



The John Fisher School

Resources Committee – 13th November 2024 – Part A minutes

Governors: Mr Noel McEvilly (NM) Mr Aidan Tierney (ATi) Mr Andrew Theobald (AT) Ms Grainne Grabowski (GG) Dr Anita McGowan (AM) Mr Robert Teague (RT)	Foundation Governor - Co-Chair Foundation Governor - Co-Chair Foundation Governor Foundation Governor Foundation Governor Headteacher and Ex-Officio	Present Present Present Present Present Present
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Attendees: Mr Barry Walder (BW) – Schools Management Services Ltd
Mr Stephen Elson (SE) – Schools Management Services Ltd
Mr James Walder (JW) – Schools Management Services Ltd
Mrs J Beeson (JB) - CEP Governance Clerk

ITEM	MINUTES	Action
1.	Apologies for absence and declarations of interest The meeting was quorate. There were no declarations of interest in any agenda items.	
2.	Minutes from the previous meeting DECISION: The minutes of the meeting held on 3 rd July 2024 were accepted as a true and accurate record of the meeting and approved by all governors. <u>Update on Actions</u> 12 – agenda item 13 – agenda item	
3.	Finance Update from SMS (<i>presented by BW</i>) BW gave a short introduction of the company, Schools Management Services Ltd (SMS) and his colleagues JW (who will do the helpdesk for 3 days a week for the day to day operational functions) and SE (who will do 2 days per week on the strategic overview work) He said the good news was that the IT, finance and admin staff at JF had been fantastic in welcoming them into the school to help with the finance management. However, they foresaw real challenges ahead with the finances, so he would give a brief outline of what needs to happen. 3.1 They have completed a 4 week review but during this time there were operational matters which superseded this as the October payroll had to be dealt with. Many of the problems were due to the fact there have been 3 different payroll providers in 3 years. They have corrected as many of the errors as possible to ensure that people were paid. 3.2 One of the key problems is that the school had been missing deadlines and financial penalties had been incurred. SMS staff have had to pick up additional work including participation in a National Fraud Initiative.	

3.3	Part B minutes.
3.4	They have started to look at the systems and returns done from files in the Z:drive. They have gone back to FMS (the accounting system) and it appears there are lots of issues of posting of the payroll where the control accounts have not been reconciled.
3.5	Part B minutes.
3.6	There are the recently agreed pay awards and increments including back pay for the whole of the school staff. They have been open and encouraged staff to come to talk to them about any issues. A governor suggested that these breaks had happened before when there were staff on strike, she asked if that might be another reason for the break? BW replied it was between April and June of this year when the school changed payroll supplier.
3.7	Part B minutes.
3.8	They were using a general SBM@ email address and thinking about the long term position to hand back over to the relevant JF people once they are in place. SMS's function is not to manage the finances but to support strategically.
3.9	BW said they have financial tools to help with monitoring the school's finances – <i>JW put a budgetary breakdown report on the screen</i> – using the Access budgeting system, for which RT had given permission. This would allow for systems to be put in place rather than having a reliance on individual spreadsheets as had been the case. They had taken the cost centre reports from the accounting system on SIMS. Income - The LA funds are only out by c£600 which he finds a little strange because when the budget was set they would not have known about the pay award, so this will require investigation. The 6th form funding issue is due to the accrual raised. Last year's end of year position was artificially high. The Higher Needs funding is based on the forecasting, they know what is coming in e.g. based on the PP numbers so there are some estimates and assumptions involved. He said that SE will look through all of these totals to ensure that the school has received all the funding due and where more funding might be available. The PP funding received is about what was forecast and the recovery funding is not in the budget.
3.10	Lettings are still in their infancy with School Space and only amount to c£3K a month so SMS have reached out to them because the finance team do not know how it is operating. As a result they have put an estimate of £20K up to April 25. The total result is that on a £8.4m budget it is £55K short mainly due to the 6th form funding.
3.11	Expenditure – with regard to the teaching staff they will need to check the coding is correct because £3.3m is already spent. It will not change the spend, but will be coded correctly. Staffing will be £469K overspent in this financial year once the pay award has been applied. The £130K grant will offset some of that. They have allowed in this for the increments and back pay for teachers.

