

The Minutes of the Finance & General Purposes (F&GP) Committee Meeting  
Held on Thursday, 25<sup>th</sup> January 2018

**Present**

Tahir Darr (TD);  
Tom Davies (TPD);  
Steven Mackay (SMK) (Headteacher);  
Joanna Symons (JS)  
Stuart Weatherall (SWe); (Acting Chair of the Committee).

**In Attendance**

Jessica Lobbett (JL) (Assistant Headteacher);  
Marya Marriott (Clerk);  
Siobhan Randall (SR), (Finance & Facilities Manager; Chief Financial Officer; Company Secretary);

**1. Procedural Matters**

- 1.1 SWe welcomed everyone to the meeting.
- 1.2 Apologies were received and accepted from:
  - Simon Morris (SM);
  - Kevin Ward (KW) (Chair of F&GP Committee). KW had asked to attend via Skype but the technology failed.
- 1.3 The meeting was quorate.
- 1.4 There were no declarations of interest.

**2. Notification of Any Other Urgent Business**

No additions were made to the published agenda.

**3. The Minutes of the last meeting (23<sup>rd</sup> November 2017)**

The minutes were agreed to be an accurate record of the meeting. They were signed by the Acting Chair.

**4. Matters Arising from the previous minutes**

Please see Page 8.

**5. Budget & Forecast 2017-2018 & Cash Flow Forecast**

Supporting papers had been circulated:

- a. Five Year Budget Forecast from 1<sup>st</sup> September 2017
- b. Cash Flow Forecast
- c. Year End Accruals
- d. Reconciliation Statement.

**5.1 SR advised that the YTD (year to date) position as at 31<sup>st</sup> December 2017 was:**

Total Expenditure YTD December 2017 is £1,881k versus YTD Income of £1,731k, resulting in a £149k YTD deficit.

SR provided further detail:

5.2 Invoices that were included in the £237k provision for works relating to 2016-17 academic year (but paid from the current financial year) had been excluded from the YTD December figures; in order to give an accurate analysis of this year's expenditure compared to budget & forecast.

### 5.3 Staff Costs

- a. Teaching & Support staff costs were at a total level are 33% of full year forecast, in line with forecasted position for this stage of the year.
- b. Teachers' pay awards were paid in November 2017, with an effective date of 01.09.2017.
- c. Teachers' supply costs were 43% compared to forecast due to the sickness absence for PE Teacher.
- d. Caretaker overtime costs include the agency staff costs associated with the back-filling of roles to cover site vacancies. The position was likely to stabilise.
- e. Support staff cost categories have been reforecast with some job categories being merged – tracking of support staff costs at a total level to see real performance compared to forecast was being undertaken. (It was noted that Wiltshire's payroll system did not directly correspond to the school's systems.)

### 5.4 Other Staff Costs

- a. Other staff costs were in line with forecast with YTD expenditure compared to forecast of 34%.
- b. Recruitment advertising was 62% YTD, frontloaded because it included an annual subscription for Eteach (£4k).
- c. The cost of DBS checks had been included to forecasts.

### 5.5 Premises Costs

- a. Repairs and maintenance costs were already 50% spent but included unforeseen repairs to the fibre data cable (£2350).
- b. H&S expenditure was low compared to the forecast; SR planned to undertake further analysis and re-forecast if necessary although savings may have been made.
- c. Vandalism costs were high, items such as ceiling tiles and door repairs had been replaced.

### 5.6 Occupancy Costs

- a. Occupancy costs at a total level are 28% spent compared to forecast.
- b. Electricity contracts are due to expire on 31.03.2018; the school had been asked to sign a new contract with the existing provider – but the new costs had not been provided. Electricity supply costs were expected to increase. SR would request quotes for utilities from alternative providers. BET (Bath Education Trust) was offering schools a joint purchase scheme.

**Governors asked: Have you asked Bristol LA to quote?**

A: Not yet, I will liaise with KW. **Action: SR**

### 5.7 Departmental Capitation

- a. Head Teacher contingency fund was 56% spent compared to forecast due to absorbing costs for music department equipment and the costs for the Y7 BBQ.
- b. At a total level capitation budgets were 52% spent compared to forecast.

### 5.8 Non-Subject Capitation

- a. Non-subject capitation was 27% spent compared to full year forecast.

