

Finance Audit & Risk Committee **PART A**
Minutes of the Meeting held on Wednesday 12th December 2023
at 6pm at the Sherwood Hill Campus



Robin Dear (RD)	Foundation Governor (Chair)	Present	
Gemma Davies (GD)	Co-opted Governor	Present	
David Murden (DM)	Ex-Officio Governor / Headteacher	Present	
Chris Williams (CW)	Local Authority Governor	Present	
Shauna Rubins (SR)	Observer / Associate to be appointed	Present	
Stuart Collard (SC)	Finance Consultant; Schools Management Support Ltd		Absent
Barry Walder (BW)	Finance Consultant		Absent
Rosemary Viggiani (RV)	Clerk	Present	

	Item	Action
1.	<p>Welcome; Apologies for absence and quorum (3) RD opened the meeting at 6:05pm and welcomed everyone to the meeting. All were present.</p> <p>Declarations of Interest There were no declarations of interest in matters on this agenda</p>	
2.	<p>Minutes of the previous meeting held on 1st November 2023 DECISION: Governors approved the minutes of the meetings held on 1st November 2023 as a true and complete record of the meeting. Matters arising (see action list below)</p>	
3.	<p>Management Accounts <u>Management Accounts (BMR) to end of November 2023 (M8)</u> <u>End of Year Forecast / Matters arising</u> <u>Looking ahead to 2024/25 – update re three-year draft budget</u> <i>The Budget Management Reports to end of October and November 2023 were circulated prior to the meeting.</i> DM shared the November BMR report on the screen and highlighted the key points arising. <i>With regards to the November BMR, Governors asked about the deficit situation with the report showing a brought forward deficit of £747k with an in-year forecast £645k deficit showing an overall predicted year-end deficit of £1,393k. Is this the updated forecast taking account of the expected arrangement with the Local Authority (LA)? Is the true forecast deficit £25k?</i> The Head reassured Governors that this statement does not reflect the forecast year-end figure once the final agreement is reached. There is still a tentative agreement to move the carried forward deficit into the High Needs Block and effectively write this off; likewise it is expected that the original, unapproved in-year deficit of £620k will be covered by the Local Authority. However, the report is still flagging up a risk of the school still being overspent by £25k in-year although there are plans in place to address this before the year-end in April 2024. <i>Governors asked about the planned mitigations and whether the school is still on-course to have all the caveats set by the LA in place by year-end to allow the agreement to be enacted?</i> The Head confirmed that this is still the aim and there is a further meeting with the LA planned for Thursday, 14th December to discuss this further. As regards the three-year draft budget for 2024 /25 onwards, the Head noted that he had received the first draft budgets from Barry Walder today.</p>	

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<p>These showed the forecast positive impact from the energy contracts and also included the additional income tentatively agreed with Jack Cutler at the LA – providing an additional £600k to ensure that the school is on an even keel. That brings the forecast in-year income to more than £8.5m.</p> <p><i>Governors asked about the assumptions around the funding for Out-of-Borough children?</i></p> <p>The Head confirmed that the school has made the prudent assumption at the current time that the additional funding will not be available until April 2024.</p> <p>The forecast income for 2023/24 is around £8.1m rising to £8.6m in 2023/24.</p> <p><i>Governors noted that they had requested that this increased funding for Out-of-Borough students be from April 2023 but that, in reality they acknowledged that this may be from October 2023?</i></p> <p>The Head confirmed this. At the current time he believes that the figures are prudent and show the increase being from April 2024 but he will check this.</p> <p>ACTION: DM to confirm the assumptions being used in the budget figures for both the current year and the three-year budget with regards to the fees for Out-of-Borough students.</p> <p><i>Governors asked for further reassurance that the caveats will be in place to enable the Local Authority to support the school financially as per the draft agreement?</i></p> <p>The Head confirmed that there are six caveats which are broadly welcomed by the school. These include a Member from the Council being an Associate member of the Finance, Audit and Risk Committee. The Head is not yet sure who this will be but he will raise it at the meeting with the LA on Thursday.</p> <p>Another caveat is for the school to have support from another Academy to provide an objective view alongside practical support for the school's financial systems.</p> <p>The was also noted that the LA require the school to flag up any financial risks to them as soon as the school is aware of them.</p> <p>A further caveat is around having the right posts appointed in school to provide robust financial support. The Head has been working with Alex at Greenshaw to specify the new staffing structure and it is anticipated that the posts will be filled by April 2024.</p> <p><i>Governors asked about the costs for this and how they will be covered?</i></p> <p>The Head said that there is a projected surplus of c£160k in year to be confirmed. This is derived from a new model for covering absence and the Head, Alex and Barry have been assessing and sense-checking the staffing position separately and will review this together on Thursday for prudence. They have a meeting planned shortly to agree a common understanding of the position.</p> <p><i>Governors thanked the Head for this approach and noted the value of an external perspective.</i></p> <p>The Head ran through the staffing position explaining the approach used to help the leadership team to understand exactly how the school is meeting the needs of the children – where classes are overstaffed and where there are vacancies.</p> <p>The current sickness cover is c£100k for the Hill. This is less than in previous years and, across the school where the sickness cover had been costing c£500k the school are now planning c£250k due to the improved processes and systems in place.</p> <p>What the analysis has shown is that, whilst staff may be off sick, there are also students off thus reducing the need for staff in the classroom. Historically this balance has been too late and the agency staff will already have been on site. The new approach is helping to minimise this over-staffing.</p> <p>Where agency are on site above the actual classroom need, the school is also now using them to better effect, swapping between classes and freeing people up for other activities, PPA etc. The school currently have three members of staff on long term sickness and 10 short-term.</p>	<p>69</p>

