

MILLTHORPE SCHOOL

MINUTES OF THE FINANCE & STAFFING COMMITTEE MEETING

Held on Thursday 6<sup>th</sup> February 2014 at 6pm



**Present:** Mr Tim Hooper (Chair) Mr Bill Schofield [from 6.25pm]  
Mr Tim Moat [until 7.30pm] Ms Helen Thomas [until 7.35pm]  
Mrs Eileen Robertson

**In Attendance:** Mr Alex Collins (School Business Manager)  
Mrs Sheila Sweeting (Bursar)  
Miss Amy White (Clerk)

		Action
1.	<p><b>Apologies for Absence &amp; Declarations of Interests</b> Apologies for absence were received from Trevor Burton (Headteacher). Bob Sydes was absent from the meeting. There were no declarations of interest.</p>	
2.	<p><b>Minutes of the previous meeting held on:</b></p> <p><b>a) 18<sup>th</sup> September 2013 – Extra Ordinary Meeting (previously distributed)</b> Following discussions at the meeting held on 14<sup>th</sup> November, the minutes had been amended as agreed. The minutes were agreed as a true and accurate record of the meeting and were signed by the Chair.</p> <p><b>b) 14<sup>th</sup> November 2013 (previously distributed)</b> The minutes were agreed as a true and accurate record of the meeting and were signed by the Chair.</p> <p><b>c) 9<sup>th</sup> January 2014 – Extra Ordinary Meeting (previously distributed)</b> A governor wished to record in the minutes that Alex Collins had thoroughly reviewed the costs for the cleaning contract and circulated the updated costing after the meeting on 9<sup>th</sup> January. The difference in the costing was significant and to the benefit of the school. The minutes were agreed as a true and accurate record of the meeting and were signed by the Chair.</p>	
3.	<p><b>Matters Arising</b> With reference to the minutes from 18<sup>th</sup> September the Chair reported that Steve Wells was going ahead with the feasibility study and the school had confirmed what they required and allocated a maximum budget. The first visit would take place on Friday 14<sup>th</sup> February. In response to a question, Alex Collins (School Business Manager) explained that Mr Wells would look at the feasibility of the site and test planning. Consultations with parent, staff and the community would then take place. Governors noted that there was a rough timescale of six months for the full piece of work but the school would have a clearer picture of the timescale once the work had started.</p> <p>Considering the cleaning contract discussed on 9<sup>th</sup> January, a governor highlighted the reference to TUPE staff and asked if the contractual nature of the staff would be different now that the LA Cleaning Service had closed down. Alex clarified that the LA's cleaning service had not fully closed down but it would no longer be offered to schools. As such, there would not be a requirement to TUPE staff.</p>	
4.	<p><b>Terms of Reference (previously distributed)</b> Governors received the Terms of Reference (TOR) and agreed the following:</p> <p>With reference to the composition of the governing body, which stated; <i>“Not less than four members of the governing body with voting rights, of whom one must be the Headteacher”</i>. Governors discussed that the Headteacher might be required to withdraw for some discussions and this could impact quorum. The Clerk clarified that this reference could be removed from the TOR as the Headteacher was not required to be a member of the committee. It was agreed that this section would be changed to: <i>“Not less than four members of the governing body with voting rights”</i>.</p>	Amend

