

GOVERNING BODY OF HARBINGER PRIMARY SCHOOL

MINUTES OF FINANCE & GENERAL PURPOSES COMMITTEE MEETING

Date of Meeting	3 rd February 2022
Venue	Virtually Via Zoom
Chair	Srividya Srivathsan (Vidya)
Clerk & Minutes	Suzette Nicol
Time	5:00 p.m.

MEMBERSHIP:

Governor	Category
Martin Young*	Co-opted
Rebecca Abrahams (Executive Head)*	Staff (Head)
Nimesha Nagahawatte (Head of School)*	Staff
Kiran Rahman*	Co-opted
Srividya Srivathsan (Chair)*	Co-opted
Ben Brickley	Co-opted

Also In Attendance	Role/Title
Mai-Anh Dien (School Business Manager (SBM))	Observer

*Denotes attendance

PART 1 – OPEN SECTION

NO.	ITEM
1.	Welcome, Apologies For Absence and Declaration of Pecuniary Interests
	<p>The Chair welcomed attendees to the meeting.</p> <p>Apologies for absence were received from Ben Brickley.</p> <p>There were no declarations of pecuniary interests.</p>
2.	Election Of Committee Chair
	<p>Kiran Rahman informed the committee that she was stepping down as Committee Chair and that a new Chair would need to be elected. Nominations were then invited for the position of Committee Chair. Kiran Rahman nominated Vidya Srivathsan. The nomination was seconded by Rebecca Abrahams. There being no other nomination, Vidya Srivathsan was elected as Committee Chair for the 2021/22 academic year.</p>

	<p>RESOLVED: To appoint Vidya Srivathsan as Committee Chair for the 2021/22 academic year.</p>
3.	<p>Minutes Of The Committee Meeting Held On 4th November 2021 And Matters Arising</p> <p>Governors reviewed and RESOLVED to approve the minutes of the Finance and General Purposes Committee meeting of 4th November 2021.</p> <p><u>Matters Arising:</u> Page 1, agenda item 1 – PFI Agreement – Governors were informed that the school had received no further updates on the PFI contract. The School Business Manager (SBM) reported that in terms of the hire of school premises, she had been contacted by Ben Jeffrey, Senior PFI Client Officer, who said that G4S would be taking the cost of cleaning and premises security out and would come back with the hire cost. The school was still waiting on the hire cost. She added that G4S had recently repaired a leak in the Boys’ toilet.</p> <p>It was noted that they had also not come back about the other questions raised at the previous meeting. The committee asked the SBM to chase a response from G4S to the questions raised during the previous meeting and to escalate the matter should she not receive a response before the next meeting.</p> <p>Action: School Business Manager</p>
4.	<p>Finance</p> <p>Mai-Anh Dien, School Business Manager (SBM), presented the Quarter 3 budget monitoring report from notes that she had circulated prior to the meeting. She went through the budget highlighting areas where there were variations and presented a summary of CFR codes. She also took questions from Governors during her presentation. She presented salient points from the main budget lines:</p> <ul style="list-style-type: none"> • <u>Budget Monitoring Report</u> The school had received support from Suhail Kadir, Consultant Accountant from the Local Authority (LA). The Quarter 3 report showed a cumulative deficit of £73,067.44. The SBM presented the main reasons of the deficit by outlining the variances in the different budget headings. <p>Rebecca Abrahams, Executive Headteacher, presented the context to the budget monitoring report. She explained that when the committee met in November the paperwork circulated at the meeting contained a significant error in the reporting in terms of salaries. An investigation was conducted after the meeting and since then, a number of things had been uncovered. The school had been working very closely with Suhail from Schools Finance at the LA and the committee Chair to look through the school’s financial records. A lot of things had been identified both within and outside of the school’s control. A lot of learning had taken place.</p> <p>She said that the SBM’s notes had identified areas where there were discrepancies around income as well as the challenges around expenditure.</p>

With the income it had been an interesting and challenging year in terms of predicting income. The school roll had suffered because of its 'Requires Improvement' judgement. As a result of the judgement, parents had been taking their children out of the school. In addition the population around the area had become increasingly vulnerable. Some of the children who were joining the school had had less experience of schooling in the UK or had had difficulties in other schools. These factors were also putting pressure on the school's income. Other issues included the fact that when the budget was set, the school was not aware of what the reality would be, the maternity insurance estimate had been incorrect and also because the LA's estimated income for the school was in excess of the actual figure. The collective impact of the above issues meant that the estimated income was likely to be £50k less than the school expected it to be at the beginning of the financial year.