3.12 3.13	One of their staff is a SMRA advisor on curriculum and finance and she has done an integrated plan, all the red areas identified are in the teaching staff category with the other areas not being too bad. She highlighted that support staff were c£10K under; premises it was hard to understand how it can be £30K out on just 3 staff. He commented this was the problem of not knowing how the budget had been done. A governor commented that they were satisfied with the premises cost of £134 because £94K was for the 2 site managers and the additional amount was for Philippa who had been brought onto the payroll from the previous cleaners when the school changed contractor. BW continued that admin was £80K over the budget set. He said that the next report they produce for governors will show what the school had on the budget and what SMS forecast it actually is. Once the budget is clear, there will normally be very minimal changes each month, but next time the difference will be large. However, the differences will be able to be explained. A governor asked how the JF budget breakdown compared with other similar schools? SE said it was not high compared with others, but the lack of HR and financial scrutiny was where they were missing out. BW said that in the deficit recovery plan, they will look at this staffing requirement. In the short term the admin costs will go up because the governors and headteacher need to know where they are to be able to make informed choices and decisions. A governor commented that JF has an expensive staff due to the high number of TLRs and UPS teaching staff. BW agreed that whatever decisions are made about going up through thresholds have to stay within a set budget. The only way out of the current situation is to increase income or cut expenditure, so any decisions to increase have to be supported. He gave the example that staff with lunchtime duties had been given an increase from £12 to £17 which was a 40% increase plus the oncosts which represent 40% for teachers – they also receive a free lunch. Each decision with a cost associated had to be considered in the light of if it was the best way to do things. SMS will give the information to make the decisions, but there was no getting away from these being tough choices for what makes a school work while staying within budget. A governor said that SLT do lunch duty but just get the free lunch. BW gave a further example of payments for weekend fixtures having gone from £25 to £50 per session in the last 2 years. A governor asked what the total cost for Saturday sport activities? BW said they were not yet able to give that, but will work it out and provide the information. He gave another example which was hard to understand of £40K for staff recruitment advertising. A governor commented that the school had a TES contract for £10K. BW said this was not in the budget as such. RT said he thought the TES contract was wider than that. They agreed this would be part of the investigative scrutiny.	
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	BW outlined that the apprenticeship levy was incorrect, so they would have to establish exactly what this related to. There was a discussion about how the apprenticeship levy worked and was used for. BW continued that the building maintenance budget at £80K was not a lot for a building of this sort. Whereas the cleaning budget they think will work out to more than is budgeted. The gas, electricity and water utilities they are assuming are correct. A governor observed that the large meters are transferring over at the end of the year and therefore will reduce.	
3.14	BW said the operations costs are not unreasonable. However, the curriculum cost have everything paper-based. He said they proposed that they should give areas responsibility for their own budget with monitoring in place to ensure they were staying within the budget allocated. As it is currently paper-based it make it a lot of work. However, the accounting system will have a coding system. He suggested Access Finance. Although the school is moving to Bromcom, he discouraged consideration of Bromcom Finance. If they can implement one which is web-based everyone can take responsibility for their budget. This could be in for April 25, so next time he will present the options to governors. He reiterated the need for controls. A governor reconfirmed that he was suggesting Access from April? BW said the new structure for the new financial year would be best. This also worked because Bromcom implementation was not due until September 25.	
3.15	The current position is that the learning resources budget will be spent in full; the curriculum budget is already fully spent; the admin budget is overspent; the catering budget is overspending by £46K; bought in professional services are in line on curriculum but on non- curriculum the SMS costs would fall into this area. When everything is added the overspend amounts to £765K if nothing happens, the deficit will be £1.3m and the school needs £200K more. A governor reconfirmed he meant an accumulative deficit of £1.3m BW said this was correct. He added that before governors' meetings he will always send the papers in advance, which he requests governors to read prior to the meeting and send any questions in advance of the meeting.	
3.16	CFR returns (<i>report on screen</i>) – BW outlined the past 3 years CFR figures, which he explained are the publicised figures. He highlighted the income increases from the LA based on the pupil numbers and also the pay grants. He detailed again the blip in the 6th form funding and that HNF was consistent across the period.	
3.17	A governor asked in that it will be a challenging debt recovery conversation with the LA, would there be any merit in presenting the figures for the 6th form as they should have been? BW agreed this was a good idea.	
3.18	He pointed to the anomalies of the IO8B line of facilities and services with the jump from £88K to £384K. He said it appeared that this line had brought in all school fund figures last year, so	

this will have to be looked into in detail to explain. The amin expenditure had also jumped from £39K to £400K.