	<p>Governors discussed quorum and the difficulties that had been experienced. A suggestion was made that Alex Collins could become a member of the committee with voting rights as he attended every meeting. The Clerk advised that Alex would need to be elected or appointed as a governor or associate member to be eligible to vote on the committee. It was agreed that the Chair would send an e-mail to all governors with the view to increasing the membership of the Committee.</p> <p>The Clerk recommended including a section in the TOR to delegate the review and approval of the School Financial Value Standard (SFVS) to the Committee. It was clarified that a report would still need to be presented to the Full Governing Body. It was agreed that the following would be included within the TOR:</p> <ul style="list-style-type: none"> <li>· <i>To ensure that the school is managed well financially by having due regard to the Schools Financial Value Standard (SFVS) or any other standard replacing the SFVS and by monitoring and evaluating the school's financial performance.</i></li> <li>▪ Subject to the above amendments, the TOR for the Finance and Staffing Committee were unanimously approved for ratification by the Full Governing Body.</li> </ul>	<p style="text-align: right;">Chair</p> <p style="text-align: right;">Amend</p> <p style="text-align: right;">Clerk</p>
<p>5.</p>	<p><b>Budget Monitoring Period 9</b> (<i>previously distributed</i>)</p> <p>The Chair reminded governors that the school had a £100,000 deficit budget and the Committee was required to scrutinise this budget.</p> <p><i>Bill Schofield entered the meeting at 6.25pm.</i></p> <p>Alex Collins presented the Budget Monitoring Report Period 9 and noted the following headlines:</p> <p><u>Employee Expenses total variance (£3,244)</u></p> <p>Alex explained that this cumulative balance did not take into consideration the £40,000 contingency which would still be available. As a result, it was likely that the school could have an improved deficit balance in the region of £70 – 90,000 by the year end. A governor asked if the £40,000 contingency had been considered when licensing the deficit balance. Alex replied that when licensing the deficit it had been assumed that the £40,000 would be spent. Sheila Sweeting (Bursar) explained that the contingency was to cover staff absence instead of buying in to the Staff Absence Insurance Scheme. If the contingency was not spent then it would be a saving for the school, unlike an investment in the insurance scheme. Governors acknowledged that staff absence was an unknown factor and could impact on the contingency balance.</p> <p>Governor noted the following variances:</p> <ul style="list-style-type: none"> <li>· Teaching Staff Costs (E01): £23,754</li> <li>· Supply Teaching Staff Costs (E02): (£9,350)</li> </ul> <p>In response to a question it was clarified that the monitoring report assumed that there would be salary increases back-dated to September. Governors considered the significant changes that had taken place in school over the last few years and how this change could have caused an increase in staff absence. Now that the changes had embedded it was felt that absence would continue to decrease.</p> <p>With reference to Staff Development and Training (E09), a governor asked what additional training costs there had been to result in a variance of (£1,174). Alex replied that this was mainly related to the PixL Club as the training sessions were usually in London. Alex then stated that these sessions were very beneficial to the school. Sheila highlighted that there had been an increase in the number of general courses due to the development of Middle Leaders and some support staff training. A governor highlighted that she had questioned the training costs at the previous meeting and been informed that there would be a reduction in training costs due to increased in-house training. Alex explained that there had been an increase in focused in-house training but there had also been opportunities for external training. A request was made for more detailed training information in order to consider the impact that it was having. Sheila stated that she had a list of the training that had been attended and this could be reviewed at a future meeting.</p> <p><u>Learning Resources total variance £4,172</u></p> <p>With reference to Exam Fees (E21), which had a variance of (£8,334), Alex explained that it would not have been possible to anticipate the challenges and expenditure. Governors were</p>	<p style="text-align: right;">Agenda</p>

informed that when considering exam re-sits the cost implication was considered but the main consideration was how critical the exam was for the student. Alex stated that it was unlikely that a re-sit would be challenged based on cost. Governors discussed that the challenges and expenditure in this area would be similar in future years but it was agreed that the priority was to get the best outcomes for the students, regardless of the cost. Governors noted that this view was in accordance with the school's Exam Policy.

The Chair stated that it would be beneficial to try and better anticipate potential issues with exam fees. Alex reported that the exam boards were heading to more linear courses with fewer opportunities for early entry. In response to a question relating to early entry it was clarified that the school had planned early entry in Maths from the outset. The impact on the budget in this area was due to the decision to enter students for the early entry English exam.

Premises Cost total variance £13,282

Governors noted the Water and Sewerage (E15) and the Energy (E16) variances of £720 and £9,823 respectively. Sheila reported that the final quarter of the water bill had come in higher than anticipated so there would be some change to the variance. Sheila also advised that if the weather in the coming months was cold there could be an impact on the energy variance. It was acknowledged that these were unknown factors that could have a significant impact.

Governors noted the following variance balances:

- Total Income: (£9,745)
- Less Total Expenditure: £10,693
- In Year Balance: £948
- Cumulative Balance: £948

The Chair stated that he felt the budget had been well managed considering the deficit at the beginning of the year.

Governors discussed the deficit and it was acknowledged that the license was produced each year and the school estimated the remaining balance for the end of each year. Governors considered that as the deficit had been unexpected they did not anticipate a significant reduction of the deficit in the first year. A governor expressed that the second year would bring a more concerted effort due to more effective planning.

Alex reported that the budget for 2014/15 would be extremely tight with income reducing and staffing costs increasing as staff progressed up the pay scale. However, it was hoped that the revisions to the funding formula would be to the benefit of the school and there would also be a small amount of de-delegation that would not be required.

The Chair highlighted that student numbers for 2014/15 were positive but the school would not receive the related income in that year. Governors needed to be aware that the student income received in 2014/15 was likely to be the lowest received.

Alex reported that the school was expecting approximately 160 first choice students with an increase to 195 including second choice. The LA had projections suggesting that the school would be close to capacity of 200 students for the upcoming Year 7 cohorts.

