



The Minutes of the Finance & General Purposes (F&GP) Committee Meeting Held on Thursday, 7th March 2019 at 4.00 pm

Present

Tom Davies (TPD);
Steven Mackay (SMK) (Headteacher);
Joanna Symons (JS);
Kevin Ward (KW) (Chair of F&GP);
Stuart Weatherall (SWe).

In Attendance

Marya Marriott (Clerk);
Ishbel Tovey (IT), Facilities, Finance & Human Resources Manager.

1. Procedural Matters

- 1.1 KW welcomed everyone to the meeting.
- 1.2 Apologies were received and accepted from: Tahir Darr (TD).
- 1.3 The meeting was quorate.
- 1.4 There were no declarations of interest.

2. Notification of Any Other Urgent Business

It was agreed that SMK would report on the fire alarm system at the end of the meeting

3. The Minutes of the last meeting (24th January 2019) and Matters Arising

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

3.2 Matters Arising from the previous minutes

Please see page 9.

4. Staffing Update

IT advised that it had been a busy period in relation to recruitment. Four teachers had been appointed to the following areas:

- Head of Key Stage 3 Maths
- Key Stage 3 Science Co-ordinator
- Textiles (maternity cover)
- Psychology.

The new appointments, together with changes to Modern Foreign Languages, had produced an overall reduction in staffing costs.

A music teacher had been appointed on a fixed-term contract until the end of the current academic year; that post would become permanent from September 2019. The appointment had had a positive effect on staffing costs.

As usual for the time of year, resignations had started to come in as staff sought new posts. Interviews were still taking place. It was early in the 'season' and therefore likely that the school would be able to recruit strong replacements.

The school was building a bank of in-house supply staff who would be able to provide cover for multiple subjects; those staff would be employed using casual contracts. The strategy provided cover by professionals who knew the school. To some extent, the existing over-staffing in maths would also be used to provide teaching cover.

Governors asked: Will those staff be paid a retainer?

A: No. They are paid at band M6, which is less expensive than using supply agencies. We may also deploy them on intervention work. Statistically, term 3 is the most expensive in terms of supply cover.

Governors asked: Do we track staff absence?

A: Yes. We monitor absence carefully and always follow up.

Governors asked: Do you take the same approach to non-teaching staff?

A: Yes. We have had someone take time off today.

5. Income & Expenditure Update

5.1 Five Year Budget Forecast (from 1st September 2019)

Financial reports, as at 6th March 2019 were circulated at the meeting.

The following points were highlighted:

- a. It had been confirmed that the school would receive additional funding, £340k, for growth of the Sixth Form in the current year.
- b. Similar Sixth Form growth was expected for 2019-20, a request for further funding would be submitted.
- c. The EFA (Education Funding Agency) would provide income for 2019-2020 based on 200 students, then based on 224 students in future years. (£4711 per child.)
- d. Cohorts in the Years 7, 8 and 9 had c.200 students.
- e. From 2022 the school would have fewer students so funding would be reduced.
- f. The financial forecasts retained existing staffing levels.
- g. A 2% unfunded pay increase was included.
- h. Income tax and national insurance cost c.£165k per month.

Governors asked: When student numbers fall will staffing be reduced via redundancy?

A: That shouldn't be necessary – numbers are likely to fall via natural wastage.

Governors asked: Are we assuming the increased employers' contribution to the teachers' pension scheme will not be funded?

A: We are assuming its funded and have adjusted our model.

The Committee agreed that, although immediate action was not needed, forecasts for 2020/21 onwards should be planning for a worsening financial position. If funding for 2022/23 didn't change there would be a funding deficit, close to £500k.

The Committee agreed that an adequate level of reserves needed to be maintained. The Sixth Form windfall would ensure the school had positive balances through to the end of 2021/22.

It was also noted that:

- g. Caution was being applied in relation to FSM. Costs had not been adjusted upwards. It was likely that the end of year picture would be used to forecast future spending.
- h. Pupil Premium Grant had increased by c.£13k to £175k.
- i. SEND funding was generally in line with expectations. There had been a permanent exclusion and as a result funding for an EHCP (Educational Health Care Plan) would end. The related staffing would be retained. Invoices relating to the permanent exclusion were expected.
- j. The 16-19 Bursary fund had been increased.
- k. Lettings were on course to exceed targets. However, a caretaker was virtually dedicated to lettings 2-3 days per week. The hire rates and cost of letting would be reviewed during the current year.

Governors asked: What are the Financial Services?

A: It relates to implementation of PS Financials; it is overspent.

Governors asked: Has the extra income now been built in to financial planning?

A: Yes – it is against 16-19. Other adjustments have been made in relation to devolved capital and the Chancellor’s ‘little extras’ funding. The first payment for Sixth Form has been received (£69k).

Governors asked: We are projecting an in-year surplus of £200k?

A: Yes – but we are also carrying forward £362k.

Governors asked: What about capital?