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Governors thanked the school for the efficiency of the new approach but also noted that further cost savings should not be at the expense of staff well-being. This could be counter-productive causing increased sickness due to increased stress.

The Head said that he had also discussed this with the team and also benchmarked the sickness figures with Carew and The Link and the school is not out of kilter – if anything it is better than Carew. The Head also hopes that the bigger admin team will be able to manage the situation more accurately. The school does not need to have 100% staffing in all classes, some could safely be run with one member of staff missing for a day or two.

The new proposal is that the school will cover straight away with an internal bank of cover who know the students. There have been time previously when the use of agency staff was stopped as they have difficulty coping with the unknown children. This will be a better model.

Governors asked whether this bank of staff would be employed or agency?

The Head confirmed that, whilst he would always want an Agency buffer, that would not be used for this internal bank of staff.

Governors asked about the benefits of using a buffer of agency staff?

The Head noted that long term agency staff become part of the team; we only want eight agencies on both campus and this minimises the risk of redundancies.

There will also be an increase in the number of Well-being staff – increased to three people from the 1 or 2 at present. This can also help cover for sickness in an emergency and the staff know the pupils better.

Governors asked whether the budget figures presented earlier in the meeting assume the savings from this approach?

The Head confirmed that the savings are not assumed in the figures currently. He is currently just using the information to inform the modelling for the meeting with Alex tomorrow.

Governors summarised their understanding that this approach should lead to savings on sickness covering the increase in the Well-being staff. The mix of people will be different and will lead to better efficiency on sickness and an increase in well being. The Head will be talking with Alex tomorrow to confirm that this is a reasonable approach.

Governors asked whether this approach is to be introduced this year?

The Head said that he will be checking this with Alex and he also wants to take the senior team with him – but it may be possible to bring this in this year. It feels right on the Hill where the staffing is currently more generous; it is tighter at the Park.

The Head went on to say that he has been using this approach to calculate the cost per pupil for each campus. The costs on the two sites are different and this approach has helped in explaining the need for the additional funding to the LA.

Over the past couple of years the biggest concern for the Head has been the unknown costs of the sickness cover – he now feels more comfortable that this understood and better controlled.

Governors asked whether the LA will use the figures as calculated?

The Head confirmed that the LA still wish to use the High Needs Block Model. But it will be possible to marry up the UTS as bandings and tweak the High Needs block to create that outcome. The school are suggesting that the school and LA sit down each term as they reassess students termly against the UTS model. If the students become more independent the need for the staff reduces. He would like to invite LA in to do the assessments with the school. It can also help by fluffing up increasing needs earlier.


Will they flex the budget accordingly?

The Head said that this was not yet clear. There is a need for a system that allows for parameters that we can work within. This may be in the form of an agreed buffer that we don't touch unless the children's needs change. That would give the school one row in the budget that can be monitored monthly.

