how it can be pulled back. Governors expressed concern that the school may not be able to submit a budget and, in this case, it is better to discuss with the LA sooner rather than later.</i></p> <p><i>Governors asked if the LA had seen the £1m forecast deficit for 2023/24?</i></p> <p>DM confirmed that they had seen it.</p> <p>The previous discussions with the LA had noted the £300k deficit for this year and the LA had offered more children to resolve this moving forwards. Funding of £75k per place had been negotiated to cover the costs for a new class and to provide a surplus to address the core costs. The Authorities expectations were that this would bring the school closer to a balanced budget. The additional funding was needed to cover the costs of the staff as set out in the commissioning document – an Assistant Head, Family liaison etc</p> <p><i>Governors asked whether the needs of the school, including the additional students, cost more than the additional £75k per student as negotiated?</i></p> <p>BW agreed that this was the case. These students and this funding are now included in the latest budget plan giving rise to the £1m+ deficit.</p> <p><i>Governors expressed concern that these are huge numbers to recover. Governors found it difficult to see how this could be reduced below £500k in-year.</i></p> <p><i>Given that the roles listed are included because the Commissioning Agreement says that they are required, Governors asked whether it is actually not viable for the school to deliver against the Commissioning Agreement?</i></p> <p><i>Governors also asked about Cash Flow?</i></p> <p>BW confirmed that the school had recently had to apply for funds to cover short term cash flow problems and that the school had gone overdrawn at the bank for a short period.</p>	




Item	Action
<p>In part these problems are being driven by the arrangement where the school spends up front on items required by Cognus but the payment from Cognus follows later. There needs to be an arrangement where Cognus pays up front.</p> <p>It was noted that Sutton has visibility with regards to the numbers and it is likely that the school will face increasing requests for expansion.</p> <p><i>Governors asked about the potential sanctions that might be applied to the school if it is unable to offer a balanced budget?</i></p> <p><i>Governors noted that, subject to the additional work being undertaken, it might be that the projected costs are those that are required to provide the agreed provision. If that were the case it would be wrong for the school and governors to inappropriately reduce the budget. The budget presented to the LA needs to be that which is required to deliver the commissioned service and the question then is how this can be jointly addressed.</i></p> <p>DM confirmed that there is still more work to be done by the school and that he will then be in a position to present something more substantial to the Board at that point.</p> <p><i>Governors noted that the final date for submission of the 3-year budget to the LA is 20th June.</i></p> <p>It was agreed that the Budget will not be ready for approval by the planned FGB on 24th May.</p>	50
<p>ACTION: RV to confirm that the meeting on 24th May can be replanned as a Finance Committee with FGB can meet and be quorate on 7th June.</p> <p><i>Governors asked about the potential for flex in the draft budget for 2023/24 as presented by the school?</i></p>	
<p>DM and BW ran through some of the potential savings including:</p> <ul style="list-style-type: none"> - Meal supervisors who are currently paid through an agency at £30ph and an overall cost to the budget of £9k each for the 24 individuals; this could be reduced to £5k per person if they were put on payroll – a saving of around c£100k pa. This saving could potentially be further increased through further re-organisation. - Long term sickness, suspended staff and maternity costs are currently forecast to be £571k. This clearly needs addressing and may be reduced. Sickness insurance was discussed but it was agreed that the answer needs to be more about better management of absence to reduce this figure. 	51
<p>ACTION: DM to report to the Curriculum and Staffing Committee with regards to the data, trends and patterns with regards to long term sickness, suspensions and maternity cover.</p> <ul style="list-style-type: none"> - A review of the staffing needed for all classes to meet the requirements of the Commissioning Agreement and the individual students' EHCP's to ensure that all needs are met but classes are not over-staffed. This review is currently in hand and will help to address the question as to whether the school is over-staffed or under-funded and help drive the discussions with the LA regarding funding. - The planned review of support staff may also give rise to savings although it was noted that this is not a short-term project. Many staff are in interim / temporary roles and there is a need to review the staffing at both the Hill and the Park. 	
<p>BW commented that the current approach is helpful. Previously he has not been able to cost the provision to this level of detail. Looking at the current data it seems that the staffing costs represent 94.8% of the funding; it is this that is driving the deficit with total staffing costs being more than 100%.</p> <p><i>Governors also asked what options may exist if costs cannot be realistically reduced to provide a balanced budget?</i></p> <p>It was noted that many of the costs, including staffing, are driven by the EHCPs. With the school providing support for some of the most complex children a higher ratio of staff to children is often needed than in other schools.</p> <p>The currently advertised role of Assistant Head was discussed. The aim was to reduce the stress on the Head of School but this may need to be looked at again.</p>	



