

**MINUTES OF A FINANCE COMMITTEE MEETING HELD AT GILLESPIE SCHOOL AT
2.PM ON THURSDAY, 22 MAY 2024**

Present:

Ashley Smith (Chair of Finance Committee; Vice-Chair of Governors) (**AS**)

Dan Hamilton (Member of the Finance Committee and Chair of Governors) (**DH**)

Mark Owen (Head Teacher) (**MO**)

Sara Wright (Business Manager) (**SW**)

AS declared the meeting open at **2pm**.

Resignation of Joseph Gibber

It was noted that a member of the Committee, Joseph Gibber, had recently resigned from the Board of Governors. He was consequently no longer a member of the Finance Committee.

DH reported that further governor recruitment was anticipated to fill this (and another) vacancy on the Board of Governors and it was expected that at least one new Governor with the requisite skills and experience would be invited to join the Finance Committee in the coming months.

AS confirmed that he had agreed to continue as Chair of the Finance Committee for at least the coming academic year.

Purpose of the meeting

AS explained that the purpose of the meeting was to consider and, if thought fit, to approve: (a) the budget for the 2024/2025 year (and beyond) (the **Budget**); (b) a Deficit Recovery Plan (explained further below); and (c) a letter, requesting a 'Licensed Deficit Agreement', to be signed by the Chair of Governors and the Chair of the Finance Committee, as also explained further below.

It was noted that the preparation and approval of the Budget had been delegated to the Finance Committee by the Board of Governors.

The Budget

The Budget was presented, for consideration and approval. It was noted that the Budget was the culmination of extensive work over the preceding few weeks, which had included several informal meetings and discussions. The following points were noted:

- The school had an in-year deficit of £51,398 for the 2023/24 financial year, as opposed to the predicted surplus of £1,514.
- The cumulative deficit, following the prior year's brought forward deficit, is now £74,192.

The reasons for the unexpected deficit were summarised as being principally (a) higher than expected (and unfunded) teacher salary increases; (b) long-term staff absences; (c) high energy costs; and (d) unfunded requirements for children with Special Educational Needs.

AS reported that significant efforts had been made to reduce costs for the 2024/2025 year (which year had already commenced, from 31 March 2024 but that the deficit would need to be recovered over a longer period, through a number of costs-savings and revenue generation initiatives.

Deficit Recovery Plan

AS reported that, in consequence of the position outlined above, it is necessary for the school to submit a Deficit Recovery Plan to the Local Authority. The purpose of this document is to provide further information on the reasons for the deficit and the steps that are intended to be taken to eradicate it. This document is required to be populated in a form provided by the Local Authority.

The Deficit Recovery Plan was tabled at the meeting. It was noted that SW had prepared this and that MO, DH and AS had each reviewed it. In summary:

- An in-year deficit is forecast for 2024/2025, given that the revenue increases and costs reductions will not fully flow through into this financial year.
- A surplus of £45,434 is forecast for 2025/2026.
- A surplus of £40,192 is forecast for 2026/2027.
- The cumulative deficit is expected to be eradicated in 2027/2028.

As well as the Deficit Recovery Plan, the school (and certain Governors) would be required to attend periodic meetings with the Local Authority. The purpose of these meetings is to review progress against the Deficit Recovery Plan, and related matters.

Letter from the Chair – Licensed Deficit Agreement

AS reported that, in light of the financial position, the Chair of Governors (DH) is also required to send a letter to the Local Authority, to accompany the Budget and the Deficit Recovery Plan. A draft of this letter (the **Deficit Recovery Letter**) had been prepared by DH and AS and comments had been received and incorporated from SW and MO.

It was noted that the letter outlines, amongst other things: the reasons for the deficit, potential costs savings measures and revenue generation initiatives, as well as confirming the period over which the deficit is intended to be eradicated, as set out in the Deficit Recovery Plan.

Approvals

After due consideration, and noting the extensive work carried out in the lead up to the meeting, the Committee **unanimously approved**:

- The Budget.
- The Deficit Recovery Plan.
- The Deficit Recovery Letter.

The Committee authorised and approved all necessary steps to be taken to finalise the documents (by adding administrative or other details) and for them to be signed and/or filed with the Local Authority, as applicable.

AS reported that, notwithstanding the delegation to the Finance Committee, he considered it appropriate to circulate the draft Budget to the Board of Governors before it is filed. The Committee agreed with this approach.

It was agreed that, if and to the extent any comments are made by the Governors (following the circulation to them), a further Finance Committee meeting can take place or the matters could perhaps be dealt with via email correspondence.

Next steps and next meeting

It was noted that the Budget is to be ratified at the forthcoming Governors' Meeting on 12 June 2024.

It was agreed that (unless a further meeting of the Finance Committee is required, based on Governors' comments on the draft Budget circulated to the Governors) the next Finance Committee meeting would then take place in the Autumn term. There may however be informal finance monitoring meetings, in the interim.

There was no other business and AS closed the meeting and thanked everyone for their input into the budgeting process.