

MINUTES



Noadswood

BOARD: Finance, Audit & Risk Committee

SCHOOL: Noadswood School

DATE: Thursday 17th June 2021

TIME: 18:30hrs – 21:00hrs

VENUE: Remotely – via Teams

ATTENDED:

Tim Sunderland (TS)	Chair of the F.A.R. Committee
Kathryn Marshall (KM)	Headteacher
Steven Pike (SP)	Staff representative
Helen Sanderson (HS)	Parent trustee

ATTENDING: Louise Instone Clerk

The Code of Conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

Items marked * are those in which a majority of Governors may have an interest because of some shared attribute. When considering these items, Governors should aim to achieve a balanced view, paying particular attention to the sources of information and advice, and remind themselves of their duties as governors and to act in the public interest.

Item	
1	Welcome and Apologies: Those present were welcomed by the Chair.
2	Procedural items: 2.1 Apologies for absence Apologies were received from Catherine Langdon, Paul Goater, Lisa Taylor and Neil Cotton 2.2 Confirmation of Quorum (3 Trustees, one of which must be the Head Teacher or appointed representative) The meeting was confirmed as quorate. 2.3 Declarations of interest No pecuniary or personal interests were advised for any agenda item for this meeting
3	Any Other Business: 3.1 Formal approval of SRMSA return 3.2 PPM tender and cleaning tender – update and approval 3.3 Approval of 3 policies
4	Minutes: The minutes of the previous meeting 1 st March 2021 were approved as a true record of the meeting.
	Matters Arising from the Minutes: See update of matters arising at the end of the minutes.
5	Correspondence: To note any correspondence received by the Trust / Chair No correspondence was received by the Trust / Chair to be discussed.
6	ESFA Report and ESFA Financial Management and Governance Review – 17/2/21: Full report and update against actions Had a review from the Education Skills Funding Agency in February, the school was randomly selected. The encouraging side of this was the number of items they reviewed that the school do well.



A timescale was agreed to put the remaining items correct by.

- There were 5 and not 6 FGB meetings calendared. However, we have had 7 so we are compliant this year. Next year we will add the extra meeting.
- Lack of Cashflow Statements, these are now being done by AD with Sam's support, AD will take over these from the Summer.
- Finance Regs Manual: KM has reviewed this and has completed about two thirds of it against the current AFH. However, the new handbook has now come out. This is being reviewed with Sam's support. There will be a full draft by 9th July. The review of where it was at along with the list of items we were working through was shared with KKh at the ESFA and he was happy with that.
- The programme of work for the internal scrutiny hasn't been formally approved, though the reviews are all taking place, but this will be done at the FGB.
- RJ has been on a phased return, so we now have a CFO who is different as the Accounting Officer, as per one of the actions listed.
- Policies for Gifts & Hospitality and Drugs & Alcohol have been created/updated. At the end of the Gifts & Hospitality policy there is a register where gifts over a certain amount are reported, and the Chair must authorise this. This has been written and use has begun. Sam Lock will do spot checks on the register.
- Delegation of authorisation are being updated in the Finance Regulations Manual.
- Fraud and Theft policy was approved at the FGB, this hasn't been put into use, but will be put on the agenda for SLT in September.

TS explained he can see a huge improvement and difference since he started as a trustee in terms of closing off compliance actions.

KM agreed Sam has also said she can see the progress on compliance but there is still work to do on budget building and monitoring.

TS agreed trustees have been health checking KM's work in these respects throughout the year and considered that this item could be closed in its current format by September. There is very little left that hasn't been addressed.

This will be discussed outside this meeting – key actions requiring approval or decisions only to come to the committee from internal scrutiny reports in September.

ACTION: TS to liaise with KM to write off this action in September 2021: TS/KM

7 Internal Scrutineer's Visit: Outcomes and actions: May 2021

The latest review from the internal scrutineers was put onto the GovernorHub into the meeting papers, with all actions RAG rated by KM.

