

## Minutes of the Resources Committee

Wednesday 8 February 2023

**Present:** Rosa Mottershead (RM), Christina Bates (CB), Ricardo Herbane (RH), Tony Davies (TD), Linda Jones (LJ) Debora Lucarelli, Andrew Grieve,

Apologies: Chris Jagger

**Clerk:** N/A

### **1. Apologies for absence**

Apologies were received from Paul Waldman [and Chris Jagger].

### **2. Declaration of direct or indirect pecuniary interests relevant to agenda items**

None

### **3. Matters arising**

LJ discussed Paul Waldman and whether we can move the meetings to a day he can attend. Proposal to move meetings to a different day so Paul can attend and request him to attend.

Next resources meeting then on 27 April (Thursday) 5.30.

### **4. Agenda items 5, 6 and 7 - Budget monitoring report, rough cut of budget and Financial Benchmarking Reports**

**TD:** now looking at deficit of £106,000. Discrepancy has arisen because Orovia underestimated these costs. Combination of incorrect entries, but still missing £20,000 in terms of prediction of what support staff costs will be at the end of the financial year. Will investigate this further, but one theory is that when our own contracted staff cover sickness, they get additions to pay (which saves money in sickness budget, but these don't appear in support staff budget). When pay increase came through in December, these costs didn't pick up the additional pay increase. Need to make sure this doesn't happen in the future. Orovia output for Feb and March is still £1000 short compared to our assumptions. January was the first payroll report with the increase reflected.

So, we are in a worse financial position than we thought. TD had hoped that additional funding next year would be sufficient to cover this year's deficit and we could carry on with a sustainable model. The rough cut budget indicates we are in balance next year, but not enough to cover this year's deficit. So, the rough cut budget would not withstand further shock or allow us to reduce the deficit in a prudent manner. This is not a resilient financial position, so we need to look at making some fairly significant cuts to manage this position next year.

**LJ:** what about local authority advise? They had said hold your nerve. Is this still the position?

**TD:** next year is looking better. But the hit is for this year, and we have no additional income for this year or to cover this. SSR meeting this afternoon, 11 schools present, 9 are in the position of setting deficit budgets or early stages of considering reducing their budgets. Ray Byford has advised at least one school to have a three-year plan to bring their deficit down.

**Chris Jagger joined at 6 pm**

**RM:** how does the repayment of the cashflow loan fit into the budget?

**TD:** the cashflow loan doesn't show in the budget, as it is not part of the budget. It is about income.

**AG:** cash is separate to the deficit.

**DL:** the deficit could be higher, as Adrian said.

**TD:** yes, the risk is really sickness absence. We've made estimates we hope will be enough to cover expected sickness absence. We have a teacher on long term sick leave, for example, and we will get the insurance in next year's budget. For supply teachers, we don't pay holidays so it doesn't work out more expensive than employing directly (even though the day rate is higher as it is to an agency).

**TD:** we have been asked at SSR to go back to the LA to ask for more authority to set budgets to keep children safe.

**DL:** in the financial benchmarking, we have a low pupil to adult ratio – about 24 to one. This is in the 10%. On paper, this looks like we have a very good provision and a high number of adults compared to other schools

**TD:** the figures are easily skewed here. E.g. we have a teacher on longer term sick, being covered by another so it looks like 2 teachers, when there is only one.

**RM:** can we have the information for our school. I.e. how many TAs are ring fenced for ECHPs, how many are covering PPA, etc. Can we get the specific ratio for our school?

**LJ:** if the senior leadership come up with scenarios, this type of information can be included.

**CB:** the link governor visit for SEND has some of this information.

**TD:** 17 ECHPs in the school. Also have a number of children on "SENIF" funding, which is for early years, and is pre-school so pre-ECHP. This has doubled in the last four years. Covers quite a lot of staff. 12 months ago when we were making strategic decisions, we said we had a limited carry forward but a group of children struggling post-pandemic, so we wanted to use covid catch up and carry-forward to help these children. So we employed an additional teacher, we used Barry Evans, we included an additional TA in year one (as reception cohort was really struggling). We didn't know that there would be a salary increase that was unfunded. Even without the salary impact, it still wasn't the required amount of support, but it was manageable financially. Unfortunately, reducing the provision will impact the most vulnerable.

**AG:** we need scenarios, and impact assessments so governors can assess. The options should cover do nothing – i.e. clear it in three years, to clear it in one year to a middle.

**DL:** we would like to have a meeting with Ray Byford with the governors. Also, we will put together some questions for other chairs to understand the local schools' general position.

**TD:** would like to understand a bit more about another school that has an in year deficit for next week.

**LJ:** it is important to be sensitive when asking other schools. To information them of what the outcome is of this process and the point of the information.

**DL:** we represent the community and when we approve the budget, we need to be aware of what is happening in other schools.

**Action items:**

- Senior leadership team to look at budget options to propose at next meeting
- Chairs to discuss with other chairs – to discuss with TD
- TD to arrange meeting with Ray Byford.

**TD:** this is not an absolute disaster. It can be solved, with some pain, but it is upsetting and feels morally unacceptable, as this is nothing to do with our management of the school's budget.

**RH:** how did the error in Orovia happen?

**TD:** complex, but ultimately a problem in Orovia and anomalies. Orovia is being replaced.

## **8. School Audit and Financial Value**

**AG:** Noting the actions from the audit. If we do this, will we move from moderate to good?

**TD:** yes, I would think so.

**LJ:** was there a cost?

**TD:** no

**TD:** we are planning to update the financial procedures by March. But that was before the budget issue.

**LJ:** perhaps best to push the dates back, to end of April.

## **9. Personnel update**

One teacher has had to take leave of absence for the rest of the academic year. This is unpaid leave. We have recruited to cover this position. Difficult to get cover at the moment.

**TD:** there is a lot of stress on staff at the moment. Staff are struggling and mentioning they will struggle to continue in teaching.

**AG:** do you make allowance for sickness into the budget?

**TD:** for long term sickness, we get insurance money after 10 days. But it is very hard to predict.

**DL:** looking at restructuring, there is the general national picture, there is the local environment (Cambridge is one of the lowest funded LEAs). Then there is something related to the school, where there may be an atmosphere, e.g. a complaint, or worry, but the staff here has been very constant over time. Is it worth considering that incoming staff may have a positive view on the school, and help with moral issues?

**CB:** it is the experienced teachers who cope better in a lot of ways.

**LJ:** this school has deservedly got a good reputation for retention, so we have very experienced staff. Some schools will start to engage in turnover, getting in cheaper, younger teachers. This is generally a disaster.

**TD:** teaching is in a mess, people are stressed and depressed and they are leaving the profession. We are lucky because we are not seeing this at St Matthews. Sometimes, teachers may not realise the extra support and conditions at St Matthews if they have been here a long time, and haven't seen the situation in other institutions.

**CB:** we also offer opportunities for learning and development.

**DL:** are we fully covered in terms of teaching staff for this year?

**TD:** we are fully staffed and covered till the end of the year

#### **10. AOB**

**TD:** Orovia is being phased out. Tender process ends this February. We will set the budget on Orovia and will then move onto the new LEA system.