The Executive Headteacher said that expenditure had been found to be more challenging to manage this year for a number of reasons. There was a significant error in the budget as no provision had been made for her salary within the school's expenditure. This had not been fully factored in. Furthermore, the restructure which had been necessary to develop capacity in the school came with additional costs including redundancy costs. There had also been a lot of maternity to cover this year. Planning the costing had been made difficult because the software package that the SBM had been using had not been providing reliable forecasting information. This resulted in a shortfall in income of around £50k. It has become evident that the school is likely to overspend by c£60k. We are doing as much as we can to limit expenditure by putting ceilings to some cost centres within the committed expenditure. She explained that under the context, the school was taking the matter very seriously and apologised for the position that the school found itself in. She added that they were doing all they could to reduce expenditure between now and the end of the year. She also commended Nimesha Nagahawatte and Matthew Warhurst for managing staff without spending money on supply staff in order to reduce expenditure.

Martin Young, Chair of Governors, thanked Kiran Rahman, the previous Committee Chair for the work she had done with the committee and assured her that the discovery of the error was not her fault or that of anyone else's. He mentioned that the important thing was that the error had been discovered. He added that it was an unfortunate thing to have happened at a time when the school was making an upward trajectory. He thanked the school's leadership for working hard to try and resolve the problem and added that he was happy that they were taking steps to reduce costs. He stressed that the issue was not that money had been misappropriated. It was just that there was less money than anticipated. He encouraged Governors to support the school's leadership in trying to reduce costs.

The Committee Chair said that since December, the Executive Headteacher had been monitoring the budget line by line and that this gave her the confidence to believe that the leadership of the school understood the implications of the budget. She mentioned that the LA was also providing support to the school. The issue had to do with the circumstances in which the

school had found itself. The school's judgement of 'Requires Improvement' was having a direct impact on the number on roll. Governors were informed that the Executive Headteacher had frozen some lines of expenditure. Freezing budget lines also needed a lot of goodwill from the staff. She commended the leadership of the school as well as the School Business Manager for the work they had been doing and said that Governors were willing to support the school.

Governors were informed that the Executive Headteacher would be meeting with Suhal from Schools Finance the following week. She had also written to the leadership at the LA and would be meeting them after half term as they had recognised that the school was in a vulnerable position and had promised to support the school financially. It was not yet known what form the support would take. She informed Governors that a Targeted Intervention Group (TIG) meeting had taken place the previous day and Alison Gawthrop from THEP had been complimentary about the progress in children's books.

The Executive Headteacher informed Governors that if the school got into a deficit they would need to speak to the LA about when they would be able to clear the deficit. It was understood that the school would have 3 years in which to pay it off. The deficit was expected to be around £60k-£70k. However, looking at current expenditure, the school had already identified several costs that it would not need to make in the next financial year as well as some SLA/Contracts which would be cancelled. These totalled around £80k. Consequently, the challenge that the school was facing with regard to the deficit was not that daunting as it was expected that the school would be able to clear the deficit within the 3 year deadline without limiting the progress of the school.

Mai-Anh Dien, School Business Manager, informed Governors that it had been a difficult time for all and apologised for her part in the issues. She said that the school had learnt from this experience and the experience had improved her skills and knowledge. She thanked Governors for their understanding. The Committee Chair informed the committee that the per pupil funding in Tower Hamlets would be increased next year and this could help the school's situation. In addition, the school could ask the LA for the entire funding for the pan number instead of the per pupil funding based on the number on roll in order to improve its financial position.

The Executive Headteacher informed Governors that the contract with SBS, the company which had been providing financial support services to the school, had been terminated and the school would now be working with the LA in that capacity effective April 22. The LA would be expected to constantly update the school on their estimates of its income to avoid a repetition of what happened this year when the school found out 9 months into the financial year that the estimates they had been given by the LA were inflated. The School Business Manager, the Executive Headteacher and the Committee Chair would be meeting with the LA on a regular basis to monitor income streams and adapt the school's expenditure.