A governor asked if it was due to a difference in coding?

BW said this was what they needed to investigate.

The teaching budget had gone from £4.9m to £5.9m this year. He said that £600K of this would be the pay award but again this might be a coding issue but nonetheless was a massive change which required investigation. The support staff and premises staff were consistent but admin had been a large increase.

RT said that in fact they had reduced staffing.

BW commented that the figures did not support that. He continued that building maintenance and grounds maintenance were consistent over the period but cleaning had gone up due to the London Living Wage. Learning resources and catering were consistent, as were agency teachers. Bought in professional services had shot up this last year.

3.19 BW summarised in terms of what they need to do now:-

1. They have reached out to the LA who want to meet and have asked for dates, which the Chair should also attend.

At this meeting they will:-

2. Agree a cashflow.
3. Agree a timetable in the Deficit Recovery Plan (DRP)
4. The LA will want to see robust actions around the DRP (he added when in deficit there are additional costs associated with it because of buying in services like theirs). The key factor will be to reduce staffing costs – LA will not pick up redundancy payments so this should be avoided as opposed to other ways of reducing staff.

A governor thanked BW for the clear explanations he had given.

Prior to the meeting they will:-

5. They will be going through each staff member and run a report to look back on the reason for the variances and the explanation behind it (e.g. overtime). He added that the school needs more HR support, Jo is doing a great job but this is not her remit. S? can do the admin but this is a definite requirement to get on top of this function.

In addition:-

6. The bank accounts – he proposed they reduce the multiple accounts to one. Each account can be a line in the primary school account. He suggested this was done at the same time as bringing in the accounting system.

3.20 The Chair detailed that 2 years ago the diocese sacked the then governing body. The new governors were put in to resolve the debt issue. He highlighted the governors' funds were from parental/voluntary donations and the governors had required that these were to be for bonus things. The new governing body got the deficit down to half a million but he accepted that the figures might not have been accurate. They had held regular meetings with the LA about the deficit in the last 2 years. He agreed that the number of bank accounts was unsuitable but the governors have a responsibility for how the voluntary funds are spent. He added the

	information SMS will provide will support them being able to say this is how we got to this point because for the last 2 years those figures have been signed off. A governor added that they had started the restructuring over 18 months ago and had got to £510K deficit as at February 24. Another governor commented that Michael Boyle had started work then and had told governors that they would need cash which had not been needed for over 2 years. BW said the payroll control had not been reconciled so there is a chance that there is a lot of unallocated payroll costs and it definitely points to that area. A governor said that the only way around this is to restructure. BW said they need first to understand the question, because currently they are telling him they have reduced staff yet the costs have increased by 10%. RT said they had reduced the FTE, but they must remember there had been the pension increases. BW replied they had got grants to cover that. A governor commented that the grant is not necessarily based on the actual amount paid. SE agreed that the grant is based on a formula so if the school is overpaying then it will not cover the contributions. RT said that it is because currently over half the staff are on UPS3 and so there is incremental drift. However, he added that he is puzzled about the admin because the on-costs are not the same for them and there has been no change in those staffing numbers. BW agreed that they would get the November payroll done and then be able to look at this first and will work through each staff member individually. The Chair of governors commented that he felt far more confident in these figures as presented today than before. BW said they would give absolute confidence once they had resolved all the unanswered areas. The Chair said this would allow them to demonstrate the picture accurately, but also how we have got to this point. BW said he agreed that staffing costs had been drifting but also there is a fundamental problem with the previous year's returns. Most of the income and expenditure comes equally by months, but based on this the current in year deficit position is £540K.	
3.21	The Chair of governors proposed that if SMS need to bring in additional resources then they must do so in order to have the detail by Christmas. BW said they would need to know the information before then for the LA meeting. He suggested that they work on it for another month with the current resource as outlined initially. They will close November's accounts by 6.12.24. so might not need additional resource. He said that the school/governors would receive written reports throughout.	
3.22	A governor said they would like to understand the governors' fund accounts.	