	Item	Action
	<p>It was agreed that, with a School Business Manager in place (SBM), this will help to reduce and manage the variances. It can also drive the focus on efficiency and ensure that the school is not over staffed. There will be a crucial interplay between the Finance Manager and the teaching / admin team on each campus to balance the needs. It should help to improve both the quality of the provision and the well-being of staff. It should be very beneficial but will need close daily monitoring and management.</p> <p><i>Governors asked whether this approach will help pull back the forecast in-year deficit of £25k?</i></p> <p>The Head said that he believes that will be the case. Monitoring shows that the school does not need the current level of cover; to pull back the £25k would equate to a reduction in the sickness cover by two people per day and should be achievable.</p> <p>Governor noted that, for the next Committee Meeting on 30th January there will be the need to review the projected deficit position and the list of off-sets expected and risks.</p> <p>This approach needs to be in place to allow monitoring before the end of the financial year.</p> <p><i>Governors asked what the next steps were to gain agreement with the LA?</i></p> <p>The Head said that the next step is the meeting on Thursday to agree the funding model, talk about the new posts Alex is recommending and how this fits in. The LA need to be supporting the school with some of the suggestions not currently in year.</p> <p><i>Governors thanked the Head and noted the many really positive developments.</i></p> <p>ACTION: DM to update Governors regularly following the meetings with the LA.</p> <p>The Head stated that governors were welcome to attend the meetings with the LA but noted the other pressures on their time.</p> <p><i>Governors asked about the plans for recruiting the SBM?</i></p> <p>The Head confirmed that the post will go to advert in January for the SBM. There will be no need to restructure the support staff as this is currently a vacant role.</p> <p>The Head noted that the aim is that the SBM will look after the business side of the school with a Finance Manager working under them with a Finance Assistant below that. The budget for the new support posts is around 250k. The aim will be to have all posts filled by Easter.</p> <p>Governors emphasised the need to recruit the right people into the roles, re-advertising if necessary. There is a need to have a Finance Manager in place as a priority.</p>	70
4.	<p>SFVS</p> <p><u>Update re Action Plan from SFVS from 2023</u></p> <p>Governors reviewed the actions set in the SFVS in March 2023 and noted the good process towards them. The involvement of Alex from Greenshaw is particularly welcomed.</p> <p>The Head will follow up with the LA to see who will be joining the Finance Committee.</p> <p><u>Process for updating the SFVS for 2024</u></p> <p>The Governors discussed the approach to be used.</p> <p>ACTION: Clerk and Chair to agree a small panel of two or three governors with a member of the SLT to review and update the SFVS.</p> <p>It was noted that RD is away in January and returns on 8th March. GD will Chair the Finance Committee in January.</p>	71
5.	<p>Risk Management</p> <p><u>Review of the Risk Register - update re key risks including business support staffing</u></p> <p>The need for a SBM to own the Risk Register was noted. In the interim RD and DM will 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>	

	Item	Action
6.	<p>Update re Policies</p> <p><u>Finance Policy</u></p> <p>SC had produced an updated draft which was circulated prior to the meeting RD requested a couple of modifications with regards to the strategic nature of the Boards role which he will email to the Clerk.</p> <p>ACTION: RD and RV to liaise re minor modification to the Finance Policy.</p> <p>DECISION: The Committee recommended the Finance Policy for approval by FGB subject to these minor changes.</p> <p><u>Sustainability through Procurement Policy</u></p> <p>Governors discussed this policy and whether it was a mandatory policy required at the present time. Procurement processes are covered in the finance policy and this policy focuses more on matters relating to sustainability.</p> <p>Whilst these are important matters the Committee is concerned that the school's efforts are not diverted away from the two key matters relating to the quality of the service and achieving financial sustainability.</p> <p>DECISION: The Committee DID NOT approve the Sustainability through Procurement Policy and decided to withdraw this policy for a period of 12 months to be reconsidered in the Spring Term of 2025.</p> <p>ACTION: Clerk to update the schedule of Policies to re-schedule consideration of this Policy for the Spring Term 2025.</p> <p><u>Governors Allowances and Expenses Policy</u></p> <p>The Committee held a discussion with regards to expenses noting that, given the current financial situation, the Board would only expect to pay expenses in very unusual circumstances. All matters relating to equality would naturally be met by the school.</p> <p>The nature of the school was discussed and the importance of parental representation was agreed, noting that childcare may be an issue for some families.</p> <p>The recommendations in the Governance Handbook were also discussed and noted.</p> <p>ACTION: The Clerk to draw together a re-worded draft to reflect the discussions in the Committee and re-present to the Committee at the next meeting.</p> <p>DECISION: The Committee DID NOT recommend the Governors Allowances and Expenses Policy for approval at FGB</p> <p><u>Data Protection / GDPR suite of policies including:</u></p> <p>Data Breach; Data Retention Policies and the Freedom of Information Publication Scheme.</p> <p>Drafts had been presented too late for consideration by the Committee. It was noted that they have been based on the template provided by Judicium and need some final confirmations from the school as regards roles and responsibilities within the school.</p> <p>DECISION: The Committee decided to defer the decision to FGB without recommendation at this stage.</p> <p>ACTION: The Headteacher to review the responsibilities within the Policies to be able to confirm these with FGB next week.</p> <p><u>Pay Policy</u></p> <p>DECISION: Governors recommended the Pay Policy for approval at FGB.</p>	<p>72</p> <p>73</p> <p>74</p> <p>75</p>
7.	<p>Confidential items</p> <p>There was one confidential item recorded in the Part B Minutes.</p> <p>ACTION: Headteacher to seek advice on the matter from Alex at Greenshaw and the School's lawyers.</p>	76

