

# Minutes of KEVICC Operations Committee Meeting Wednesday 1<sup>st</sup> May 2019



**Present:** Nigel Clark (NC) (Vice-Chair), Kate Wilson (KW), Jim Lodge (JL), Alan Salt (AS) and Julian Carnell, Parent Governor (JC)

**In attendance:** Yvette Elliott, Clerk (YE) and Alan Neale, Business & Finance Director (AN)

Ref.	<b>FOCUS OF MEETING</b> <b>Overseeing the financial performance of the school and ensuring its money is well spent</b>	Actions
1	<b>Welcome &amp; Apologies</b> <ul style="list-style-type: none"> <li>Apologies, sanctioned by the Committee: Michael Young (MY).</li> <li>Absent without apology: None.</li> <li>Declarations of interest: None.</li> </ul> NC chaired the meeting in MY's absence.	
2	<b>Minutes of Previous Meetings (22<sup>nd</sup> January and 4<sup>th</sup> March 2019)</b> Minutes were approved by Governors and signed by NC.	
3	<b>Matters Arising</b> <ul style="list-style-type: none"> <li>AN shared a working draft of the current staffing structure with Governors. The Faculty structure is still to be completed in this format. All management responsibility is recorded. <b>Governors requested that names of individuals are included and the final version be shared with FGB.</b> JC asked if there are only two Faculty Directors? This was confirmed as they are SLT members, unlike Faculty Leaders who have different responsibilities. JC asked how much of this information is shared with parents? AS confirmed that SLT and Leaders are detailed on the school website but Admin roles are not shared.</li> </ul>	AN
4	<b>2018/19 End of Year Forecasts</b> AN shared an End of Year Summary Report of 17 <sup>th</sup> April, which demonstrates an in-year surplus balance of £278,000 for the year - a £345,000 total surplus when added to brought forward balances and adjustments are made to remove any ringfenced funds, such as DVLIT money. MY had emailed a query for AN requesting a fuller explanation of the energy and SALIX variances, highlighted in yellow on the Expenses page, which are the largest reported, notwithstanding that they largely cancel out. AN stated that KEVICC received funds from SALIX to cover the costs of the energy efficiency project at a total cost of £132k. End of year adjustments to the accounts have been made to reflect this, however the bottom-line is not affected as a result. No significant other end-of-year adjustments are expected by AN. JC asked why the end of year balance is so much better than the budget predicted? AN stated that this is a combination of increased income and College savings throughout the year. When the budget was set: £42k contingency wasn't expected; post-16 funding receipts included an error in our favour (academic not financial year figures); staffing cost reductions were unknown (e.g. new appointments have been made on lower salaries); energy costs and consumption was set higher than actual. AS highlighted the impact of staffing changes on budget and this year they have brought about significant unforeseen savings. AN added that teacher absence insurance has also brought in funds and that is never assumed during budget setting. The All Weather Pitch (AWP) also brought in a £35k gross income and this is not included in the budget as it is hard to predict, however, next year it will be as there is a pattern of funds accruing now giving more confidence. The intentions for these funds is to keep them	

	<p>ringfenced for future AWP improvements in-line with the Dual Use Agreement with South Hams District Council.</p> <p><b>AWP to be a Site Development Committee agenda item.</b></p> <p><i>JL asked if the positive variance is good news due to the scale.</i> AN explained the sources of the variance and confirmed that we should expect a small variance next year. JL commented positively on the end of year surplus, but JC noted the potential for managing the College to budget, rather than to the reality of the situation at the time. AN stated that there is improved accuracy now in forward budget setting based on more realistic expectations from refined data. <i>JC asked if this should result in a smaller variance next year?</i> AN confirmed that it should. AS also highlighted that the budget management is better discussed and understood by Governors now and there is improved clarity about the savings requirements resulting in improved financial management. AS confirmed that he had met with staff today to start the budget proposal consultation process and made it clear that the savings accrued by the College to date will help to deal with the forecast deficit years ahead.</p>	<p><b>Site Development Agenda</b></p>
5	<p><b>Budget for 2019/20</b></p> <p><u>Update on Budget Proposal Reductions</u></p> <p>A Budget Restructure document has been drafted as a direct impact of the reduced Year 7 intake. There has been a slight increase in the number of pupils expected in September 2019 from 131 to 143, but 150 would allow for a full and financially efficient 5-form entry (the budget has used 138 pupils, as expected at the time of drafting). Budget reduction proposals that were reviewed by Governors at FGB have been included, with the exception of the most contentious items which have now been excluded and will not be pursued. There are currently £250k of projected annual savings required. A full staff consultation is under way due to some proposed contract reductions (1 small teaching post is at risk of redundancy) and contract variations being included in the proposals. JL congratulated the College on the level of consultation and staff being kept informed, which is seen as best practice and likely to bring some positive suggestions for other cost savings. AS confirmed that if new ideas are generated which could mitigate the impact on staff and pupils, these can be taken forward as alternative ways of making the necessary savings.</p> <p>An unintended consequence of Class Charts is that teachers have a heightened awareness of up-to-date whole school pupil numbers as this figure appears on the home screen. MY has requested that <b>Year 12 &amp; 13 pupil numbers are also included in the data as bar charts.</b> <i>NC asked what level of confidence there is in projected pupil numbers for September?</i> AS stated that the number of DCC allocated places and subsequent update lists are used to make educated assumptions, as not all allocated places will be accepted. There is a 2-year trend now of having less than 150 Year 7 pupils so staffing has to be set on the basis of a 5-form entry. Going over this level of pupils would require a 6-form entry structure, which would be costly and inefficient as it would not be full. JC was clear that on the balance of risks, it is still preferable to market the College and encourage uptake. AS agreed that it is the College aim to have as many local children attending KEVICC as possible.</p> <p><b>The committee moved to Part 2 minutes.</b></p> <p><u>Proposed 2019/20 Budget</u></p> <p>The 3-year Budget projection was discussed. AN highlighted the income which is set by Government (rows 5-14) based on October 2018 Census data and the post-16 funding and bursary which is also known. All other figures are variable. Supply costs are always unknown and no contingency lines have been included (with the exception of the SLT capitation budget). An £88,000 in-year deficit is forecast despite the forecast savings. <i>KW asked if DVL T fuds</i></p>	<p><b>AN</b></p>