	BW said they had 7 accounts to reconcile, he said these would not close but would be there purely to receive income but all expenditure would come out of the one central account. Bringing in more cash would be a good thing to be able to show the LA. He asked whether the governors were suggesting that those governor accounts would be used to help towards the general financial position or if those are being used to support other things? The Chair of governors replied that parents were asked to make a contribution which was supposed to be the 10% extra not to pay salaries, which was why it was originally taken out of the income stream. They could not use those funds for central funds. Another governor said that the other separate accounts related to things like trips and travel. The reason the school had not been successful in bids to the diocese for funding was due to the school owing the diocese money already. BW added that he had also identified they had used funds from the caterers for the canopy as a loan from Harrisons. This should have been moved to the balance sheet as a loan. He queried whether the governors' funds might fund the canopy, and these were the sort of things they would need to look at where in the last 3-4 years there was expenditure which could legitimately have come from this fund. This will be reducing some of the deficit. A governor added that there were lots of projects which were still required for any governors' funds available. Another governor asked if the school had enough cash for the salaries next month? BW said it was touch and go but the LA would help in such circumstances. A governor gave historic background on the Harrisons loan, together with the legal intervention and outcome. This is due to conclude December 25 but she acknowledged that the governors did not know which cost this was paid from and this too might be worth checking. Another governor commented on the odd transaction where the redecoration done over the summer holidays had come across from the governors' account and then came back into it the following day. He suggested SMS might want to look into that. BW said that the finance staff were keeping good records and they will be able to track this. He added that they should also bear in mind the current Scheme of Delegation in the school's Finance Policy which has to be followed.	
3.23	A governor said they had taken the step of blocking any payments over £2000 (other than standard approved outgoings e.g. cleaning) which now have to go through RT. She acknowledged the governors were acting in a greater operational way than they would like. BW commented that the IT support received was very good value. The school operations need to get to a point where SMS is not need to be providing operational but just strategic support once the correct people are in place. The governors decided they would have the Debt Recovery meeting in school with the LA and prior to the LA meeting get together briefly.	
3.24	Decision/Action - The time to be proposed to the LA was Thursday 12th December @ 11am with the governors' meeting prior to this at 10am.	1.