Governors discussed ways of increasing income and considered facilities (I08). In response to a question relating to the facilities variance of £8,726, Sheila explained that it included capitation income – e.g. revision guides that would be purchased then sold to pupils – and this income was an unknown. Alex further noted that the balance included income from lettings and the income had not decreased from the previous year.

Further considering lettings, Alex reported that the sports hall and gym were fully occupied until Easter and there was, therefore, little capacity for further lettings. Governors were informed that there had been lots of inquiries but they wanted to book the same space.

A governor asked if the school was let on a weekend or during summer holidays. Alex replied that weekend and holiday lettings were offered but there were some complications due to staffing. Also, during the summer holidays the requests were usually for the school field rather than the sports hall and this was at a small charge of approximately £30 per day.

**6. School Fund** (previously distributed)

Governors received the School Fund for information and noted that the balance sheets had been completed for most trips.

<p>7.</p>	<p><b>Benchmarking</b> (<i>previously distributed</i>)  Prior to the meeting, governors had received the 2012-13 CFR Benchmarking data for York schools and for national schools considered to be statistically similar.</p> <p>The Chair stated that from a financial perspective the teaching staff benchmarking was important as expenditure in this area accounted for more than double the expenditure in other areas. Considering the data the Chair highlighted that the school was at the bottom of the income graph for similar schools nationally. Governors further noted that the admin and clerical costs included School Business Manager support and it was reassuring to see that the costs remained at a lower level.</p> <p>Governors noted that the cost per pupil for ICT Learning Resources was high in comparison to local and similar national schools. It was explained that the school had invested in the ICT network as a whole and approximately 20% of the learning resources allocation was portioned to the whole school rather than direct learning resources. Governors noted the range on the graphs for both learning resources and ICT learning resources and considered the interpretation and allocation of budget across the different schools. It was noted that some schools would have large one off expenditure – such as the purchase of new computers or hand held tablets – and this could significantly impact the ranges,</p> <p>Further considering teaching staff costs, governors discussed that the cost could vary enormously depending on the profile of the staff. It was therefore important to monitor if the teaching cost was enabling the school to provide the teaching need for all students.</p> <p>The Chair highlighted that 50% of the school’s teachers would be on the top of the pay scale with only 18% of lessons judged to be Outstanding. He then stated that the school and governors needed to consider how to close the gap in these percentages. Governors discussed that the school was working closer with staff to improve the quality of teaching and this was an aspect of the School Improvement Plan. It was further noted that pay progression could be withheld in certain cases.</p> <p>A governor highlighted that part of the standard for pay progression was to achieve Good or Outstanding lessons observations. The percentage of teachers judged Good or better could be more in-line with the 50% at the top of the pay scale. Alex explained that lesson observations were an important measure of effectiveness but consideration would also be given to what teachers had done to secure ongoing progress of the students. Lesson observations were only a snapshot of teaching and it was important to consider the wider contributions to the school and students.</p> <p>A governor expressed that the benchmarking data was ‘cost per pupil’ and if the school had more pupils and the same number of staff the school’s position on the graphs would change. Compared to local schools the school was lower on the graph in terms of average teacher costs but higher in terms of teacher to pupil ratio. A governor stated that teaching costs was a difficult and complex area and if Upper Pay Scale teachers were replaced with Newly Qualified Teachers there would continue to be additional costs in areas such as training and mentoring. It was expressed that the school had Good and Outstanding teachers and this was important.</p> <p>Governors considered the development of staff and a governor suggested this as an area for further training as staff did not appear to be progressing to more senior positions. It was discussed that there was not a lot of movability within the city and some teachers would want to remain in a teaching position. It was also expressed that it was often the younger teachers who moved to more senior positions and not necessarily those at the top of the pay scale.</p> <p>The Chair highlighted that this was the first year in which the governors’ Pay Committee had reviewed the performance management of teachers. He explained that the Pay Committee had relied on the evidence provided and the recommendations made by the Headteacher. The Chair then stated that he considered a challenge of the process was that the Pay Committee did not get to meet the teachers. Another governor stated that it was, therefore, important to ensure that there was a rigorous performance review prior to the recommendations.</p> <p>Alex acknowledged that it was the first year the Pay Committee had met but explained that the Pay Policy would not be fully implemented until September 2014. This provided a year of development to ensure that the review meetings were more informed and considered the following year. As the process developed over the year it would lead to more reassurance of rigor. Governors noted that an Assistant Headteacher had responsibility for monitoring the process.</p>	
<p>8.</p>	<p><b>Schools Financial Value Standard (SFVS)</b> (<i>previously distributed</i>)  The ‘SFVS timetable for Finance and Staffing Committee meetings 2013-14’ had been distributed</p>	

