

Finance Committee
Minutes of the Meeting held on Wednesday 18th January 2023
at 6pm at the Sherwood Hill Campus and via Google Meet



Robin Dear (RD)	Foundation Governor		Absent
Gemma Davies	Co-opted Governor	Present	
Matthew Grew (MG)	Co-opted Governor		Absent
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	
Barry Walder (BW)	Finance Consultant; Schools Management Support Ltd	Present	
Rosemary Viggiani (RV)	Clerk		Absent

	Item	Action
1.	<p>Welcome; Apologies for absence and quorum (3)</p> <p>CH opened the meeting at 6pm and welcomed all to the Sherwood Hill Campus. Apologies were received and accepted from RD, MG, BI and RV for personal reasons. The meeting was quorate and recorded to allow for the clerk to write the notes up remotely at a later date.</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 23rd November 2022</p> <p>As this is an extra-ordinary meeting, Governors deferred approval of the minutes of the meeting held on 23rd November 2022 until the next meeting scheduled for 25th January 2023.</p>	
3.	<p>Preparation for a meeting with the London Borough of Sutton re the current financial situation and future budget scenarios</p> <p>CH noted that a meeting is planned with the Local Authority on 24th January to provide an update on the current financial situation and to provide options for savings in relation to the Deficit Recovery Plan (DRP). The aim of this extra-ordinary meeting is to review and agree these potential options for savings in preparation for the meeting on the 24th January.</p> <p>It will also be helpful to have an update on any additional government funding that may be available.</p> <p>DM and BW provided an update on the current situation and potential savings that could bring the school closer to the planned in-year deficit.</p> <p>The latest analysis by BW shows that the potential in-year deficit is currently at around £357k taking account of the current staffing and agency situation. This is therefore c£400k worse than the original plan. Key factors in this include the un-budgeted agency buy-out fees to bring people on to payroll alongside the high level of sickness cover last term.</p> <p>DM presented a document outlining potential savings in the context of the Commission Agreement with the LA. This agreement incorporated a set of provision documents written by the school setting out what the school would provide for our different cohorts. The LA valued this and came back to us with those finances.</p> <p>However, the school has not been able to deliver on this as there is friction between the funds coming in and the delivery documents in the Commission Agreement.</p>	

[Handwritten initials]

Item**Action**

When the commissioning agreement was set out including the LA costing, it was agreed that the school would return to the LA after a couple of terms with a review of the costings based on the school's own assessment of the costing of what the children need to access school.

The Document has not yet been signed and it has become clear that the school cannot afford to provide the full range of provision set out within the commissioning agreement. Current costs – resulting in the forecast £357k in-year deficit - already includes savings, for instance the school has not recruited to the well-being team as set out in the commissioning agreement (a saving of c£75k).

The document circulated prior to the meeting includes these savings already made as well as others that could be made including the school closing on Friday afternoons.

DM noted that there had already been discussions around this with the LA and he is awaiting information in writing regarding additional top-ups following verbal arrangements.

It was noted that the school have also taken on students with needs different to the Commissioning Document at the request of the LA and this is proving to be very expensive – albeit in the best interests of the students.

The school have also pushed back on another student where the school is named on their EHCP despite their needs falling outside of the school's provision. The student has severe physical needs but they are more academically able and should be working to the National Curriculum which the school cannot currently accommodate; a range of specialist teachers would need to be engaged to fulfil the requirements of the National Curriculum.

In the ensuing discussion, governors asked a range of questions covering matters relating to:

- funding / cost comparisons with other schools, including independent providers?
- the impact of taking on students with needs outside of the Commissioning Agreement?
- the impact of not recruiting the staff to meet the well-being / family liaison needs?
- the status of the plans for increasing the physical space available to the school?

It was noted that the move away from the needs as set out in the Commissioning Agreement is giving rise to difficulties as the school have not been able to change the shape of our infrastructure in the light of these changes from the LA and this is therefore being pushed out of shape. It was also noted that the current Year is not a full year and there are also other factors that are contributing to the problems and confuse the issue.

With no staff recruited to cover the family liaison and wellbeing needs, these are being picked up as best as possible by the senior leadership team. Everyone is doing more than is reasonable to mitigate that we are out of shape and not dealing with the level of complexities that we have got. There are around six to eight students where we are struggling to meet their needs – where we do not have the space, wellbeing or leadership capacity.

The new builds are still planned for next year but there are concerns that the LA appear to be expecting the school to grow again in September – an expectation not previously discussed with the school. The challenge is whether the school can still exist to meet existing numbers in September – not whether we can grow.