	Item	Action
	<p>Likewise other roles are being reviewed along with management practices to improve the effectiveness and efficiency of support roles.</p> <p>Overall DM indicated that he had identified the potential for savings of up to £838k.</p> <p><i>Governors thanked DM for his analysis of the situation. Whilst noting that the LA have been remarkably supportive and that the school needs to be heading for a balanced budget and ultimately to repayment of the deficit, Governors also emphasised that the budget needs to be realistic. It is not acceptable to reduce costs for the budget but to then overspend during the year. If a realistic assessment of the costs can be developed with a narrative then the appropriate approach is for Governors to support the school in asking the Local Authority to work with the school to reach an agreed budget. We need to get to a point of mutual understanding.</i></p> <p><i>Governors thanked DM, BW and DS, agreeing the need to formalise these opportunities to provide a basis for further discussions with the LA and approval by FGB.</i></p> <p><u>Out of Borough Charging Proposals</u></p> <p>These were deferred to be agreed in the light of the ongoing budget discussions for 2023/24.</p>	
5.	<p>Risk Management</p> <p><u>Update re key risks</u></p> <p>Governors noted that achieving a balanced budget is a key risk – including the question as to how far it should be pared back before the risks become unacceptable.</p> <p>The relationship with the LA is key here and, if the staff at the LA were to change, this could likewise change the assessment of the risk.</p> <p>DM also referenced the risks around the risks assessments of the children’s high needs . There have been a number of incidents over the past year and he is not currently confident that this is sufficiently accounted for in the Risk Register. He is aiming to develop a quality assurance calendar to dovetail into leadership meetings including health and safety and budget matters; this will help to transform the risk register into a working document for management.</p> <p>It was noted that Safeguarding risks also need regular review.</p> <p><i>Governors thanks DM for the update, appreciating that this will facilitate the governors’ review of risk and it will then be possible to review the risks movements and risk appetite.</i></p> <p><u>Insurance – for recommendation to FGB</u></p> <p><i>Governors thanked DM for the paper on insurance noting that the school recommend remaining with the Sutton / Zurich policy that they have had many years experience with and has costs comparable to that of the RPA. It was agreed that a full tender for independent insurance would be an unnecessary burden at the current time.</i></p> <p>DECISION: Governors recommended the Sutton / Zurich insurance to FGB for approval.</p> <p><u>Website – for approval</u></p> <p><i>Governors asked about the website proposal as per the paper circulated prior to the meeting.</i></p> <p>BB outlined the proposal which would provide a complete new compliant website and branding. She outlined the proposals received and the recommendation made.</p> <p><i>Governors asked about the ongoing maintenance costs.</i></p> <p>These were confirmed at around £440 pa.</p> <p>DECISION: Governors approved the website proposal to be noted by FGB</p> <p><u>Standing item: reporting re any GDPR Breaches</u></p> <p>There were none to report.</p>	



