



## Little Paxton School Governing Body

### **Minutes of the Finance Committee Meeting held on Monday, 22<sup>nd</sup> May 2017, at 7:00pm**

Present

Ellen Barrett	Co-opted Governor	Graham Hiom	Co-opted Governor
Penny Conway	Authority Governor	James Purser	Co-opted Governor
Richard Fairbairn	Parent Governor	Paul Warmington	Parent Governor
Diane Hawkes	Staff Governor/HT		
In attendance –	Julie Zausmer (Clerk)		

1. Apologies for absence – Tracey Locke.  
David Jones was not present but no apologies received.
2. Declaration of Interests – no changes declared.
3. Minutes and Matters arising

Operational Risk Management (ORM) – this is an action for DH – CCC Finance Regulations have changed: school should be doing ORM going forward. **QU:** Is any support required with this? DH needs to look at details – guidance may be required – put a timeline into a process.

SFVS (School Financial Values and Standards audit) – this was all completed before 31<sup>st</sup> March and has been signed off by the LA. It is a useful document to review to see how finance procedures are in place.

Governor competencies grid for SFVS – G Hiom (as Finance Chair), and P Conway (as Chair) had completed the relevant sections, T Locke completed the section for another governor with an interest in finance.

4. Finance-related Governor Visits

Head's expenses review – G Hiom met with Mary Parnham (School Finance Secretary) on Wednesday 29<sup>th</sup> March to review the system and was satisfied the expenses are correctly paid and accounted for.

Asset control – R Fairbairn and P Warmington agreed to review this. DH advised some areas needed work to bring up-to-date. For instance there is new guidance about what needs to be included on the ICT hardware register. **QU:** is this new items for inclusion or items that don't need listing? There is guidance saying some items do not need to be on there. Some work has already been done to update the register. **QU:** When will there be a good time for a visit? We need time this term to sort out the register and add new items in – guidance will be sought if needed then the autumn term would be best to visit and review.

5. Budget and BCR

No unreconciled items – controls are all in place and working as they should. There is some confusion about the reserve of £112,000 reserve – last meeting it was £12,000 more. Accounted for in last year's figures but not until recently. DH – to ask M Parnham if this was included. Maths hub work – the income is included. Impact of maternity leave is included.

A review of funding and expenditure for the year:

Funding for 2017/2018 is £1,108,819.00

Staff Costs for 2017/2018 are £1,072,329.00

97% of funds received this year have been allocated to staff costs. This is only made possible by using a significant amount from the reserves.

Staff costs are recommended to be no more than approximately 85% of the total and it is unsustainable in the long term if staff costs represent more than 90% of the funding.

**QU:** Can you explain how this situation has come about? As we have grown from 1 to 1.5 form entry and are still growing ultimately to 2 form entry it has been necessary to open new classes (and recruit the necessary staff) before the children arrive to fill the places in those classes. Funds are allocated on the basis of children currently attending so there is an inevitable lag between increasing pupil numbers and funding. However we are hopeful we may be eligible for additional planned growth funding from the LA. This has been available in the past although there is less available now so we cannot rely on this.

There are 2 ways to bring the proportion of the budget allocated to staff costs: either increase the overall funding by increasing pupil numbers (whilst keeping staffing levels constant) or decrease the staff budget by reducing the number of staff hours.

This implies either increase funding to £1,191,476.67, an increase of £82,657.67  
OR

Cut staffing costs to £997,937.10, a decrease of £74,391.90

The first option can be achieved by filling up classes (a class needs to contain 27 pupils on average for the funds generated by that number to cover the costs of running the class), the second would involve a significant reduction in staff hours.

**QU:** Do we have any options?

We have to get back to only 90% of the funds we receive being allocated to staff costs as we no longer have sufficient reserves to continue to be over-staffed.

As the village continues to grow new children will most probably arrive at the school which will fill up classes to the minimum sustainable level.

Funding is based on historical numbers (that is funding for this year is based on pupil numbers last year) which is why we may be eligible for planned growth funding if the increase in pupils numbers is sufficient to trigger this - we will have to wait until September to see if this is the case.

**QU:** Could we proactively get more numbers in? Schools cannot directly advertise as such but we can ensure developers and estate agents have our contact details to give to people.

Also, in order to grow we need to open 2 classes in each year group to create the places in order to admit children, particularly in KS1 where class sizes are capped at 30. This inevitably means some classes will not be full.

**QU:** Can we cut costs?

As staff costs are the majority of the budget the only feasible way is to cut staff hours. We would need to look carefully at the impact of this. Reducing staffing levels could result in a drop in standards which would be counter-productive – we need to think very carefully before making any cuts.

In addition there are currently 2 full time staff on maternity leave which has resulted in a certain amount of “doubling up” – once they return the situation should ease and help the issue.

**QU:** What will it look like and what is planned beyond this year? In covering the maternity leave we have taken the opportunity to appoint permanent high quality staff for the extra classes that will open but this has meant having an extra half term of cover. From September 2018 there will be 14 classes, 2 in each year group and we cannot grow anymore. As the classes fill the funding and expenditure should level out.

We looked at finance projections for 3 years with the Finance Adviser. This year and next should be affordable but third year could be an issue if pupil numbers do not increase quickly enough. It cannot be predicted at this stage.

## 6. Plans for Mobile

As discussed in the preceding Site & Buildings meeting it has now been confirmed that the mobile will be removed by the end of term. There are currently no other plans in place.

7. Annual Subscription to School Governance Support and Training Package  
R Cottle (the school Finance Adviser) recommends taking out this subscription. It costs £66 per governor (15 governors and 1 clerk) for 2017/2018.  
The Chair also recommended to governors to continue the subscription.  
**QU:** What do we get? We get unlimited access to advice on any governance matter as well free attendance for all governors at any governor training event, the termly briefings for governors and the annual governor conference.  
Otherwise these services would have to be paid for and would be much more expensive. It is good value provided governors make sure they take up the opportunities it offers.  
It was unanimously agreed to continue the subscription for the coming year.  
APPROVED

8. Review of Policies – none scheduled for review.

9. Any Other Business  
We could have a meeting with the Finance Adviser in the summer term, but a new budget toolkit is going to be introduced with training to schools in September. Need to know what does everyone want to do?  
All agreed to defer this until early autumn.

The Head Teacher brought to governors' attention the issue of additional allowances that could be paid to teachers in recognition of outstanding performance during the year as evidenced by classroom observations and performance against set objectives. The Pay Policy allows for the possibility of this discretionary payment if funds permit. There is so little in the 2017/2018 budget that it will not be possible to pay teaching staff these allowances even if the criteria were met. The Head Teacher felt it only fair to notify the teachers of this at the earliest opportunity and governors agreed with this. Governors were concerned about the impact this might have on staff morale but in view of the financial constraints in the budget felt this was preferable to cutting staff hours.

**ACTION:** *Head Teacher to notify teaching staff that, unlike previous years, there are insufficient funds to consider paying the discretionary allowances.*

Meeting closed at 7.50pm