	<p><i>are included in this figure?</i> AN confirmed that this and any other ringfenced funds are recorded separately, so the total end-of-year funds are better.</p> <p>The KPI Report shows an 80% total staff costs to total income. AN stated that we should be aiming for 75%. A teachers pay grant allocation has been confirmed for Sept 2019 – Mar 2020 to cover pay and pension increases. In addition, the increases in Teacher Pension contributions are being met by Government from Sept 2019 – Mar 2020. Further funds are not guaranteed/expected. Two budget versions will be shared with the LA (one including pay grants for the 3 years and one without – the impact is approximately £180k for 2021/21 and subsequent years).</p> <p><i>JC asked about 6<sup>th</sup> Form intake and finances</i> and AS confirmed that conservative estimates have been used, so in-year benefits are possible.</p> <p>The LA have confirmed an extended deadline of 21<sup>st</sup> May for the FGB to confirm an approved budget.</p> <p><b><i>JL proposed that the budget is recommended to FGB for approval.</i></b></p> <p><b><i>JC seconded this proposal.</i></b></p> <p><b><i>Governors voted unanimously in favour.</i></b></p> <p>AN and AS were thanked for their work and clear explanations.</p> <p><u>Financial Intervention Panel (FIPS)</u></p> <p>FIPS support may be required in future years for deficit budget forecasts (this year will not be counted as the current surplus balance can be drawn from). <i>JC asked if there are any issues with the size of the current surplus?</i> AN confirmed that this is not an issue as 5% of total budget can be carried forward. <i>KW asked if FIPS will want to know how we plan to balance the budget moving forward?</i> AN confirmed that they will – we will need to demonstrate our deficit reduction actions and any potential requirements from the FIPS panel to support the College.</p>	<p><b>FGB agenda 21/05/19</b></p>
6	<p><b>Capital Expenditure update</b></p> <p>AN confirmed that additional capital funding of £62,000 allows the College to complete work that we have been unable to do due to lack of resources. Three proposed priority areas are:</p> <ul style="list-style-type: none"> <li>• Telephone System – Currently 12 years old and a full replacement of the system is required. Approximately £5k of potential savings can then be made in-year, which is not currently included in the budget.</li> <li>• Servers – An update is required with estimated £15-20k cost, with quotes awaited.</li> <li>• Site upgrades - External doors need replacing and quotes are awaited.</li> </ul> <p><i>JC asked how thee priorities were reached and not others, such as additional minibus, for example?</i> AN confirmed that the 3 priorities outlined above cause major day-to-day issues and only one minibus is required for regular use by the College, with additional buses being cheaper t hire as required. <i>JC asked if there are other items that are not included that should be?</i> AN stated that there are no other major areas, but there will always be a list of capital expenditure requirements and future and unspent funds will be used to continue providing for these needs.</p> <p><b><i>Governors gave AN authority to make purchases for the 3 priority areas above, up to the limits detailed in the Finance Policy and following the receipt of 3 quotes, without the need to return to the Operations Committee for further authorisation.</i></b></p>	<p><b>AN</b></p>

<b>7</b>	<b>Policies for Review at Next Meeting</b> <ol style="list-style-type: none"> <li>1. Maternity (Alan Neale) – NC</li> <li>2. Paternity (Alan Neale) – MY</li> <li>3. Shared Parental Leave (Alan Neale) – NC</li> <li>4. Adoption (Alan Neale) – MY</li> <li>5. Accessibility Plan (Sarah Winstone) – NC</li> <li>6. Recruitment &amp; Selection (Alan Neale) - NC</li> </ol>	<b>Gov's</b>
<b>8</b>	<b>Meeting closed at 7.35pm.</b> The date of the next meeting is Tuesday 25 <sup>th</sup> June, 5.45pm.	

Signed.....

**Nigel Clark**

**Vice-Chair of Operations Committee**

Date:.....