

**ST BARTHOLOMEW'S SCHOOL**  
**MEETING OF THE FINANCE & RISK COMMITTEE**  
**THURSDAY 25<sup>th</sup> JANUARY, 2018 AT 7 PM IN R1**

**MINUTES**

<b>PRESENT:</b>	Campbell Smith (CS)	Committee Chair
	Julia Mortimore (JAM)	Headteacher
	Ian Peddie (IP)	Chair of Trustees
	Richard Deal (RD)	Trustee
	Helen Strutt (HSS)	Finance Manager
<b>IN ATTENDANCE:</b>	Helen Sutherland (HLS)	Clerk to the Governors

**1. APOLOGIES**

There were no apologies.

**2. DECLARATION OF AOB**

Nothing further was added to the agenda.

**3. DECLARATION OF INTERESTS/CONFLICTS OF INTERESTS**

There were no declarations.

**4. MINUTES OF THE LAST MEETING – 23<sup>rd</sup> NOVEMBER, 2017**

These were agreed pending one amendment.

**ACTION: HLS to update and CS to sign**

**5. MATTERS ARISING**

Financial Risk Register – see Item 6

Audit Tender Timetable

HLS explained that:

- The current contract with James Cowper Kreston is for three years and will run until the completion of the statutory audit during the Autumn Term 2018.
- The timing of running a tender process will depend on whether our new Articles of Association still require an AGM. However, as we will have updated Articles by then, we may no longer be required to hold an AGM so there are two possible scenarios.
- In either case, a Working Party will need to be given delegated authority to carry out the tender during the Summer Term 2018.
- The timetable can be confirmed once we know more about the Articles of Association in place at the time.

## 6. BUDGET

### Management Accounts for 2017/18

The Management Accounts were circulated in advance of the meeting.

### Q1 expenditure against budget

HSS highlighted the following:

- The annual budget for 2017/18 was set with a deficit of £105,000; the current revised forecast predicts a deficit of £63,000;
- The majority of savings have come from salary reviews plus £20,000 for the STP resurfacing;
- There was a surplus at the end of December 2017 from GAG income and expenditure of £42,000 but there was a total deficit of £10,000;
- The forecast deficit for the end of the year is £382,000 due to planned spending from Reserves for the Sixth Form Extension Project (£198,000) and IT (£70,000). If these allocated funds are not spent by 31<sup>st</sup> August, they will be carried forward.

CS asked if the school is fully staffed at the moment. JAM replied that the school is fully staffed for teachers at the moment but not yet for September.

### National Funding Formula

A paper was circulated in advance.

HSS explained that local authorities will continue to set a local formula for determining individual school budgets via the Schools' Forum until the new National Funding Formula (NFF) is applied from 2020-21.

HSS is awaiting the minutes from the most recent meeting of the Schools' Forum to confirm figures but it is expected that St Bart's will see a reduction of approximately £10,000 next year.

For KS3/KS4, minimum per pupil funding under the NFF will rise from £4,600 on 2018-19 to £4,800 per student in 2019-20.

It is expected that Sixth Form/Post-16 funding will stay the same at £4,000 for each student.

### Three Year Forecast

HSS' three year forecast was circulated in advance of the meeting.

The following were noted:

- Costs will rise by approximately £500,000 in the next two years.
- This will largely be due to staffing costs associated with "on-costs".

Assumptions include:

- Average pupil retention and deprivation rates have been used in the calculations;
- Details known to date regarding the NFF;
- Staffing levels remain the same with assumptions made regarding progression through pay scales and thresholds;

- A 1% pay increase for teachers and support staff, although it is possible that 2% may be awarded for both groups;
- An IT Reserve of £50,000 and STP Reserve of £20,000 per year.

CS asked JAM for her view on running a deficit at these levels. JAM replied that as many savings as possible have already been made. The School is at a point that it is uneconomic and decisions need to be made. Staffing cannot be shaved any more so there is reliance on the Sixth Form growing further.