Two potential options were discussed:

Option 1: to increase revenue to support the Commission Agreement

Option 2: change the Commissioning Agreement

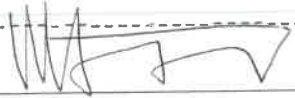
It was noted that neither are palatable – but the status quo is not working either.

A number of points arose in the discussion that require clarification. We need to be clear as to:

- where are we overspending and where the money is going instead of the wellbeing team?
- what are the actual costs per child to provide a place at the Hill and Park campuses?
- how do the sickness levels at the school compare with other schools – both mainstream and special?

Item	Action
<ul style="list-style-type: none"> - what is being done to reduce the sickness levels? - how much of the problem re the deficit is historic and how much is ongoing? - how do the costs of our TA's compare with other skills and how much of this is due to historic progression and how much is due to the level of skills required compared with other schools? <p>BW presented a document where he has re-worked the figures taking account of the current staffing and accounting for the significant number of vacancies.</p> <p>From this analysis, the total costs at the Park are £3m and at the Hill, £3.9m.</p> <p>This gives costs per annum child at the Park of £38k and c£50k per child at the Hill.</p> <p>The school currently get £10k for all children plus £20k at the Park and £28k at the Hill; the LA recognises that the cost per place at the Hill is higher. Some other funding is also provided, e.g. for Pupil Premium children.</p> <p>DM noted that the provision at the Hill is unlike that provided by any other state school; this is more akin to the provision found in the independent sector. Independent schools charge significantly more – e.g. £70 – 74K per year which is essentially double the funding provided for children at the Hill.</p> <p>If all factors are taken into account, the school would effectively require additional funding of around £1million to meet current needs as set out in the Commissioning Agreement. The forecast deficit is less than this as some savings have already been made.</p> <p>The reasons for the gap in funding are various; some are within the school's control, others are out-with it; the reasons include:</p> <ul style="list-style-type: none"> - the unexpectedly high energy costs and unfunded pay rises; this is out of the school's control; - a large number of our TA's being paid at Grade 15 compared with the LA funding calculated at a significantly lower grade; this could be addressed but would take years to work through and would reduce the attractiveness of the role moving forwards and likely reduce the skills available while increasing turnover and impacting on retention; - costs of covering for the high sickness levels – given that the school has to cover this to keep children safe whereas a mainstream school or a school meeting lesser needs may not need to provide cover for all absence; sickness levels can be compared with other schools to identify whether this is a local problem; - costs of paying support staff absent for other reasons with the need to cover their roles; exacerbated by the inability to address this to date in the light of cautious HR advice; <p>It was also noted that the LA are funding 19+ provision at £75k where this is not a statutory requirement yet is similar in provision to that provided by the school at 16+.</p> <p>Potential strategies for the meeting with the LA and for moving forwards were discussed.</p> <p>It was agreed that it would be very helpful to have additional information including:</p> <ul style="list-style-type: none"> – more comparisons between the costs of provision at the school with similar state and independent provision; – potential impact – financial and otherwise – of introducing lower bounds to the TA pay scale; – information re the size of the deficit due to on-going, as opposed to historic, matters. – how much of the deficit is due to matters outside of our control e.g. energy costs and unfunded pay rises; – Information regarding the current sickness levels and vacancies compared with other schools – what is being done to address this and why this is a larger problem for Sherwood Park than for other schools. 	