KM explained there are several actions complete, the ones in Amber are partly complete and the ones in red don't necessarily imply they are outstanding but that they are new actions to be addressed.

Updating the website: The school has had external support with this and it is almost complete.

Trustees and Members being split has been actioned

Management accounts – KPIs: this document is in the meeting papers for this meeting and will be updated monthly thereafter to discuss at this committee.

Impact of budget and forecast: Once the budget is built, we will work on getting the forecasting and budgeting sharper in the future.



	<p>Ringfencing funding: work regarding the use of this is ongoing</p> <p>Allocation of unstructured funds: This is considered as a major action point. Sam Lock and AD are actioning this.</p> <p>Lettings review: This is an important item to complete before lettings commence. This is an Audit Action from HWB. Costs and process have been refreshed and Sam has scrutinised the documentation. She has found some discrepancies in consistencies between documents which has been addressed. Sam has also made some suggestions about outsourcing so we run a tighter system.</p> <p>Checking payroll: Sam suggested a change in the time in the process of payroll the checks are completed, this is now in place.</p> <p>Inform of the salary forecast: supply budget trajectory, it appears that we have double counted some of the supply which has made it appear worse, Sam is correcting this. Three of the supply teachers were maternity covers but Sam has worked out what we have been doing wrong. This will correct the funding slightly in our favour.</p> <p>School trips and visits: this is a new action.</p> <p>Cashflow projection: AD and Sam are working through the cashflow projection. AD will be doing the work alone from August.</p> <p>Tender process: This was reviewed and approved at the last FGB, however, it should have got to Sam first and she has found mistakes. These will be amended and it will be brought back to the next FGB in July.</p> <p>Marquees and security: Sam has done a cost comparison between what we might spend if the marquees were destroyed on insurance and what the premium increase might be compared to what we are spending out on security. We will take the costing analysis forward to ensure there isn't an overspend on overnight security going forward. This piece of work would usually be completed by the Business Manager.</p> <p>Order process: Sam did a spot check on order process and found we hadn't followed the correct process on one set of orders. A retrospective narrative will be written for this. Sam will check this once it has been done.</p> <p>TS advised that Sam has done a great job again this time and KM concurred.</p>
8	<p>Risk management –</p> <p>23 Inaccurate income and expenditure report resulting in poor decision making TS and CL have challenged and questions about the accuracy of forecasting because it hasn't been accurate and we understand why given variations owing to Covid, and because we reacted to a budget not set accurately which we will do our all to get right this year. Understanding of this is improving but the work is not complete yet. We are working with external experienced support to assist ADR and KM with this.</p> <p>25 Financial Regulations & Financial Procedures being up to date The Financial Regulations Manual is not quite up to date but the rest is so this risk is reduced.</p> <p>27 Budget model for future periods shows deficit We are modelling a budget that initially would suggest if we did nothing, we would see a deficit but we are going to put scenarios together and in terms of the 3-year plan this will be complete by December. KM explained that she and AD are being supported by the SRMSA mentor who was assigned by ESFA, David McVean, and his colleague, Sue Beresford. They are the right people to support us as they know the trust and are highly experienced. They ask a lot of objective questions and notice things we may not. The risk is there but we are putting the right mitigations in place.</p>