A: We have £75k remaining in total; c.£125 has been spent or has been accrued from last year (against the £200k budget). Professional services have been paid for, there will be no further charges to that budget until the outcome of the CIF bids are known.

The adjusted end-of-year forecast: £694k. Reserves forecast: £529k.

The transfer to PS Financials software was underway. Cost centre reports were as up-to-date as possible. The previous month’s pension costs were not included. Further work in relation to cost centres would be done. The inclusion budget would be overspent. It was possible that adjustments to service contracts and ICT would be needed.

Teaching costs were in line with expectations; currently, all teachers were factored into the pension scheme calculation but 3 teachers were not members.

Non-teaching staff costs were in line with expectations. A charge for superannuation had not yet arrived. Staffing costs were at normal levels for the time of year.

There were costs related to facilities still to come. PAT (portable appliance testing) was due to be carried out; it had not been included in the budget. The furniture and fittings budget would be increased by £4k to equip the Sixth Form. Some items currently charged to the caretaking and cleaning materials cost centre were likely to be moved.

There were no issues in relation to departmental capitation. Expenditure linked to Neptune, Minerva, Maia and Apollo related to the student reward system. Spending related to Years 7-11 usually took place towards the end of the academic year.

There was an overspend in the extracurricular cost centre; it related to the provision of free lunch to staff who offered activities. Costs for the Brilliant Club would be added to MABLE (More Able) expenditure.

Costs relating to the ICT network were still to be added. FSM (free school meal) income had arrived in-year. Planning had been based on £18k but c.£13k had arrived. It was not clear whether the payment was for the period until the end of March 2019 and further income would arrive.

Governors asked: Why is there so much overtime?

A: It relates to caretaking costs.

Governors asked: Are exam invigilators included?

A: Those costs will be added at the end of the year. The new software will help us provide a more realistic picture in future.

Governors asked: Has reprographics been included?

A: There are further charges to be added but it has been included in the budget.

Governors asked: Why are examination fees so high?

A: Because we have already paid for the science entries. We are monitoring the impact of a slightly bigger Year 11 this year, which we will have again next year.

Governors asked: Why do stationery and materials keep climbing?

A: We are looking at this – it's all non-departmental expenditure. It may be miscoding that will be offset elsewhere.

Governors asked: Does the school pay for staff tea, coffee and milk?

A: We pay for approximately 80%, including Penn Building.

Governors asked: How much does that cost?

A: Approximately £2k.

6. Capital projects: Sixth Form; SEND Base

Feasibility reports, prepared by Kendal Kingscott, for the Penn House Sixth Form Refurbishment and the ASD (Autism Spectrum Disorders) Resource Base were circulated at the meeting.

TPD had met with the architects. SMK had begun to outline budgets.

Sixth Form

The scheme would provide additional study and social space for students. Subject to planning and other considerations, a completion date of September 2019 was anticipated. Two design options were provided. Revised estimates placed costs at c£72k for the entire project, including ground floor lavatories and repairs to the stairs.

Governors asked: Is a sum for contingency included?

A: It includes contractors' preliminaries. A full survey will be needed. Professional fees are approximately 8%. Contingency is about 9%.

Governors asked: Is furniture included?

A: We don't need anything above about £5k.

It was noted that the scheme properly addressed the issues raised by the Head of Sixth Form. Additional service needs in relation to electricity, water and more students being in the building had been factored in.

Governors asked: Is listed building consent taken into account?

A: Yes. It is complex. There is a risk that we will have to spend time fighting planning. We believe it meets all the requirements ie that the original layout could be re-instated. From a fire risk perspective, the building will be safer. The work will have an impact on the space available during June 2019.

Gym Conversion

Revenue capital: £200k was allocated, £140k as committed. The local authority had confirmed that it would provide £250k if the CIF (Condition Improvement Fund) was successful. This would leave £60-80k uncommitted.

SEND (Special Educational Needs and Disability) Base

The scheme would provide a dedicated base for the teaching and learning of students with ASD (Autism Spectrum Disorders). Completion before January 2020 was anticipated.

The local authority had confirmed that it would contribute to the project if it went ahead.

SMK advised that the architects had been asked to come back with an all-in scheme for a cost of £600k; it would also be possible to ask for an alternative costing £500k.

The school anticipated a surplus of £358k due to 30 places in the Sixth form being funded by the ESFA. The full amount would be paid in the current financial year, at the same level as for other students.

It was suggested that £100k of the additional 'windfall' funding be added to the Capital budget which would increase it to £300k for the current year.

The school's adjusted end of year position was £690k. It was expected that £880k would be available for the projects.

Outline Capital Expenditure for 2018-19 (£300K budget)

£60k – gym conversion

£30k - new windows. (If the CIF bid for the gym was successful this funding would not be needed, the released funding would be used to refurbish classrooms.)

£80k – refurbishment of Penn Building

£30k – fixed wiring tests (compliance)

£30k – music and ICT facilities.