Item	Action								
<p>It was noted that the school has had two prior visits from financial experts – one from the SRMA three years ago and the second from Kay Charles two years ago. Whilst these identified some potential savings, neither made any recommendations that would result in major savings.</p> <p>It was further noted that increasing the number of places at the current time would not help to alleviate the financial situation but would exacerbate it further.</p> <p>The approach to the meeting with the LA was discussed.</p> <p>It was agreed that the school should adopt a collaborative approach as the LA need to understand the issues and be able to work with the school to address them. It is important that the school is able to reassure the LA that it has a sound understanding of the problems and wishes to work with the LA to resolve them. It is critical that the optimum solution is found to ensure the best outcomes for all parties – not least the children. But also for the LA as the use of more independent provision if not needed would simply serve to increase the costs.</p> <p>Whilst it is tempting to present the LA with an initial compromise, it was agreed that it would be wise to present the full scale of the problem (c£1million per annum) and to work together to reach a costs and fully understood resolution moving forwards. To compromise too early would simply muddy the waters. The presentation of the finances as made to the meeting today is clear; some savings can be proposed but it would be helpful to seek LA advice as to where they see more savings and to note that these costs are still well below those of the private sector.</p> <p>It would be helpful to have the opportunity to be open, to sit down with the LA to develop a common understanding as to why our structure is necessary – or where jointly agreed savings could be made. It helps no one to adopt an inflexible or confrontational approach – but we do need more information with regards to the points raised above e.g. with regards to sickness and vacancies. It is also clearly important that the Commissioning Plan goes alongside the Funding Plan and aligns with what is required to meet the legally binding EHCP documents. Well thought out proposals that are researched and compared with other settings are harder to refute.</p> <p>ACTION: BW to produce an updated plan including a summary of the key points for discussion with the LA that shows what the budget looks like rolling forwards.</p>	35								
4. Confidential items	Trustees agreed that there were no confidential items to be recorded in the Part B Minutes.								
5. Any other business / Dates of future meetings	There was no other business.								
<u>Forthcoming Meetings:</u>	<table border="0"> <tr> <td>Finance:</td> <td>25th January 2023 (Accounts to Q3: end of December 2022)</td> </tr> <tr> <td>Premises, Health & Safety:</td> <td>8th February 2023</td> </tr> <tr> <td>Curriculum & Staffing:</td> <td>22nd February 2023</td> </tr> <tr> <td>FGB:</td> <td>29th March 2023</td> </tr> </table>	Finance:	25 th January 2023 (Accounts to Q3: end of December 2022)	Premises, Health & Safety:	8 th February 2023	Curriculum & Staffing:	22 nd February 2023	FGB:	29 th March 2023
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FGB:	29 th March 2023								
The meeting closed at 7:10pm									

Signed:		Print Name:	M. J. GREW
Chair		Date:	8 March 2023

Action list

Item	Action point	Who	By when	Update
Actions arising from the meeting of 12 th July 2022				
31	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		Ongoing
Actions arising from the meeting of 28 th September 2022				
22	CH/DM to liaise with support from BW/RV to ensure that all monies are transferred from FOSPS to the school for agreed purposes; to arrange an AGM to make any required returns, close FOSPS and agree next steps for a new Friends organization following the Coffee mornings on each campus.	CH/DM		On the agenda; Action ongoing
23	DM to start the process of developing a Risk Management Policy / Risk Register with support from Carshalton Boys to ensure compliance as regards safeguarding, health & safety etc. To provide an update in the Spring Term.	DM	Spring 2023	Action ongoing
24	BW/DM to develop and implement a service level agreement (SLA) with Carshalton Boys to eliminate the current backlog of work in the finance department and support the school to develop a pragmatic risk register and related action plan moving forwards. To report back to the next FGB and update the Finance Committee with regards to recommended next steps moving forwards.	BW/DM	FGB/ Finance Autumn Term 2022	An agreement has been reached. Next steps yet to be confirmed. Action ongoing
26	BW, RD, BI and CH to meet as a working group in December to develop the 2023 SFVS.	BW, RD, BI, CH	Dec 2022	RV to get dates. Action ongoing
27	BW and DM to finalise the Finance Policy for presentation to a meeting in the Autumn Term and to schedule the review of the GDPR / Data Protection Policies.	BW, DM	Dec 2022	Ongoing
Actions arising from the meeting of 23 rd November 2022				
30	BW to circulate the October accounts to BI after speaking with DM; BW, DM, BI to meet shortly after that.	BW / DM	Dec FGB	
31	DM to confirm the final impact of the pay increments on the budget; RV to convene a short Pay Committee meeting immediately prior to FGB to formally note this in the Minutes of the Pay Committee.	DM / RV	Dec FGB	Short Pay meeting held prior to FGB; recommend action closed

Item	Action point	Who	By when	Update
32	DM to liaise with RD to report back in the Spring Term with a Risk Management Strategy and an updated risk register to include the strategic risks, rag-rated and given in context to other local schools where possible.	DM / RD	Spring 22	On the agenda
33	DM to liaise with SL to take advice about the need for and appropriate process re consultation re the Pay and Appraisal Policies.	DM / SL	Dec FGB	DM reported back that the changes are not materially different meaning that no formal consultation is required; recommend action closed.
34	DM to check with Judicium with regards to the need for a Biometric Policy.	DM	Dec FGB	On the agenda
Actions arising from the meeting of 18 th January 2023				
35	BW to produce an updated plan including a summary of the key points for discussion with the LA that shows what the budget looks like rolling forwards.	BW	24 Jan 23	

