

**PUBLIC MINUTES OF THE RESOURCES COMMITTEE MEETING OF THE
HIGHAMS PARK SCHOOL LOCAL GOVERNING BODY
HELD ON MONDAY 4 MARCH, 2019
AT 7 P.M. AT THE SCHOOL**

Present: Mr Alan Benton
Mr Phil Grundy (Principal)
Mr Jonathan Kemp (Chair)
Mrs Tracy Penfold

In attendance: Ms Summaya Aziz (Chief Finance Officer)
Dr Tim Morris (Company Secretary/Secretary to the Board)
Mr Tom Capewell (Deputy Principal)
Mr Nick Hyde (Deputy Principal)
Ms Julie Cornelius (Minute taker)

Action Log:

To note: All action points recorded in the minutes will state only the person(s) responsible for that action. Full action details are recorded in the Action Log below.

4.1	The Chair to review the Risk Register and to recommend a proposal to the Trustees to approve this.
4.2	The Chair to meet with the Chief Finance Officer in April to review the Business Continuity Plan.
5.6	The Chair and Richard Palmer to discuss server failure.
5.9	The Chief Finance Officer to review the figures (£53,899 (sum of total YTD) and £33,631 (£ Forecast)) given against line 44 (Salaries – overtime) of the 5 year plan and to report back to this Committee.
6.1.11	The Chief Finance Officer to present a version of the budget, at the next meeting, which does not include any identified savings, i.e. to remove lines 39 to 48 from the 5 year plan.
6.1.15	The Chief Finance Officer to amend the 5 year plan to include capital expenditure.
9.2	The Chair, together with school finance staff, to meet with the internal auditors.
10.1	Dr Tim Morris to request confirmation from Winckworth Sherwood, Solicitors, regarding Trustees' liability in respect of approving policies.
10.1	The Chair of the Board and Chief Finance Officer to meet, prior to the next Board meeting, to discuss issues raised by the Chair of the Board, in relation to the Charging and Remissions Policy.
10.2	Dr Tim Morris to change all reference within the Whistleblowing policy, from 'Governing Body' to 'Board of Trustees'

The meeting commenced at 7.05 p.m.

All documentation relevant to the agenda items, was received in advance of the meeting.

1. Welcome and apologies

- 1.1 The meeting was quorate, with three Trustees and the Principal in attendance.
- 1.2 Apologies for absence were received and accepted from Nicky Whitehead and Richard Palmer.

2. Declarations of Interest

- 2.1 There were no declarations made pertaining to any of the agenda items for this meeting.
- 2.2 Mrs Tracy Penfold made a standing Declaration of Interest in that she is a Trustee at a school within the Opossum Federation.

3. Minutes

Trustees received the non-confidential minutes of the Resources Committee meeting held on 26 November, 2018 and agreed these to be an accurate record of the meeting, subject to the following amendment.

Those present should state 'Mr Phil Grundy' and not 'Mr Phi Grundy'.

The Chair, Mr Jonathan Kemp, signed a copy of the minutes and these were retained by the school for filing.

4. Matters arising from the non-confidential minutes of the Resources Committee meeting held on 26 November, 2018

Unless recorded below, all matters arising were addressed or would be discussed as part of this meeting's agenda.

- 4.1 **Minute 5.4.2 – Risk Register:** Sue Gill (minute taker) had confirmed (following the meeting) that it was a requirement of the Trustees to approve the Risk Register. The Chair will review this and will subsequently recommend a proposal to Trustees, to approve the Risk Register.
Action: Chair

- 4.2 **Minute 5.4.3 – Business Continuity Plan:** The Chair to review the action points in the Business Continuity Plan.
Action: Chair and Chief Finance Officer

5. Management Accounts

Referring to the January 2018/19 monthly report, the Chief Finance Officer reported the following:

- 5.1 There is £145K of additional income, which at the time of budget setting, had not been confirmed. Line 3 (Catchup funding), line 6 (Pupil Premium) and line 54 (Salaries income – Teachers' Pay Grant) refer.