	<ul style="list-style-type: none"> • <u>Agree Virements (If any)</u> There were none.
5.	<p>Schools Financial Value Standards (SFVS) (For approval)</p>
	<p>The draft SFVS had been circulated to Governors prior to the meeting. They were informed that the format of the SFVS had changed this year. Governors needed to use the document to assure themselves that they had done everything possible to secure and minimise the risk of the school from a financial perspective. The SBM referred to the draft which had been circulated and asked Governors for their input. It was noted that the SBM and the Executive Headteacher were to meet the following week to finalise the SFVS. Comments from the meeting would be incorporated into the final version.</p> <p>Governors made the following suggestions to be included in the SFVS: In response to question 11 on whether the school was realistic in its pupil number projections and could move quickly to recast the budget if the projections and the reality are materially different, Governors suggested that the response should include the fact that it was a medium risk in the short term.</p> <p>In response to question 13 on whether balances were at a reasonable level and whether the school had a clear plan for using the money it planned to hold in balance at the end of each year, the school was advised to mention that this was in progress and that there would be more information available after the Executive Headteacher’s meeting with the LA. It was agreed that given that the next committee meeting was in April, Governors would need to communicate by email to agree the contents of the licence deficit application. Action: All</p> <p>The Committee Chair suggested that the school could initially ask for bridge funding for the shortfall in the PAN numbers which would mean that it was not a loan. She advised the school to ask for that initially and then try to reconcile if the funding was given as a loan to be paid in three years’ time.</p> <p>In terms of whether the school have procedures for purchasing goods and services that both meet legal requirements and secured value for money, it was noted that the school had little control on the PFI contract. The school was advised to finalise the hiring issue with G4S and explore securing income from hiring the school to the local community. Action: School</p> <p>With regard to section 30 on adequate arrangements on the audit of voluntary funds, a Governor wanted to know whether it was fine for the PTA money to be banked with the school. She wanted to know whether PTA money was part of school funds. The Governor was advised that this did not constitute school funds. The SBM had advised that schools in Tower Hamlets could get a Financial Consultant or a School Business Manager to audit the school funds accounts. She informed the committee that the PTA had undertaken minimal transactions (between 5-10 a year) and there was no need for a professional accountant to come in to audit the funds. The Committee Chair agreed that the school needed to arrange for another SBM (on the Isle of Dogs) from a school</p>

	<p>who can review the school fund account and give assurance. Therefore the Chair would look at the account to give the PTA a clear line of accounting and their line on the school fund account.</p> <p>Action: Vidya Srivathsan</p> <p>With regard to the school accounting system, current systems and practice (Q29), the committee had acknowledged in a previous agenda item that the school was going to change the way the budget profile and monitoring was done. From the school's perspective the school was advised to say that monthly monitoring was conducted and that the budget was closely monitored in addition to a closer interaction with the LA to ensure a more frequent adaptation of the budget. The school would be doing all it could to monitor the budget.</p> <p>It was agreed that the SBM would amend the SFVS and circulate it electronically to committee members. Governors would be given a day in which to make any changes to the document before it was submitted.</p> <p>Action: All</p>
6.	<p>Benchmarking Report</p>
	<p>The SBM spoke to the benchmarking report which had been circulated prior to the meeting. She said that the self-assessment dashboard was new this year. The school was in the highest 10% of similar schools in terms of premises costs because of the PFI contract. Everything else was broadly in line with similar schools.</p> <p>Q&A: In the benchmarking, why are our non-educational support staff costs exceptionally high? Is it because of the redundancy payments we made? The figures are a year old as the benchmarking is from the previous year.</p> <p>The Committee Chair suggested that it was worth going back to review this as she was of the opinion that the self-assessment figures should be from 2021. She advised her to do the self-assessment using figures from this current year as this document would need to be included in the licensed deficit agreement to show that the school had taken steps to reduce expenditure and would be able to repay the deficit based on the savings it would make next year.</p> <p>Action: School Business Manager</p>
7.	<p>School Premises Update</p>
	<p>The SBM gave the following school premises update:</p> <ul style="list-style-type: none"> • <u>Building Update</u> <p>Premises repairs – G4S had been in school to carry out 2 big premises repairs. One of them included the levelling of the ground in the portacabin area. This was moving quickly as quotes had been received from G4S and John. Samples and suggestions had been brought in on what could be done with the grounds. The Engineers who would be on the portacabin area had visited the school twice. The school had made some changes to their plans. The initial quote was under £6k excluding project management fees and labour. John had suggested that the school should write to Ben Jeffery asking for help with</p>

funding. John had sent an email to Ben Jeffery who was on leave this week. John and the SBM would try to contact Ben again to see what funding could be provided.

It was noted that the school had put in an ACR for G4S to provide a quote to increase the number of toilets in the current Reception class area to accommodate the change in classroom locations/number of children using the facilities.

Q&A: We have £12k in the capital fund which has been earmarked for toilets, have we got the quotes for the toilets?

Not yet. They need a re-design. We need an interior decorator to re-design the area.

The committee agreed for the SBM to obtain a rough estimate for the toilets to show that the £12k had been earmarked and that funding was not available for the levelling up of the grounds.

