

ST BARTHOLOMEW'S SCHOOL
MEETING OF THE GOVERNORS' FINANCE & RISK COMMITTEE
THURSDAY 24TH JANUARY, 2019 AT 6.30 PM IN THE WORMESTALL MEETING ROOM

MINUTES

PRESENT:	Campbell Smith (CS)	Finance Governor (Chair)
	Julia Mortimore (JAM)	Headteacher
	Catie Colston (CC)	Co-opted Governor
	Steve Foyle (SF)	Appointed Governor
	Karen Sadler (KS)	Vice-chair of Governors
	Helen Strutt (HSS)	Finance Manager
	Jonathan Taylor (JT)	Appointed Governor

IN ATTENDANCE:	Ian Peddie (IP)	Chair of Governors
	Patricia Ray (PR)	Co-opted Governor
	Gareth Scourfield (GS)	Parent Governor
	Helen Sutherland (HLS)	Clerk to the Governors

1. APOLOGIES Bruce Steiner (BS) Co-opted Governor

2. DECLARATION OF AOB

Nothing further was added to the agenda.

3. DECLARATION OF INTERESTS

There were no declarations of interest.

4. MINUTES OF THE LAST MEETING – 29TH NOVEMBER, 2018

The minutes were agreed and signed.

5. MATTERS ARISING

There were no matters arising.

6. BUDGET

Management Accounts for 2018/19

Papers were circulated in advance of the meeting.

HSS highlighted:

- The revised forecast at the end of December shows a deficit of £274,000, improved from the original annual budget forecast of £345,000 for 2018/19;
- This is largely due to:
 - o £83,000 salary grant from the Government to fund teachers' salary increases over 1%;
 - o £50,000 capital grant from the Government;

- £22,000 increase in SEND funding as there are a larger number of SEND students.
- The budget is under pressure in the following areas:
 - Additional £67,000 for energy;
 - Pupil Premium: reserves have been reduced;
 - EVER6 list is smaller resulting in £10,000 less funding;
 - Increased salary costs.

Finance Governor's Report

CS reported that, in the past, it had been possible to realise favourable variances through, in particular, salary costs but this is not being seen this year as the budget is set so tightly and costs are increasing. This is a testament to the quality of forecasting.

£1.6 million in reserves is now starting to reduce, especially taking into account the Sixth Form.

Questions

CC asked what scope there is for reducing energy costs. HSS explained that a broker is being used to find the best contract; a new one is due for April. Benchmarking against other schools is also undertaken. Ways of reducing usage are also being considered. CC asked about using consortiums to find the best prices; HSS replied that they are not always cheaper and sometimes you have to commit before you can obtain a cost.

KS asked about the reduction in Pupil Premium (PP) reserves. HSS confirmed that approximately £140,000 was received each year. Initially a reserve was built up due to a slow start, but this was utilised by approving a rate of expenditure over the annual income. However, now income has reduced to c. £120,000 pa, and reserves have been reduced to c. £10,000, we are at a point where if the expenditure isn't reduced by approximately 20% then the fund will be overspent. CC asked if it is possible to identify more students who would qualify for PP. JAM reported that all new families are written to and that details of PP students are passed on by primaries. HSS added that £95,000 in salary costs are supported by PP funding, in addition to an element of careers advice, and Educational Psychology.

7. THREE YEAR FINANCIAL PLAN AND STRATEGIES TO ADDRESS THE DEFICIT

Papers were circulated in advance of the meeting.

JAM explained:

- Reserves will reduce very quickly over the next 3-4 years;
- The figures produced are based on a number of assumptions;
- In the past, it has always been possible to have a balanced budget;
- Next year will not be as bad as this year due to lagged funding for additional students, the Government's salary grant and the capital grant of £50,000.
- Actions take time to have an impact on the bottom line;
- Staffing costs are expected to increase next year due to larger Sixth Form numbers;
- It is anticipated that cleaning contract costs are expected to increase by £10,000 - £15,000 pa from April;

- Further actions for consideration are listed in the paper already circulated.

PAN Increase

There was a discussion about increasing the PAN.

- The only way to improve the bottom line is to increase income and this means additional students;
- The Published Admission Number (PAN) is now at 270 in Years 7 and 8;
- Some changes have been made to manage the increased numbers;
- Sixth Form applications are up by approximately 90 but it is worth noting that not all external applications will be realised;
- Increased Sixth Form numbers are included in the predictions;
- An increase in the PAN to 290 would bring in the necessary income to balance the budget.

JAM reported that the School has concerns about raising the PAN to 290 but realises that an increase to 280 may be needed.

SF asked how confident the School is with regard to per pupil funding figures. JAM replied that the Government has set the figures and these are the ones that have been used in the modelling for potential options:

- Model A: increase the PAN to 280 for Years 7 and 8 from September 2019;
- Model B: increase the PAN to 280 for Years 7 and 8 from September 2020;
- Model C: increase the PAN to 280 for Years 7, 8 and 9 from September 2020.