Q. What is catchup funding?

- A.** This is funding provided for students, who arrive in Year 7 at below the national expected level. This funding facilitates support for these students in ensuring they make rapid progress to reach their expected level.

Q. Is this funding ring-fenced for these students?

- A.** This funding is used in various ways, which includes mentoring support and Learning Support Assistants (LSAs) provision. Discussion had taken place with staff in the English and maths departments, to look at creative strategies that could be implemented to support these students. This funding provides a good opportunity to bolster this provision.

Q. As part of an audit, would there be evidence to show how this funding was used?

A. The Principal said, yes, the school was obliged to show how this funding was used.

5.2 There is a £30K variance in Pupil Premium.

5.3 'Net budget – salaries' were discussed.

- The majority of the underspend is based on salaries.
- Salaries – basic pay (line 43): this would be reviewed once the support staff pay award was confirmed.
- Salaries – pension saving (line 47). At the point of budget setting and based on the previous year, there was an underspend of £150K. This related to staff opting out of the pension scheme.

5.4 **Q. Is there any budget for long-term agency staff to cover sickness?**

A. There is £60K for short-term agency staff.

The Chair said the current forecast is that there is an over-spend on agency staff of £140K. The Principal referred to this year's pattern of spending, stating that the average spend was not as high as this because a cover supervisor post had been advertised.

Q. Is this budget therefore, overly conservative?

A. The Principal said, with reference to the underspend, the position taken by the Chief Finance Officer, was one of caution.

Q. What was the spend on agency staff last year?

A. £202K. The Chief Finance Officer said at the time of budget setting and being aware that a Cover Supervisor post was being advertised, it could have been argued that this would reduce the spend on agency staff.

5.5 The Teachers' Pay Grant is used to cover teachers' pay increase.

5.6 An additional £51K has been received against Capital income (line 57 refers). This money can be spent on ICT or site maintenance. In addition to this income, £33K is received annually for site maintenance.

Q. What are the plans to spend this money?

A. This would be used to update key servers. Despite the general trend being to move to a Cloud based server, there would always be physical servers on site.

Action: Chair and Richard Palmer

Additional expenditure would include the following:

- Site security access, i.e. fully automatic security gates.
- To replace the lights in the playground in the middle of the school. The existing lights are not functioning properly. A major overhaul would take place to include the installation of lights which were easier to maintain.
- To review the signage around the school, including the new block and to remove signage that was no longer relevant. The Principal suggested that proposed ideas were shared with the Buildings Committee.

Q. What about capital projects?

A. Two bids relating to the west wing roof and the kitchen extractors, had been submitted to the Department for Education (DfE).

5.7 Line 29 - Net budget – catering, was a forecast estimate figure. As referred to in the documentation issued to Trustees, the Catering partners had not issued an accurate invoice since October last year and the provisional figures given, were based on till sales. Progress was made this week, with invoices being received; these would be reviewed and processed.

5.8 Line 32 – Net budget – trips: There was a £45k surplus last year. The Principal said this was being investigated and he confirmed that every trip was signed off.

Q. £41K was part of the published accounts – was this reviewed by the auditors?

A. Yes.

5.9 Reference was made to line 44 – salaries – overtime. The Chief Finance Officer was asked to review the figures (£53,899 (sum of total YTD) and £33,631 (£ Forecast)) and to report back to this Committee.

Action: Chief Finance Officer

6. A2020 Project – 5 year forecast

6.1 A2020 5 year plan

6.1.1 £80K additional income was expected in line 1 – General Annual Grant (GAG).

6.1.2 Line 4 – 6th Form Funding, includes bursary funding.

Q. Reference is made to 322 students – what does this mean?

A. This is the number of students currently on roll. These students on roll this year, would generate funding for next year. The Principal said in previous years, there had been a reduction in 6th form numbers, but it was hoped this would not continue.