4. 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8	Facilities Update <i>(The Alumni & Fundraising report: Nov 24 prepared by A Dean was distributed, including Half term 1 breakdown – Plough Lane advertising boards; minibus sponsorship; website upgrade; Plough Lane refurb; Hewitt's review; National State School Rugby Festival 24; Selsdon Builders; Ancaster; Christmas term alumni magazine; donation of interactive whiteboard; alumni events; moving forward proposed canteen fundraiser summer 25)</i> A governor asked about what size the proposed canteen would be and where it would be? RT responded the preferred suggestion at this point was the quad area and the adjacent area currently used as a playground, but not really suitable for it due to the building windows. The governor asked what sort of numbers it was planned to accommodate? RT replied it was for between 250 and 300 and would be 300m² Another governor asked about how much the rugby festival had raised as this was not detailed? RT said he did not know the figure, but would find it out – ACTION. RT added he was aware that the festival had got sponsorship including a £24K donation plus gift aid from Peter Bennett and several local business sponsors. He knew the school was not out of pocket and there was some profit for the school fund. A governor asked about details of the proposed website upgrade as they had already talked about the school's website in previous meetings. RT confirmed that the school's website had got a minor refresh within the contract they already had. Now they were talking about a website to raise money. A governor commented that the report lacked any depth of detail – e.g. the minibus line which gave no context to the £2500 sponsorship as part of the overall spend. Also decisions such as the uniform provider should come through the governors not the school to take the decision independently. The whole report was unclear and added nothing to the discussion. Another governor referenced the Plough Lane line agreed that it told them nothing, there were no accounts about what had been done this year with the associated costs. Another governor asked in the context of Plough Lane what was being done about the roof? He said they needed a robust report to make any financial decisions. A governor commented that in light of what they had heard in the finance section from SMS they could not afford any of the projects because there simply is no money. If it is through raising money, then that could be considered but it must be at no cost to the school. A governor said that things like the rugby dinner for the rugby trip were fine, but the school cannot just focus on ploughing money into sport, all pupils must benefit. Also whilst looking at options for a refectory might be for down the road, the current priority has to be toilets. RT said that the staff toilets were urgent and Lyle (diocese) had seen the urgency of this too. A governor agreed if there was opposition from the diocese about funding these, they must not go back on the commitment to do this and would have to delay the other DT toilets project. <i>(Andrew Dean's Facilities report July to November 24 distributed, including Summer holiday works, Science Building; Moving forward; October half term work; 24/25 school site project plan priorities;</i>	2.
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	<i>pictures of Plough Lane damage; IT works proposal for 24/25)</i> There was discussion over various items. RT identified that one of the problems with the site is that once on site people can get in any of the buildings; it would be preferable to only be able access the relevant space. The committee said they noted the list but did not authorise any of the projects. 4.9 A governor queried the comment about Plough Lane and if the school had raised the insurance claim for the decorative work? He added that the work on the roof had to be done first otherwise the facility could not be used and was causing long term damage. 4.10 Health and Safety update – RT said they were going through the work required by the Fire Risk Assessment. Most points had been addressed but there were still some outstanding. All the asbestos work had been done, but the science block ceiling had not been done as it had to be replaced.	
5.	HR update <i>(RT distributed a sickness absence summary; cover report and current/future vacancies report)</i> 5.1 RT advised that the new Sickness Absence Policy took effect in September 24. Trigger points had been applied, all the relevant staff had had meetings. The LSA off due to long term sickness has now left. Once staff member due to their condition is not able to come back to school full time but is in school when he can be. 5.2 The cover report demonstrates the need is variable. They are still trying to recruit a cover supervisor as a more cost effective solution to using supply. A governor commented there had been a lot of days off and asked whether the school had offered flu jabs again? RT said they had but the uptake had not been as good. He agreed there had been more illness but it was differently distributed across the year. 5.3 A governor asked if RT thought the supply budget of £100K to the end of the year will be sufficient? RT said that BW had modelled it and it has gone over in that £84K has already been used. 2 staff were leaving at Christmas and they are looking at ways not to replace them but cover with supply for 2 terms which enables a longer term reduction of staff from next September. This will however mean that the supply budget has to go up. A governor added that buying in contract staff from their contract is horrendously expensive. RT said there is a line for different costs. 5.4 Recruitment – RT outlined the plan was not to make longer term appointments unless they are sure they need them. They will need the RE teacher, which would not only improve the quality of teaching but would free up other non-specialist RE teachers for other lessons. The 2 RE specialists now in role are very good. 5.5 Part B minutes.	

5.6	They have modelled fewer A level classes and having bigger GCSE sets. In maths the might be able to reduce from 8 to 7 teaching groups in year 10 and 11. Maths is the most popular A level subject but they might be able to reduce by 1 set.	
5.7	Part B minutes.	
5.8	A governor asked how the chaplaincy was going and whether he might increase his hours to take on the role? RT said he had settled in very well. He is quite cerebral and adjusting to being a school chaplain. He is very committed.	
5.9	A governor said he had spoken to Tony Hazeldene and they have got a contractor for the chapel who is one of the parents.	
6.	AOB There were none.	
7.	Next Resources meeting dates:- - Wednesday 19th March 2025 @ 5.30pm - Wednesday 11th June 2025 @ 5.30pm FGB meeting dates:- - Wednesday 27th November 2024 - Wednesday 2nd April 2025 - Wednesday 9th July 2025	

The meeting closed at 7.55pm

Actions list:-

	Action	For	Date	Comments	Status
Meeting of 3rd July 2024					
12	AD & RT to update governors with regard to the initial asbestos incapsulation is completed.	AD / RT		Autumn term	Complete
13	Colour-coded programme of works with costs	AD / RT		Autumn term	Complete
Meeting of 13th November 2024					
1.	Meeting with LA – date proposed 12.12.24 @ 11am (meeting prior to this at 10am)	Govs/RT		12.12.24	Open
2.	How much did the rugby festival raise?	RT			