### 5.9 Admin Supplies & Services

- a. The School Fund; the balance of Trip Income over Trip Expenditure was (£12k) YTD. However, expenditure included provision for trip invoices due to be paid, some further trip income was owed. Trip funds would in future be moved out of the budget to remove the distortion

- b. Network Supports costs were low compared to forecast but expenditure was due in March/April. SR was seeking to make a £3k saving on Capita support contract by moving to Bristol Traded Services from 01.04.2018.
- c. Reprographic recharges would be made to department capitation budgets, pending a full reconciliation by the Finance team.
- d. Pupil Premium Grant (PPG) expenditure was low YTD. The Finance team and PPG lead were checking that all PPG expenditure for trips & equipment has been recharged to the budget.
- e. Publicity – the budget was almost spent, due to the design/branding & signage costs this year. The level of expenditure in the forthcoming year would be lower.
- f. Insurance - renewal was due by the 01/02/2018. **[Please see Item 10.]**
- g. Transport: the school would continue to pay for minibus drivers until the current lease ended. The cost to train school staff was c£1.5k per person and the time commitment was heavy. (It was noted that there were rumours that stricter regulation would be brought in for all categories of minibus.)

#### 5.10 Agency Costs

- a. Full year agency costs are 46% spent compared to full year forecast.
- b. Governance expenditure is 83% compared to forecast due to the Governance Review.
- c. Professional Services includes £2,750 for the unsuccessful stopping up application which will be refunded in full. However, we will incur approximately £1k in costs to do so.
- d. Financial Services were 65% spent compared to forecast (budget £10.5k). This represented the significant Year 1 Audit work and additional re-statement of comparative works that Monahans had undertaken, which was necessary due to the previous years' financial 'treatment'. Measured by time, the company had incurred £20k of costs, but had charged the school just £1k (above their initial quote) to settle. One further invoice for approximately £1.5k was due, for preparation of the Annual Accounts Return.

#### 5.11 Capital Expenditure

- a. ICT Capital of £44k YTD:  
£11k ICT Capital Costs plus PC's on order of £7k - £18k YTD.
- b. Societe Generale – purchase of remaining lease: YTD Costs £5k. **[Further information at item 11.]**
- c. Capital expenditure of £52k was incurred for additional snack shack works, replacement windows, doors, flooring, blinds & furniture that was not included in the £237k total for 2016-17 and had been incurred from this year's capital budget.

#### 5.12 Income

Total Income received was 35% of the Full Year Forecast. SR confirmed that, overall, there were no significant budgetary issues.

#### **Governors asked: When was the forecast budget produced?**

**A:** The budget is set at the beginning of the academic, the forecast is more fluid. We use HSS to software to model. In a small number of cases forecast expenditure is likely to be an over-estimate. An example is the support staff costs - because some staff have declined to join the pension scheme but forecasts are based on the whole group.

#### **Governors asked: Are there going to be problems if the 6<sup>th</sup> Form grows?**

**A:** Not immediately. If growth is sustained, we would have to consider submitting an expansion bid.

### 6. Capital Spending Programme Priorities – Update

6.1 As previously agreed, there was £148,000 available for capital projects in the current year.

It was allocated:

- a. £40k – Penn Building; the work would be schedule for the Easter and May holiday periods
- b. £50k – refurbishment of 2<sup>nd</sup> floor teaching rooms in the main building.
- c. £30k (estimate) – upgrade to fire alarm system panel (from analogue)

- d. £30k – school contribution to successful CIF bids. The company that had prepared the bids was operating on a ‘no win-no fee’ basis; if successful, the company would project manage. Result of the bids would be known in March 2018.
- e. £6k – CCTV (likely to be funded from the maintenance budget).

**Governors asked: What would happen if we had a really high 6<sup>th</sup> Form take up?**

**A:** Nothing immediately; some social spaces would be a bit squashed. The second year would be more challenging.

- 6.2 It was noted that the basement in the Penn building had dried out after repairs to defective guttering had been carried out.

**Governors asked: Is the gym used?**

**A:** Not really – it would need a big project to bring it up to a suitable standard. (It was noted that a previous CIF bid to re-build the gym had been unsuccessful.)

**7. Staffing Update; Finance & Facilities Teams**

SR reported that

- 7.1 There had been further changes to the team but individuals were settling into roles.
- 7.2 One new recruit to Facilities had left the school.
- 7.3 An existing Facilities team member had been given additional responsibilities.
- 7.4 A facilities helpline for staff had been set up – it had been well received.
- 7.5 The finance team was re-establishing itself.