6.1.3 Line 17 – Expenditure: Notes were provided in relation to salaries expenditure. The Teachers' pay grant would be used to top up pay increases.

6.1.4 Lines 19 to 34 within Expenditure have been budgeted to include a slight inflationary increase.

6.1.5 Lines 12 (private income) and 30 (private funds expenditure) have a net position of £30K surplus.

6.1.6 Line 32 (Looked After Children) is offset against line 13 (Looked After Children Income) for staffing costs.

6.1.7 £247K, with savings, is the deficit position for next year.

6.1.8 Auto-enrolment is in place for pensions this year.

6.1.9 **Q. Does the General Annual Grant (GAG) increase with inflation?**

A. The per pupil rate for next year has increased but this does not rise every year. This forms the bulk of funding received.

Q. Is this likely to increase?

A. With the implementation of the national funding formula, the entire funding model has changed. It is not possible to confirm if this is likely to increase.

6.1.10 The Chair said, given the potential savings which have been identified for 2019/2020 and onwards, it would not appear necessary at this time, to implement any further

actions in terms of budget setting. The trend suggests that salaries would be less than anticipated.

- 6.1.11 The Chair said he would like to see a version of the budget that does not include identified savings. 2018/2019 information would be retained as these are forecast figures.

Action: Chief Finance Officer

In response to the Chair also requesting to see the worst and best case scenarios for 2020/2021, the Principal advised that monthly meetings take place with the Chair of the Board, at which time, this information would be presented. The Chair of this Committee will attend those meetings.

- 6.1.12 Discussion took place regarding the continuation of the staffing structure in Years 7, 8 and 9, with Nick Hyde confirming this would be a sensible thing to do, in respect of continuity.

- 6.1.13 Referring to line 41 – increased class size in Year 9, the Chair said prudence should be given to the £57K forward forecast. The Principal stated that salaries should be as accurate as possible.

Q. What are the reasons for the forecast versus the budget?

A. This is because of changes to basic pay and that there were two members of staff leaving in addition to some staff long term sickness.

- 6.1.14 The Chair said, given the current financial position, it would not be necessary to make unnecessary cuts. In response, a Committee member said a balanced budget was required and that reserves could not continue to be used. The Chair said this should be tackled year on year.

The Principal said there were changes he would like to implement but which had not taken place because of the deficit. This included building work in the English department.

- 6.1.15 A Trustee referred to there being no capital expenditure included within the budget but that capital income was included.

Action: Chief Finance Officer

- 6.1.16 The Chair referred to the deficit compared to the reserves, which showed a healthy budget and that over time, the school was realising the savings opportunities that were being presented. The Resources Committee had agreed a balanced budget and £300K in reserves, which the Board had ratified. In response to the Chair saying that a balanced budget should try to be achieved by 2020, the Principal said the plans in place would not achieve a balanced budget by 2020. The Chair referred to the potential savings noted from line 38 onwards and that this, in addition to pension savings and commitment to the Year 9 plan, could move this forward.

[Agenda item 8.2 was brought forward.]

8.2 Add capitalisation threshold to Scheme of Delegation

The Chief Finance Officer was proposing to reduce the capitalisation threshold to £1K; approval was required to implement this.

Q. Why is this being requested? Have the auditors commented on this?

A. The Trust audit specialist believes the current threshold is too high for an Academy the size of Highams Park.

Mr Nick Hyde suggested this should be set to £2.5K. The Chair **agreed and approved** the suggested figure of £2.5K. Mr Alan Benton seconded this. The Committee unanimously **agreed** the capitalisation threshold being set at £2.5K.

[The meeting returned to the order of the agenda.]

6.2 Summary of reserves and reserves statement

This was presented for information and was noted by Trustees.