	Item	Action
6.	<p>Update re Policies</p> <p><u>LB Sutton: Scheme for Financing Schools.</u></p> <p>The Sutton Scheme for Financing Schools had been circulated prior to the meeting.</p> <p>DECISION: Governors noted the updated Scheme for Financing Schools.</p> <p>Finance Policy and Procedures</p> <p>Data Protection / GDPR suite of policies</p> <ul style="list-style-type: none"> ○ <i>Data Protection Policy</i> ○ <i>Data Breach Policy</i> ○ <i>Protecting biometric data for children</i> ○ <i>Other related GDPR policies / data privacy statements</i> <p>To Note: These Policies were not yet ready for approval and were deferred to the next meeting.</p>	
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><u>Forthcoming Meetings:</u> Finance: 24th May 2023 FGB: 7th June 2023 Premises: tbc Curriculum and Staffing : 14th June 2023</p>	
	<p>The meeting closed at 8:14pm</p>	

<p>Signed: </p> <p>Chair</p>	<p>Print Name: <u>Robin Seas</u></p> <p>Date: <u>24/5/2023</u></p>
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Action list

Item	Action point	Who	By when	Update
Actions arising from the meeting of 12 th July 2022				
21	Action transferred from FGB to explore how the school can have ownership of the land returned to it. DM to approach Browne Jacobson for advice.	DM		The Land Registry has contacted DM to confirm that the transfer of the land to the SET has been completed. However, the forms were not signed. DM is following up. Action remains open.
Actions arising from the meeting of 25 th January 2023				
37	BW and DM to compare the spine points for TA's with staff at other special schools with a similar provision. Also to compare the ratio of teaching and support staff and its impact on costs.	BW / DM	Summer 23	Action replaced by Action 49; action closed
38	Consider options for capping the pay scale for TA's moving forwards.	DM	Summer 23	See discussion in Item 2: Matters arising. Action replaced by Action 49; action closed
39	DM and BW to develop a document setting out assumptions and costings in support of the Commissioning agreement for discussion with the LA.	DM/BW	Mar 23	Action completed for discussion in the moderation meeting with the LA on 15 th May; action closed.
Actions arising from the meeting of 8 th March 2023				
44	DM / BW to work up proposals for approval by Governors at FGB on 29 th March; these will include costed agreements for other Local Authorities; proposals for Sutton funding additional therapies and the potential to take the Cognus therapies in house, funded by Sutton.	DM/BW	FGB March 23	Proposals put forward to Sutton has led to £183k additional funding being secured for the period Sept 22 to Aug 23. It is an aspiration for the school to have its own Therapy team in the future. Action closed.
45	To update the Risk Register to expand the entry around fraud to include wider risks beyond reputational.	DM	FGB March 23	Action completed and closed
46	Barry and David to complete the draft of the SFVS by Wed 15 th March.	BW/DM	FGB March 23	SFVS approved and submitted; action closed
47	RV to schedule in review and re-approval of the Finance and GDPR Policies for the Autumn Term.	RV	Sept 23	BW reported that these should be completed this week with ref to the 2023/24 Sutton scheme and procedures re the new SBM. Action remains open.

Item	Action point	Who	By when	Update
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.	DM	Fin. Cttee April 23	The intention to recover the debt from the families and to work with the families to claim free meals / PP where appropriate in the future. DS is working with KC and BB on this. <i>The levels of delegation re write-off of debt as set out in the Sutton Scheme were noted (LA approval required above £1000).</i> Action remains open.
From FGB	DM to ensure that the processes re School Dinner monies are followed and the Finance Committee appraised of the need to write-off debts ensuring that governor approval is sought where necessary.	DM	ongoing	Included in Action 48; Action closed.
Actions arising from the meeting of 10 th May 2023				
49	DM to initiate a review of the support staff structure at the earliest opportunity to include the potential for capping the TA scale and linking progression to performance.	DM	Autumn 2023	
50	RV to confirm that the meeting on 24 th May can be replanned as a Finance Committee with FGB can meet and be quorate on 7 th June.	RV	May 23	
51	DM to report to the Curriculum and Staffing Committee with regards to the data, trends and patterns with regards to long term sickness, suspensions and maternity cover.	DM	S&C Cttee.	