If the PAN increase is not implemented in September 2019, it would allow more time to plan for staff and equipment as well as addressing any staff morale issues. The opportunity to prove that St Bart's is "outstanding" is likely to come before September 2020 so consideration of staff morale is even more important.

PR asked about restricting the number of A-levels that Sixth Form students can take to three due to costs. JAM confirmed that taking four will still be possible but most students who start four courses end up taking three once they have settled in.

IP asked if the PAN increase is delayed, could it be raised 290 as there will be more time to explore and plan for potential issues. JAM replied that this would be possible but that 280 is the only figure that has been suggested to staff so far. Waiting another year will give time to see if the National Funding Formula takes effect.

GS noted that the impact and cost is beyond financial for staff and students.

JT added that there are too many unknown factors that are dependent on the Government. JT was mindful of the effect an increase in the PAN will have on staff morale and the outcome of an Ofsted inspection but felt that an increase sooner rather than later would be better.

CC felt that there would be a benefit in seeing an impact analysis of the already implemented increase in the PAN to 270. What is the biggest class that any teacher would have to teach and what is the tipping point, is there anything that has happened that wasn't foreseen? It was accepted that this will be difficult to measure just over a term into the increase to 270. It would be beneficial to have more time to find the positives to making further increases to the PAN.

IP noted that staff must realise that schools need to balance budgets so can staff morale be managed in order to avoid staff increases. The decision is largely between increasing the PAN or making staff cuts. JAM responded that staff do understand the situation but the impact on the individual comes into play such as increased workload or redundancy.

KS asked where the pressure points would be for increases for Years 7, 8 and 9. JAM explained that in KS3 the number of groups would increase for core subjects, resulting in an increase in staffing for Years 8 and 9 for core subjects. For KS4, there are already 12 groups and this is unlikely to change much.

KS asked about the impact for students. JAM replied that students who do a good job may go under the radar and those who require more input may not receive enough time.

JAM added:

- From the teachers' perspective, Model C is probably the easiest;
- Some reserves will need to be used to protect current students;
- There will need to be a clear message to staff about the ultimate size of the PAN.

JT asked if space utilisation has been considered. JAM reported that this had taken place so that, for example, in English new tables and chairs are being trialled to allow more students in a classroom. In DT some classrooms have been changed. Where there are possible opportunities to make changes to space, they have been considered.

JAM confirmed that:

- It is not possible to do more modelling until the October 2019 census;
- The forecasting will be kept under review;
- Delaying an increase until 2020 makes more sense for the School;
- More practical work can be done with regard to the implications of a PAN of 280 or 290.

IP added that this will need to be considered by committees throughout the year.

It was agreed that there should be a special meeting during the Autumn Term (November) when new models will be possible and the outcome of salary reviews will be known.

Proposal:

To find the optimum increase (PAN minimum of 280) and to plan for that increase to take effect from September 2020. Committees to consider the implications of potential increases against their remits over the period between now and a special meeting in November.

Proposed: CS

Seconded: CC
Vote: unanimous.

ACTION: Committee Chairs and HLS to ensure that there is an appropriate standing item on each agenda.

ACTION: CS to draft a note to all Governors regarding this proposal.

8. RISK

Annual Plan of Work

It was agreed that CS would carry out internal checks again next term.

ACTION: HSS to ask HR and Facilities if there are any areas that they feel would benefit from a check.

Risk Register

HLS and Julie Shepherd (JES) plan to meet but this has not been possible due to JES' workload. This will take place as soon as possible so that this item can be addressed at the next meeting.

ACTION: JES & HLS

9. ACADEMIES' FINANCIAL HANDBOOK

A paper circulated in advance of the meeting detailed proposals to meet new financial governance requirements that have been published in the current Academies' Financial Handbook.

**ACTIONS: CS & HSS to discuss key performance indicators
CS, HSS & HLS to discuss process and authority for review statutory returns.**

10. AUDIT TENDER

A comparison of costs for local academy trusts, compiled by CS, was circulated in advance of the meeting.

It was noted that the figures did not include an additional value for money or detail what is included but it was agreed that James Cowper Kreston should carry out the next audit with a further review next year.

11. PROPERTY/PROJECTS

Sixth Form

JAM reported that final invoices are awaited and the retention is being held. It has come in on budget. Snags are on-going.

Browns Meadow

SF:

- The planning application was considered by Newbury Town Council who are a consultee to the process on 2nd January. SF attended and answered questions.
- An objector attended and there have been a substantial number of objections submitted online.

JAM:

- There was a site visit this morning (Thursday 24th January) by West Berkshire's Planning Committee. JAM, JES, IP and Jonathan Gratton (JG) attended.
- JG explained the rationale behind the application and design.
- The application will be considered by the Planning Committee next Wednesday. JAM will be speaking on behalf of the school.

IP:

- Parking is likely to be an issue;
- Highways have not objected;
- The Planning Officer is recommending approval.

12. AOB

Nothing else was discussed.

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

SignedDate

Chair of the Finance & Risk Committee