The Chair suggested this should be linked to the 3 to 5 year plan and to assess against the 3 to 5 year plan, what was being included in the reserves. The Chair said this was a well thought out document and suggested that if senior management had suggestions for the spending of some of the reserves, this should be presented to the Trustees. The Chair referred to the earlier reference to the 6th form and possibly using some of the reserves to look at ways of increasing pupil numbers.

6.3 Timetable for budget setting 2019/.20

Trustees noted the information detailed in the documentation circulated in advance of the meeting.

6.4 Funding

Trustees noted the information detailed in the documentation circulated in advance of the meeting.

7. **Internal Controls**

The Chair confirmed the Committee was aware of the outstanding actions identified on the audit inventory list and that these actions were being addressed.

8. **Updates to Schemes of Delegation**

8.1 Add Chief Finance Officer to bank mandate and update financial Scheme of Delegation

Last year, it was identified that there were insufficient signatories to approve payments during the summer holidays.

The Chair approved the Chief Finance Officer being added to the Bank mandate as an additional signatory.

8.2 This agenda item was discussed and recorded earlier in the meeting.

9. **Contracts**

9.1 External Audit tender update

The timeline for tendering was detailed in the documentation circulated in advance of the meeting.

Q. Who is on the tender list?

A. There are ten companies approved by the DfE as part of the tendering process.

Q. Why is the school looking to change its current auditor?

A. The current auditors had said it was good practice to review this.

Q. If Price Bailey (existing auditors) are not on the list of the ten companies approved by the DfE, what is the position of the Trustees in potentially choosing a company not on the DfE approved list? Do Price Bailey specialise in auditing Academy Trusts?

A. In response to this question, it was suggested that as part of the tendering process, companies were asked why they were not on the DfE approved list.

The Committee **agreed** that Nicky Whitehead and Alan Benton would be added to the Panel Members to interview those companies invited to tender.

9.2 Internal audit tender proposal to Board in July

In July last year, the Board were asked if they wished to re-appoint the existing internal auditors, which the School had commissioned for a number of years. The Board had asked for the opinion of finance staff within the school. It was agreed that this appointment would be reviewed for the year 2020/2021 and that the Chair of the Resources Committee would meet with the auditors and finance staff, to discuss this.

Action: Chair

10. **Policy review**

10.1 Charging and Remissions Policy

Q. The Chair asked what the Trustees' responsibilities were, in respect of policies and that it needed to be clear, within the Terms of Reference, the levels of accountability? Statutory and non-statutory policies were discussed.

A. Action: Dr Tim Morris

The Chief Finance Officer said that in respect of policies, consideration is given to what is done in practice and that this is included within the policy.

Action: Chief Finance Officer and Tracy Penfold, Chair of the Board

10.2 Whistleblowing Policy

Significant work had been undertaken in relation to this policy, which had not previously been presented to Trustees.

The Committee **agreed** to change all reference within the policy, from 'Governing Body' to 'Board of Trustees'.

Action: Dr Tim Morris

The Committee **agreed** to recommend this Policy to the Board of Trustees, for ratification.

10.3 Code of Conduct

This was a long-standing policy.

The Committee **agreed** to recommend this Policy to the Board of Trustees, for ratification.

10.4 Disciplinary Procedures

10.5 Bullying and Harassment Policy

Both policies are active policies which are drawn from the EPM template.

The Committee **agreed** to recommend both Policies to the Board of Trustees, for ratification.

11. **Date of next meeting**

11.1 The next meeting would take place on Monday 24 June, 2019 at 7 p.m.

11.2 Agenda items would be taken from the cycle of business.

12. **Chair's Action**

The Chair had not taken any action since the last meeting.

13. Any Other Business

This was recorded under confidential items, with only non-staff members present during discussion.

[All members of staff left the meeting at 9.27 p.m.]

The meeting closed at 9.40 p.m.

Chair: (print)

..... (sign)

Date: