



Little Paxton School Governing Body

Minutes of the Finance Committee Meeting held on Monday, 14th March 2016, at 7:00pm

Present:

Ellen Barrett	Co-opted Governor	Graham Hiom	Co-opted Governor/ Chair
Penny Conway	Authority Governor	David Jones	Parent Governor
Richard Fairbairn	Parent Governor		

In attendance: Alison Gatward Clerk to the Governing Body

1. Apologies for absence received and accepted -
Diane Hawkes Staff Governor / Head Teacher.
DH asked that JW attend the meeting in her place.

2. Declaration of interests – no amendments declared. An updated list of interests will be issued after this meeting.

3. Minutes and Matters Arising (agreed at FGB)
It was confirmed that the updated Emergency Plan and Freedom of Information document have been shared with Governors.

4. Review of BCR / School Financial Advisor Meeting

Governors reviewed the BCR to check that the Bank Account reconciled from Period End Return (PER). There is a recognition within PER that predicted year end is now £139k (slight increase & still very healthy), schools financial advisor (SFA) meeting confirmed latest report is showing £144 and predictions suggest year end may be nearer £150K. It was acknowledged that this represents holding excessive reserves **QU:** What is driving the increase in reserves - spending less or receiving more funding? It is mainly due to spending less than budgeted. It is best practice to ensure that this year's money is spent on this year's children. Some expenditure is on hold because of the extension so for example lights and carpets are not being replaced at this time.

QU: Is £150k in reserve too high? This was also part of the discussion with the SFA, the increase in reserves needs to be justified. In part it can attributed to the following

- Some budget lines have not been spent for example expenditure budgeted for agency staff has not been used because generally cover is arranged internally with TAs taking on extra hours or using the flexibility in JW's timetable, both being cheaper than agency cover.
- There are a couple of revenue lines that were not included in the budget, such as the money DH generates for advice and consultancy to other schools.

There was a robust and lengthy debate with the SFA looking at whether we would be vulnerable to claw back of the reserves. He was confident that this should not be an issue

as it was clearly documented in minutes as to why the decisions have been made. **QU:** Whilst it is acknowledged that the extension work is likely to incur unforeseen additional costs for the school there is a concern that £121k is still a large amount of money. The finance committee has regularly challenged the management team to look to see if they need to invest in anything to improve the outcomes for the children. DH has been asked to review other schools both Priory schools and other schools to see whether there is anything else that the funds should be spent on. **QU:** When benchmarking with SFA does this look at other schools and their reserves? Do we come out excessively high? We are in the top group for efficiency. However, the benchmarking doesn't directly look at reserves of other schools. This is something to ask SFA to look at and advise us further. **QU:** What is the normal carry forward? 8% is suggested as a reasonable amount. So we have a further 8% in reserve as we have had the extension on the horizon for some time. **QU:** How much planned growth funding have we received? Last summer there was planned growth funding for one class, this was not immediately used. This will be used for the teacher that has already been recruited who will be in place before the funding for the class will be received. **QU:** If there are things that need to be done should the money not be spent now? One of the things is to upgrade the smart boards but this doesn't make sense to do before the school becomes dusty and disrupted by the build. Things like updating the lights might be included in the consequential improvements. The aim is to complete the new build and then spend the money to bring the rest of the school up to date. There are iPads in classrooms and the children have the resources that they need. It is important that this committee keep having this discussion each time to ensure that the budget is being used as needed. Projections for future years start to impact the reserves. In each of the next 2 years £50K will be used from the reserves due to changes that are planned already e.g. additional teachers and investment in the middle management team. It was noted that projected figures for 3 years time show a much tighter financial situation with little carryforward, although it is recognised that such projections are inherently unreliable due to a large number of unknowns.

ACTIONS:

- Finance committee to constantly ask the questions about what the reserves should be spent on.
- DH to go to other schools and see what investments could be made
- Benchmarking the carryforward with SFA with other similar schools

It was recognised that the income / cost lines seem in control (reminder circa 80% of budget should be spent)

The committee reviewed the relevant variances that were noted in the Reports / Cost Centre View and were happy that the SFA's questions had been answered.

5. Financial Audits Generally

- Findings of Procurement Audit

It is clear that policies are regularly reviewed according to the set timetable. There are three Cambridgeshire County Council (CCC) policies that we receive and adopt:

- CCC Financial Regulations for Schools
- CCC Contract Regulations for Schools - embedded into our procedure

▪ CCC Scheme for Financing Schools

It was raised whether the Governors understood the procedures for ordering, receipts etc? Do we know if receipts given for received payments of cash over £10. These and many other processes covered within the CCC need to be reviewed to ensure we can confirm that we are comfortable that the CCC obligations are met. These areas may need to be a governor visit focus. It is important to stress that this would be to review the job roles rather than the personnel in the roles. Many of these things may be covered under internal procedures rather than through policies. There is more work required to ensure that we can demonstrate that we are assured that procedures are adhered to.

ACTION: GH to review further and make proposals to the committee of how to proceed.

6. Internal Financial Procedures

This is a revised document which has been produced for this committee to review. It should be noted that this document needs to be assessed against the CCC policies discussed previously.

ACTION: AG to add Internal Financial Review policy review schedule for annual review.

QU: no 4. Does this need to be included in the policy especially due to the annual changes of people, roles and priorities? This section is DH's budget that she is sharing out and as such is a valuable tool for the management team. **QU:** Does this duplicate something else? It may do but it is a working document that both DH and MP use to control the budget and as such it is valuable.

7. SFVS (School Financial Value Standard)

Governors began an initial review of the draft assessment in particular the highlighted questions sent ahead of the meeting. PC completes this for the end of March.

QU: A9 states that Nigel Batty supports on the appraisal process but not the pay decision process. It would be more accurate to say that he advises on the appraisal which then informs the salary review process.

QU: 6. If the schools finance officer were to be unavailable for an extended period, for example on long term sick, is there a contingency plan? Is there an appropriate level of financial expertise within the office team? Is there only one person who can do the financial aspects of the office work? In the main yes, although there are some aspects that can be covered by other members of the team. It would be possible to look for support from Priory schools or from County. There should be a contingency for the school. JW is responsible for the appraisals of the office team and will consider how this can be incorporated into their objectives. JW to discuss in appraisal meetings with office team and look for opportunities for financial skill sharing, succession planning and staff development. Need to conduct an audit of skills in the office and look to safeguard a growing school. Also need to consider whether the office team are ready for the growth of the school? **QU:** Similarly regarding the chair of finance? This is also an important question. We are looking for finance experienced coopted governor. So in terms of the SFVS the answer is - in part.

ACTION: JW to review further

QU: 10. Are the SEF and TOP are the same thing? It is now all in one document. It made more sense to set out a termly operational plan (TOP) for the autumn term and then continue to self-evaluate actions on the same document which feeds into the subsequent TOP for the spring and then the summer term. **QU:** Do we have a clear articulation of the 3 year plan? **QU:** What is the direct link between attainment and the budget? Struggle to see how the financial plan would support the 3 year plan. Schools are unable to link these on a 3 year plan because there are so many unknowns. Additional staff and additional responsibilities, new structure for the management team is all being considered but has not yet been formally documented, although these decisions and plans are noted in GB minutes.

ACTION: SFVS – Item 10: Add information about TOP/SEF; Item 16. Add a comment that balances are currently high; Item 21: This has already been tightened up, comment to be added to reflect current practice.

Item10: Emergency plan - still needs to do more work. SFA looking for best practice to share.

ACTION: Update – GH/PC to add comments to SFVS document

8. AOB

Meeting closed 7:48pm