	<p>We have been going through all the assumptions that underpin budget writing at Noadswood. The budget requests are in from budget holders and that is being marked against strategic objectives. We will be able to share a draft budget to make suggestions about what we do next.</p> <p>TS agreed we must understand the sound basis of the budget first and the correct assumptions underpinning it, that is the right thing to do. Firstly, how you sell the budget going forward about supply teachers / full time staff / need to be pragmatic. Secondly where are soft areas what strategy can we apply to those.</p> <p>KM explained that once the first part is complete there will be a meeting held so everyone can help with this decision making before submission of the budget on July 23rd.</p> <p>TS agreed trustees should attend that meeting and he would be happy to be there. KM will ask the FGB to delegate responsibility for this to a subcommittee, with papers published to all trustees as well.</p> <p>34 Trustees not holding Headteacher/SL to account and not effectively overseeing & understanding financial performance.</p> <p>KM and TS reflected trustees do hold the school to account. This now needs evidencing in the minutes according to AFH stipulations to ensure it is captured in the correct way.</p> <p>39 Financial risk due to additional measures having to be put in place As above ref budget.</p>
9	<p>Summary of monthly finance review – income, expenditure, cashflow, balance sheet.</p> <p>There is going to be a deficit and the reason is around supply teachers and Covid costs. The reasons for using supply agencies were because of Covid. Maternity leave was started early due to Covid and that was the right thing to do.</p> <p>This year has been reactive rather than proactive, but it has been an extraordinary year. Sam Lock is working with AD to ensure the forecasting is tightened up.</p> <p>SP asked if companies and agencies have been taking advantage of Covid and increases costs?</p> <p>KM explained whilst she didn't have any comparisons, agencies are notoriously expensive. Noadswood haven't used them in the past, but she didn't get a strong sense that prices were increased.</p> <p>KPIs: this is the first time we have written these, with Sam's help. KM asked for questions or comments.</p> <p>TS mentioned that the salaries are higher than their benchmark. Looking at by type of salaries, we have got more teachers than the standard but we have got a lot less supply. If that is the strategy then that should be reflected in our budget. Need to decide the right number of staff needed if the view is educationally, we should be using those teachers to make sure we get the right outcomes for the pupils, if that is the decision we made. The data is good, but it needs thinking through as to what decisions have sat behind it.</p> <p>KM agreed it is about planning the staffing numbers strategically and not letting them build up accidentally. We need to analyse where there is a surplus. Key focus for ICFP next year.</p> <p>TS explained the need is to go back and say what the strategy is:</p> <ul style="list-style-type: none"> • What we think we should have from a teacher contact ratio • How many subjects • Work out how many teachers are needed • Look at non-teaching time



	<ul style="list-style-type: none"> • Leadership team <p>Add all the above up and see what the number is, then make the decisions like how many teachers v supply staff.</p> <p>KM explained looking at EHCP funding, this is an income line we tend to make automatic decisions on and employ Learning Support Assistants. There are other ways to support these students, other interventions that would be equally as valuable but currently aren't necessarily considered until LSAs have been appointed.</p> <p>TS explained it doesn't have to be in or below the benchmark, it just has to have a strategy.</p> <p>SP explained if you look at the correct teacher/student ratio we could be spending more on teachers as they are more experienced and cost more, if you have got a mature staff rather than NQTs it will cost more. I wonder how that figure can be judged?</p> <p>TS explained looking at the numbers the average teacher salary is only a bit higher, £600.</p> <p>KM advised when we investigate our teaching staff, we have surplus in places and other depts are stretched. All schools have an element of that, but we have got some quite different situations regarding surplus we need to have a strategic plan for, rather than evolved levels of staffing always remaining.</p> <p>SP confirmed the Science team will be up against it next year with staffing.</p> <p>TS agreed these stretches in departments have been created because there isn't a strategy. Over the life of the year 3 plan, we hope to get this balanced.</p> <p>TS advised the outcomes of the children will be affected if the core subjects are stretched, we must invest in them. It is a balance and a conscious strategy.</p> <p>KM asked if trustees were happy with the KPIs they are tracking as they seem to be where there are interesting lines of enquiry, the staffing budget is where the money is being spent.</p> <p>TS explained if the school were to be challenged as to why we are tracking these ones, we need to know why we are looking at these and what is the analysis behind it.</p> <p>ACTION: ask Sam Lock to write an analysis behind why these KPIs have been chosen: KM</p> <p>TS reflected that Admin/staffing costs could also be looked at and how the support is delivered.</p> <p>KM advise that a rough exploration into support staff has been started and this will be analysed more carefully. Due to the lack of senior business leaders, the school has had to top up the less senior administrative work force and this has increased costs.</p>
10	<p>Budget Forecast Return & 3-year plan update: Discussion of assumptions underpinning budget 2021/22 and progress with the return to date</p> <p>This was covered in a previous item.</p>
11	<p>Implementation of the ICFP Plan - Verbal update</p> <p>We were tasked by ESFA review to write an ICFP implementation plan MH worked with AD to weave together the planning leading into the budget. Due to staffing issues in the team, it has been done roughly. We want to do a calendar that dove tails with AD. That will be done in September and we will have an update for each meeting from September.</p>
12	<p>Review depreciation of assets over 20 years</p> <p>The depreciation policy says the minibus will depreciate over 20 years and does not agree with recommendations from HWB.</p>