	<p>prior to the meeting. Sheila Sweeting explained that the timetable was a check list to ensure that governors received and discussed specific items relating to the SFVS and these discussions were recorded in the minutes. Sheila then stated that she recorded the dates of meetings when each area was discussed.</p> <p>Governors reviewed the timetable and a governor asked if the committee was presented with the audit report. Alex confirmed that the committee did receive the report and that it was produced approximately once every three years and this was why the governor may not have seen the report. He confirmed that all actions from the most recent report had been completed.</p> <p>In response to a question regarding the School Fund, it was confirmed that the Fund was independently audited.</p> <p>Alex highlighted that some of the aspects within the SFVS were considered and discussed by other committees; for example, maintenance and asset was within the remit of the School and Community Committee (S&amp;C). As a member of S&amp;C and link governor to the Asset Management Plan, Eileen Robertson reported that the Plan had been presented and reviewed at the last S&amp;C meeting and the committee was content with the actions.</p> <p>Collaboration was discussed and Alex clarified that this related to collaboration between schools. He reported that the school was currently working with cluster primary schools to offer guidance and help them secure cleaning contracts – following the termination of the LA cleaning service. Governors were informed that the school would facilitate a procurement process to realise the economy of scale for a group of primary schools.</p> <p>A governor asked about vested interest in the cleaning contract collaboration. It was discussed that by establishing a successful model of collaboration this could be used in the future for areas in which the school had a vested interest, for example, Ethnic Minority Service. Also, cementing the relationship between the school and local/feeder primaries would be positive for future student intake. Governors considered and discussed the potential for further collaboration in future years, including the possible income opportunities. It was suggested that the school could potentially provide bursar/business manager support to primary schools.</p>	
<p><b>9.</b></p>	<p><b>Performance Management and Pay Progression</b> (<i>previously distributed</i>)</p> <p>Further to the discussions in Item 7, the Chair reported that six teachers had been put forward for progression and the Pay Committee had looked in detail at the evidence provided. The Chair expressed that he thought the meeting had been successful considering it was the first year, but he felt the process was slightly rushed for the teachers.</p> <p>With reference to the Teachers' Performance Management Report, distributed prior to the meeting, the Chair highlighted the graph on page three showing the number of staff on each pay point (assuming full progression on 1/9/2013). He said the graph was striking considering the number of staff on the Upper Pay Scale 3 (UPS3). A governor acknowledged that the number was significant but highlighted that there was not a lot of difference between each individual scale in terms of pay. Governors noted that decisions on progression could not be made based on budget.</p> <p>The Chair reported that he had visited the school during the student options period and was aware of teachers promoting their department. The Chair said there was realisation with the departments that high student numbers were needed in order to maintain the level of staffing.</p> <p><i>Tim Moat left the meeting at 7.30pm.</i></p> <p>Governors discussed the expectation that pay would continue to increase year on year and agreed that the school needed to ensure that the changes were clear to all staff. There needed to be transparency of criteria and these criteria should be fairly applied to all teachers. Governors agreed that the school also needed to reassure teachers regarding the process and progression of Good teachers. It was acknowledged that the changes put a lot of pressure on the Headteacher who would be making the recommendations for pay.</p>	
<p><b>10.</b></p>	<p><b>Lesson Observation Grading</b></p> <p>In the absence of the Headteacher governors discussed deferring this item. Alex Collins reported that John Bates, Assistant Headteacher, carried out lesson observations and would be the best person to present an overview of grading. It was agreed that the item would be referred to the Executive Committee with a view to arranging a presentation to the Full Governing Body.</p> <p><i>Helen Thomas left the meeting at 7.35pm.</i></p>	<p><b>Exec.</b></p>



	annexed to the budget Management Policy, would be updated appropriately.	
	Meeting ended at 8.00pm.	
	_____ <b>Mr Tim Hooper</b> <b>Chair of Finance &amp; Staffing Committee</b>	_____ <b>Date Signed</b>

**Action Plan following the Meeting of the Finance Committee Meeting  
Held on Thursday 6<sup>th</sup> February 2014**

	<b>Action</b>	<b>Agenda</b>	<b>Person</b>	<b>Date</b>
1.	Amend Terms of Reference as agreed	4	Clerk	1 <sup>st</sup> March 2014
2.	E-mail all governors regarding membership on the committee	4	Chair	1 <sup>st</sup> March 2014
3.	Contact Helen Thomas re-link to SFVS	12	Chair	1 <sup>st</sup> March 2014
4.	Arrange additional meeting for initial discussions regarding Start Budget	14	Chair	asap

**Items for Future Meetings:**

- SIP Actions (standing item)
- Staff training analysis (from item 5)
- Review of SP4 – Summer Term

**Executive:** Lesson Observation Grading

**FGB:** Decision Planner from Budget Management Policy