**8. Risk Register Review and oversight on behalf of FGB**

- 8.1 There was a focus on GDPR (General Data Protection Regulation); an external report on the school’s systems had been commissioned – it had not yet arrived. A significant amount of work had already been undertaken. Patrick Heuff (PH), Deputy Headteacher, was leading on GDPR for the school.

**Governors asked: Do we need a Data Protection Controller?**

**A:** PH will establish the requirements.

**Action:** PH to report at the next F&GP meeting.

**9. School Improvement Plan (SIP): Review of Progress against elements assigned to the committee**

SMK advised that the remaining items were largely related to resources and the learning environment. Some red items would be moved into the next academic year’s SIP so that spending was kept under control.

**10. Annual Insurance Renewal**

- 10.1 SR advised that the school’s insurance was due for renewal on 31<sup>st</sup> January 2018. Two quotes had been obtained, in addition to that provided by the existing company. It was agreed that cost should not be the only consideration. SR had made like for like comparisons on the cover offered. It was noted that the government scheme was the least expensive but did not offer the support and bespoke cover provided of insurance specialists, including motor insurance. It was noted that one of the companies was competitive but it could not offer cover for listed buildings (Penn Building).
- 10.2 It was noted that the school’s hand bells were covered by separate specialist insurance.
- 10.2 Governors had a detailed discussion about whether terrorism cover was needed. It was agreed that it was not required. It was noted that the school had previously been affected by global events but had absorbed the financial loss.

**Governors asked: Are the quotes based on our projected growth?**

**A:** Yes.

**Governors asked: What's the total level of cover?**

**A:** £20 million.

- 10.3 It was agreed that Marsh would be contracted to provide cover for 3 years. The policy would cost £32,931 per annum. It was noted that Marsh provided helpline and counselling services as part of the package. The cover would include Governors' Liability insurance; terrorism cover and public liability insurance would be excluded. **Action: SR.**

**Governors asked:** What is the level of Business Continuity cover ie for purchase of portacabins etc?

**Action: SR** agreed to check and increase the level of cover if necessary.

**11. Lease for IT Equipment (Societe Generale): Lease and Buyback; Budget Implications**

**11.1 Societe Generale - Buyback of Assets £21k (unforeseen expenditure).**

The school had taken on a 3-year Lease for the purchase of IT Equipment from RM Education in 2014; the lease expired on the 17.11.2017.

- 11.2 SR contacted Societe Generale in November 2017 to confirm that all monies had been paid (the company had not made contact). At that point the company's representative asserted that the school had been sent written option in June 2017 – effectively the options were to enter into a secondary rental period for 1 or 2 years at a full or reduced rate. The letter had not been received by the school; the representative said that it was not possible to send a copy (it was supplied at a later date). The letter contained 4 options (a further option was not included in the correspondence).

- 11.3 The school took advice and was supported Monahans. The company agreed to sell the equipment directly to the school for £20780 + VAT. The school's contractual obligations under the lease were fulfilled and compliance with FRS Accounting standards with regards to Finance Leases had been met. It was noted that the lease had cost the school c. £20k more than planned.

- 11.4 SR advised that the same approach for the remaining lease with Societe Generale would be used (due to expire in September 2018); although the company's representative has said that might not be possible.

**Governors asked: Over what period are assets depreciated?**

**A:** 4 years.

**12. Audit West: Review of draft findings from December audit**

- 12.1 SR reported that a visit, focussed on purchasing systems, had taken place on 11<sup>th</sup> December 2017.

The visit report (January 2018) had been circulated in advance of the meeting.

The school's new financial policy and procedures had been discussed. The auditors had negatively flagged the payment of a handwritten invoice for flooring. There had been valuable discussions about catering contracts.

- 12.2 Overall, the school was judged to be level 4 (rag-rated 'green'). Some minor weaknesses had been identified, which would be addressed.

- 12.3 Item H1 (Purchasing – invoice Pay-run authorisation had been judged to have high risk weaknesses because some authorisations did not have 2 physical signatures. The committee agreed that this judgement should be challenged because the issue related to a 'control' feature – payments had in fact been authorised by 2 people. Action: SR.