Action: SBM

Lead in water pipes – Governors were informed that an update had been received from G4S to say that they were happy for the work to replace the main water pipes containing lead to go ahead. Plans were in place for the work to commence this summer. This would be a huge piece of work and the LA would be paying for it. The pond area also needed to be levelled up for safety reasons. It was hoped that Life Cycle and the LA would be able to support the school with funding to cover most or all of the costs.

Q&A: What would be the impact of this area not being available to the school? The children could lose out on that area. That space could be used as a quiet area for children and will give them more options. It could also be used as a classroom.

Q&A: Once the work has been completed could the PFI agreement be extended because they will need to claw back money from the school or could their fees be increased?

They cannot use that. They do increase their prices every year but this will not be the main reason for the increase. The PFI contract still has 5-6 more years to go.

- Health and Safety Update

The SBM presented the health and safety update which had already been circulated prior to the meeting. Each classroom had been provided with a CO2 Carbon Dioxide monitor by the DfE. However, the school had already bought several devices at the beginning of last year to monitor air quality in the classrooms. The school had also extended the contract for the touch point Cleaner during core hours until the end of the Spring term.

Football incident – Governors were informed of an incident that happened during the football competition at George Green's where a child sustained an injury. The school would be submitting an AIR form to the LA after receiving an

	<p>incident from George Green's.</p> <p>Governors thanked the SBM for the updates.</p>
8.	<p>Review of Service Level Agreements (SLA)</p> <p>The SBM had circulated a full list of SLAs for next year. The list of SLAs that would not be purchased next financial year was also presented. This would save the school the sum of £12,469. The school would be purchasing a new finance SLA from the LA and this would need to be the Gold package. It was noted that this would be less than the current finance SLA.</p> <p>Governors asked the following questions with regard to the reduction in SLAs.</p> <p>Q&A: Will the fact that you will not be having a Play Therapist have an impact on the children or will the role be carried out by another staff member? This was decided as part of the restructure. We increased the support from the Learning Mentor and removed the Play Therapist. We may have to reduce some of the SLAs further when we receive our indicative budget from the LA. This list is just a starting point.</p> <p>A Governor asked whether the cuts in SLAs would directly impact the interventions and support that the children needed. She added that if that was the case, then Governors needed to know as there were certain things that the school could not afford to compromise on. The Executive Head said that one such provision was the speech and language offer. This was in great demand and that was why the school had significantly increased expenditure on the provision of speech and language therapy this year. The benefits of this had been immense.</p> <p>Q&A: How about the Social Worker SLA which is to be cut? We had a Social Worker but she went on maternity leave and we did not replace her at that point. As a result we only paid for part of last year. We will need to make a decision on whether we can afford one going forward. We have managed so far and if we were going to prioritise anything it would be the speech and language SLA from which the children benefit in greater numbers.</p> <p>Governors received the list of SLAs.</p>
9.	<p>Staffing Update</p>
	<p>This item is minuted as confidential part 2.</p>
10.	<p>School Policies And Procedures (For Review And Approval)</p> <p>The following policy which had been circulated for prior reading was presented for approval:</p> <ul style="list-style-type: none"> • Acceptable Use Policy – For Parent <p>Governors reviewed and RESOLVED to approve the above-mentioned policy and the recommend it to the full governing body for ratification.</p>

	<p>Governors then put the following questions to the Head:</p> <p>Q&A: How do we send the policy to parents? We have put it on our website and it was given to new parents. We will be circulating paper copies.</p> <p>Q&A: Is there an expectation that they can opt out or opt in or is it compulsory? New parents have to sign it.</p> <p>Q&A: Are children told about online safety during assemblies? With computing, the first lesson of the computing unit is focussed on online safety. At the start of the year the children had their class contract, the pupils' AUP from LGfL. The teachers talked through the rules then and every half term we revisit a different aspect of online safety. Louise Manthorpe, our Data Processing Officer, did a session with the Year 6s on data protection.</p>
11.	Agenda Items For The Next Meeting
	<ul style="list-style-type: none"> • Financial Report • Budget 2022-2025 • Update on the licensed deficit agreement
12.	Any Urgent Business
	The Executive Headteacher thanked the Committee Chair for the support she had given the school with their finances.
13.	Date And Time Of Next Meeting
	Thursday 28 th April 2022 at 5:00 p.m.

There being no further non-confidential items to discuss, this part of the meeting ended.

The Chair closed the meeting at 6:20 p.m.

Chair's signature: _____ **Date:** _____