JAM and HSS asked the Committee to consider recommending an increase to the Published Admission Number (PAN). HSS tabled an illustration of the potential income should the PAN be increased by six to 270 for the incoming Year 7 in September 2018 and also Year 8 (the current Year 7) from the same date, however West Berkshire would need to be notified by 31<sup>st</sup> January. It is anticipated that this would bring in an additional income of £144,000 by 2023-24.

JAM has looked at the practical implications which only really affect Technology rooms and it is possible to install an extra cooker to accommodate an increase of one student per teaching group. Classrooms are big enough to cope with the increase.

IP suggested that it might be worth considering a larger increase to the PAN. JAM agreed but noted this will need more work to consider the implications.

**ACTION: JAM**

HLS advised that the School Governing Body (SGB) will need to approve the increase to the PAN, and this could be done at their meeting on 31<sup>st</sup> January. An email could be sent to West Berkshire immediately following the meeting, if the SGB agree.

The Committee agreed to recommend the proposal to the SGB and the Trustees. The Trustees will be asked to endorse the proposal should the SGB agree.

**ACTIONS: CS to draft a note for HLS to forward to the Trustees.**

**HLS to notify West Berkshire if the SGB agree to the proposals immediately following their meeting.**

It was noted that this proposal will not resolve the deficit; Reserves will still be needed to support the budget.

Other measures:

- The Facilities Team is under review in terms of both staffing and budgets;
- £20,000 annual allocation to the STP Reserve – an alternative quote is being sought as well as a review to see if the costs and timeframe are still the same. It may be possible that the current surface of the STP will last longer than initially anticipated or that it could be extended, this providing a saving or allowing a longer timeframe in which to plan for the work.
- The annual contribution to the ICT Reserve is also being reconsidered.

## 7. RISK

### Annual Plan of Work

HSS explained that it is difficult to see where value could be gained from a review – there are no big changes expected to payroll and most of the checks that have previously been carried out during the summer term have never found a problem.

HSS suggested that rather than having James Cowper Kreston carry out the checks, the out-going Schools' Finance Manager at West Berkshire could be asked to carry out some checks. She has vast experience.

This was agreed.

**ACTION: HLS to add the scope for these checks to the next agenda.**

RD left the meeting at 8 pm.

### Financial Risk Register

CS has reviewed the Financial Risk Register (FRR) dated December 2017.

It was clarified that the FRR is owned by HSS and the Non-FRR by the Business Director.

Previous Finance Governors have reviewed the FRR annually and then looked at updates termly.

**ACTIONS: HLS to send the Non-FRR to CS;  
CS and HLS to look at the Non-FRR;  
CS, Steve Foyle and HLS to look at the Non-FRR and assign risks to committees.**

## 8. PROPERTY/PROJECTS

### Browns Meadow

IP explained that:

- During the Autumn Term, Newbury Athletic Club (NAC) asked for a financial contribution towards the project to build a new pavilion and put in a second planning application which was approved just before Christmas;
- A process of due diligence was carried out and issues included value for money and concern over the amount of land being used against the playing field ratio;
- The suggestion was made that the School takes over the project which will remove the need for a lease and will mean that the School will own the building. NAC, at their committee meeting last night, agreed to this proposal;
- It is hoped that the bulk of the funding could be transferred to the School for the project;
- Andy Crabtree, the Interim Business Director, is looking at the options for this project;
- The aim is to have the new facility in place by September.

Sixth Form Extension Project

JAM reported:

- The project is progressing well;
- The Expressions of Interests form has been sent out to 10 potential suppliers;
- Once those are returned, they will be considered and Invitations to Tender will be sent to those considered suitable;
- The Robinson Rooms will be completed by the end of the Summer;
- The full extension will be finished by the October half-term.

HLS added:

- The planning for the tender panel is underway;
- There will be a Working Party, consisting of the Chair of Trustees, Chair of the SGB; Headteacher and the Chairs of the Finance & Risk and Resources Committees.

**9. AOB**

There was no other business.

These minutes are subject to final approval by the Finance & Risk Committee at its next meeting.

Signed .....Date .....

Chair