**Governors asked: Will the caterer’s contract be renewed?**

**A:** Potentially; the increased turnover means it could be an attractive proposition for other companies.

**Governors asked: How much do the auditors charge for their services?**

**A:** £1,400 per annum.

**Governors asked: Could we ask them to undertake the role of Data Controller for GDPR?**

**A:** We will share that idea with the Deputy Headteacher – we are in the process of establishing what is required.

12.4 It was noted that Payroll systems would be the focus of the auditors’ next visit.

12.5 It was agreed that the focus for future visits, and options for ensuring systems were robust - for example peer-to-peer review - would be agreed at the next F&GP committee meeting. **Action: SR**

**13. Update on Stopping up of Footpath**

The school had received advice from BANES (Bath & North East Somerset) Local Authority’s Highways Department that the school’s application for the footpath to be closed was declined on the grounds that it was regularly used route. BANES representatives suggested that the school consider applying for vehicular access to be stopped. The F&GP committee agreed that this option would not address students’ concerns, raised by the Student Council, and which had led to the application.

**Action: Clerk** - BANES letter to be shared with the Governing Board.

**Action: SWe** - Kelly Ogden (Governor for Student Voice) to be asked to advise students of the outcome.

**14. Contract Update: Capita/Payroll Provider/Bespoke Cleaning**

SR reported that:

14.1 ICT support would be moved from Capita to Bristol Local Authority. It was noted that Bristol provided a SIMS (School Information Management System) helpline as part of its offer. The move would also result in financial savings.

14.2 The school would retain payroll services provided by Wiltshire Council. It was likely that the school would purchase HR services from Wiltshire LA when the existing contract ended.

14.3 The cleaning contractors were not delivering the service purchased ie 155 hours cleaning per week; there had been understaffing of the contract for a sustained period. An analysis of the value of the shortfall and a refund of overpayments had been requested but had not been provided within the agreed time frame. The school was undertaking its own analysis and would withhold further payments until the issue was resolved. The contract was due to run until March 2019. The committee noted that the school had contract disputes insurance cover.

**15. Policy Review: Charges & Remissions**

15.1 SR confirmed that the existing policy was fit for purpose. However, the policy had been reviewed and some changes proposed.

15.2 The committee agreed that the policy would be posted on GovernorHub; comments should be forwarded by Thursday 8<sup>th</sup> February 2018. **Action SR/Committee members.**

**16. Review of Terms of Reference**

16.1 Additions (highlighted) had been made to the TORS so that the document included all F&GP committees identified in the Scheme of Delegation. The revised document had been posted in the GovernorHub meeting folder.

16.2 It was agreed that committee members would forward comments by Thursday, 8<sup>th</sup> February 2018.

Action: Clerk/Committee.

**17. Items noted for next agenda:**

- GDPR – Deputy Headteacher to attend.
- Curriculum Structure & Staffing – long term implications
- CIF Bids
- Focus of Audit Visits
- Options for Audit provision.

The business concluded at 8.05 pm.

**Date of the next meeting:**

Thursday, 22<sup>nd</sup> March 2018 at 4.00 pm

APPROVED BY COMMITTEE

#### 4. Matters Arising from Previous Minutes

Item 3.8(d). The school's Financial Regulations Policy and Procedures Manual had been re-structured and was being finalised. It would be presented for adoption by the FGB on 7<sup>th</sup> December 2017. Action: SR.

Item 3.3 (b). [Reserves Policy] The committee agreed that the boundaries statement would be added. Action: SR to adjust the policy and inform the governing body.

Item 5. It was agreed that an additional £100,000 would be ring-fenced for capital projects subject to the outcome of the CIF Bid. Actions: SMK

Item 19.1. It was therefore agreed that school would vote for the funding to be devolved directly to schools' budgets. Action: SMK.

Item 7.7 The Committee approved the proposal for recommendation to the FGB on 7<sup>th</sup> December 2017. Action: KW/SMK

#### Item 12. Review of Terms of Reference

Once [the scheme of delegation was] approved, the Terms of Reference for the Committee would be updated. Action ongoing: Clerk/SR.

#### Matters arising from 19<sup>th</sup> October 2017

##### Item 9. Budget & Forecast 2017-2018

The value of LAG funding would be added to future spreadsheets. Action SMK. [The value of the LAG was £273,000. The school's funding and budget for the current year was based on the numbers on roll in the previous year; if current funding received reflected the actual number on roll the school would have a surplus.]

##### Item 15. Academies Financial Handbook 2017

Action: Clerk/Company Secretary to incorporate changes in to Scheme of Delegation and advise the Board.

From 29<sup>th</sup> June 2017

##### Item 14. Review of Charging & Remissions Policy

It was agreed that the policy would be updated ready for approval at the next F&GP Meeting.

Action carried forward: SR/SMK AGENDA