	<p>Sam recommended we set 25% on a reducing balance basis. This would mean a minibus would depreciate over 4 years.</p> <p>This depreciation plan was unanimously agreed by trustees ACTION: Advise DW & CM to make the amendments: KM</p>
13	<p>Any Other Business: 3.1 Formal approval of SRMSA return</p> <p>KM had published the SRMSA on GovernorHub and explained it is a tool kit that must be completed annually for the ESFA. This must be approved by the board. This is a retrospective approval as the document has already been sent. We need confirmation that the information entered is correct.</p> <p>The SRMSA was formally approved by the Trustees.</p> <p>3.2 PPM tender and cleaning tender – update and approval</p> <p>Property Preventative Maintenance Tender An outside company has looked at the tender and created the rationale. CM (Prem Manager) has supplied the information and we would like to go ahead asap.</p> <p>SP asked what the costing has been historically?</p> <p>KM explained expenditure has been between £40/45,000 in the past so this is a lot cheaper. This is in line with industry standards.</p> <p>All trustees agreed unanimously that the school can go ahead with this contract.</p> <p>Cleaning tender and extension approval</p> <p>CM is not at a point to tender for the cleaning contract but has created a document explaining the timeline and a request for an extension to the current provision. The existing contract extension will run from August – October 2021 with the new contract commencing on 1st November.</p> <p>Trustees were asked for their approval of the above plan.</p> <p>Trustees approved the request for CM to organise an extension to the current cleaning contract for 3 months while organising the tender for the new cleaning contract to commencing on 1st November 2021. ACTION: Advise CM to go ahead with the PPM contract: KM ACTION: Advise CM to organise the extension to the current cleaning contract and tender for the new one: KM</p> <p>3.3 Policies to be approved</p> <ol style="list-style-type: none"> 1. Accessibility 2. Anti-Fraud & Anti-Corruption 3. Competitive Tendering <p>TS asked at which committee the trustees review the action plan on the accessibility policy? KM confirmed this went to the SIC but it should go to the GPC in future. TS pointed out that the policies should have been reviewed in May, so they are late. KM agreed and explained that everything will be up to date by the end of term and will be up to date from now onwards.</p> <p>The above 3 policies were approved by the trustees.</p>
14	<p>To identify any matters to be recorded in the confidential Part B minutes – nothing was deemed confidential</p>
	<p>Meeting Dates To be advised as soon as possible</p>

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Noadswood

The meeting was adjourned by the Chair 19.35pm

Matters arising from the minutes of the Finance, Audit & Risk Committee meeting held on 17th June 2021.

Item	Action	Actionee	Status
6	TS to liaise with KM to write off this action in September 2021	TS/KM	
9	Ask Sam Lock to write an analysis behind why these KPIs have been chosen	KM	
12	Advise DW & CM to amend the depreciation of minibuses	KM	
13 3.2	Advise CM to go ahead with the PPM contract	KM	
13 3.2	Advise CM to organise the extension to the current cleaning contract and tender for the new one	KM	

Matters arising from the minutes of the Finance, Audit & Risk Committee meeting held on 1st March 2021

Item	Action	Actionee	Status
10	Add KM's ESFA report actions to every F.A.R agenda.	LI	Complete

Outstanding items:

Item	Responsible	Status
Check the scheme of delegation to see if it includes approving contracts.	TS	Ongoing

SIGNED BY:	
DATED:	