	Item	Action								
9.	<p>Any other business / Dates of future meetings</p> <p>There was no other business.</p> <p><u>Forthcoming Meetings:</u></p> <table> <tr> <td>FGB:</td> <td>19th December 2023; 26th March 2024</td> </tr> <tr> <td>Finance, Audit & Risk:</td> <td>30th January 2024; 27th February 2024</td> </tr> <tr> <td>Premises:</td> <td>6th February 2024</td> </tr> <tr> <td>Staffing & Curriculum:</td> <td>12th March 2024</td> </tr> </table> <p>The meeting closed at 8:52pm</p>	FGB:	19 th December 2023; 26 th March 2024	Finance, Audit & Risk:	30 th January 2024; 27 th February 2024	Premises:	6 th February 2024	Staffing & Curriculum:	12 th March 2024	
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Signed:		Print Name:	Gemma Davies
Chair		Date:	27-02-2024

Action list

Item #	Action point	Who	By when	Update
Actions arising from the meeting of 8 th March 2023				
47	RV to schedule in review and re-approval of the Finance and GDPR Policies for the Autumn Term.	RV	Sept 23	On the agenda; action closed.
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 April 23	The Interim SBM started this process which is ongoing. Action remains open.
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 2023	This is on-hold pending confirmation re the big financial picture and costings; DM noted that he will remain within the agreed financial envelope. Action remains open.
Actions arising from the meeting of 12 th July 2023				
55	DM to formalize the rationale re the TA pay scale for approval by the Committee/GB	DM	Spr Term 2024	
57	DS to establish a process to monitor sickness (both long and short-term sickness) on a weekly basis.	DS	Spr Term 2024	Discussed in this meeting. Action completed and closed.
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 new SBM when appointed to review the format, scoring & mitigation. 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	DM to forward letters sent to the other Boroughs to the Committee. Action remains open

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61	DM and BW to present a summary of the risks that may result in drift from the agreed bottom line alongside opportunities for increasing income and present this to the next Finance, Audit and Risk Meeting.	DM / BW	Dec 2023	Discussed at this meeting; action closed
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	A summary has been provided for this meeting but the format needs further development; action remains open
63	BW to provide an update at the December Finance Meeting with regards to the impact of the pay awards and changes to government funding on the budget.	BW	Dec 2023	On the agenda for discussion; action closed
64	SC to review the Finance Policy and remove unnecessary Governance sections, cross-checking against the Board Structure, Terms of Reference for Committees and the Scheme of Delegation. To re-present to the Finance meeting in December.	SC	Dec 2023	On the agenda; action closed
65	SC to include procurement as an appendix to the Finance Policy and present a separate Sustainability policy to the Committee in December.	SC	Dec 2023	Action completed and closed
66	SC to include a statement in the Governor Allowances Policy to the effect that payment of expenses needs to be approved in advance and that they will only be agreed in exceptional circumstances. To present the policy to the December Finance Committee.	SC	Dec 2023	Action closed
67	SC to liaise with Judicium regarding the Data Protection / GDPR Suite of Policies and present to the Finance Committee in December 2023.	SC	Dec 2023	Action completed and closed
68	DM to draft a letter to Claire Hadcocks to thank her for her support and work on the budget.	DM	Dec 2023	Action remains open
Actions arising from the meeting of 12 th December 2023				
69	DM to confirm the assumptions being used in the budget figures for both the current year and the three-year budget with regards to the fees for Out-of-Borough students.	DM	Jan 24	
70	DM to update Governors regularly following the meetings with the LA.	DM	Jan 24	

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71	Clerk and Chair to agree a small panel of two or three governors with a member of the SLT to review and update the SFVS.	RV / GD	Jan 24	
72	RD and RV to liaise re minor modification to the Finance Policy	RD/RV	Dec 24	
73	Clerk to update the schedule of Policies to re-schedule consideration of the Sustainability through Procurement Policy for the Spring Term 2025.	RV	Jan 24	
74	The Clerk to draw together a re-worded draft to reflect the discussions in the Committee and re-present to the Committee at the next meeting.	RV	Jan 24	
75	The Headteacher to review the responsibilities within the GDPR Policies to be able to confirm these with FGB next week.	DM	Dec 23	
76	Part B: Headteacher to seek advice from Alex at Greenshaw and the School's lawyers.	DM	Jan 24	