£70k – £60K accruals and £10K reserve

Revised Capital Expenditure of £300k would ensure reserves increased to £600K (cash) and £430k (accounts).

Governors asked: So, we could implement all the planned improvements and stay in the same financial position as at the start of the year?

A: Yes.

Governors asked: The plan is to spend £530k on capital works this year leaving £230k?

A: Yes; £230k could be allocated to the SEND Base from this year's funds.

The Committee agreed that some of the additional Sixth Form funding would be retained in order to strengthen the reserves position.

Governors asked: Are you asking us to approve an increase to the allocation for Capital works to £300k today?

A: Yes.

The F&GP agreed that the Capital Budget should increase to £300k. **Action: SMK**

The in-year surplus in the next academic year was likely to mean that the higher than expected costs, related to the gym, would be manageable over 2 financial years. The results of the CIF bids were likely to be known by the time the Committee next met. The SEND Base had higher priority.

Governors asked: When does the decision need to be made?

A: At the next meeting so that the SEND base is homeless for less time. The build can be undertaken during the school year.

It was agreed that decisions related to the capital projects would be the main agenda item at the next meeting. **Action: SMK**

7. School Improvement Plan: Review of Progress against elements assigned to the committee

This item had been covered in earlier discussions.

8. Audit: Governance

The audit had taken place on 18th January 2019; the draft report had been circulated.

The auditor had judged that *'the systems of internal control are good and reasonable assurance can be provided. Only minor weaknesses have been identified over the areas detailed in the Assurance Summary.'*

Action to address the minor weaknesses was in hand. The report would be discussed at the next Full Governing Board meeting. **Action: SWe/SMK**

Action: Clerk to forward Register of Interest form to IT.

9. Risk Register

The new risks had been incorporated into the revised register:

R11. Safeguarding Children. (Reports to PSW (Pupil & Staff Welfare) Committee)

There is a risk of a serious safeguarding issue involving a member of staff.

R14. GDPR (Reports to Curriculum Committee and F&GP Committee)

There is a risk that the school will not be compliant with regards to the General Data Protection Regulations which leads to intervention from authorities.

R15. GDPR (Reports to Curriculum Committee and F&GP Committee)

There is a risk that the school will subject to a subject access request.

R20. Safeguarding (Reports to PSW Committee)

Death of a student/suicide.

It was noted that the school had received a subject access request; the response had been despatched.

The risks had been discussed and rag-rated by the Senior Leadership team. The updated register had been added to GovernorHub.

10. Policy Review:

10.1 Financial Regulations Policy

The policy had been circulated in advance of the meeting.

IT advised that she had made factual corrections and had removed out of date references

The policy was approved. **Action: IT**

A complete re-write would be undertaken, the new version would be brought to the next Committee meeting for approval. The new policy would include tighter financial controls and new systems to manage low-cost purchasing to ensure the school achieved best value. **Action: IT**

10.2 Health & Safety Policy

The policy had been circulated in advance of the meeting, via GovernorHub.

The Committee agreed that the policy should be adopted.

11. Any Other Urgent Business

11.1 Fire Alarm System

The new system had been installed during summer 2018. The school had been told that, as requested, each building had a separate system, it was compliant with regulatory requirements for a Level 3 system and operational. Snagging works were carried out following the installation.

As far as the school had been aware, the only work needed to complete the project was networking to some buildings; that work had been delayed several times by the company, Stones Security. The school's insurers had been made aware of the situation.

On 6th March 2019, the team commissioned to network the system arrived. They had raised concerns about the quality of the installation and issues relating to its cabling. In the team's view there were substantial issues with the insulation, and wiring had been bypassed to get around problems. The networking could not be completed.

On 7th March 2019, the fire alarm went off but only very faintly. An issue in the Sports Hall had triggered the alarm. The school buildings had been evacuated. The owner of Stones Security visited the site and made a repair. Subsequently the fire alarms in the buildings that were networked went off. Checks revealed that there were problems with some panels and zoned areas. Stones Security suggested that either the system had been sabotaged by competitors or alarm sounders had been inadvertently turned off.

The school had informed its insurance provider and solicitor of the situation.

An independent professional, who was not a contractor, visited the site and found that there was a mismatch between the agreed installation plan and the work done.

Issues identified included:

- Too many sensors
- Areas of the school without coverage
- Missing alarm call points/call points without covers.

It was not clear whether there were sufficient alarm sounders. There was evidence that some insulation was not adequate. There were areas of the school that had not been included in the original plan (and had not been when the old system was in place). The school did not have full fire alarm coverage.

The owner of Stones Security had told the school that the system was compliant and had been commissioned. However, changes had been made to the system, at the school's request; the system should have been re-commissioned following the changes but that had not been done. The company had not provided a certificate. The system was not compliant.

After the meeting (7th March 2019) SMK, IT and the contractor would be checking the alarms on the whole site to ensure the system was safe. SMK and IT would identify management strategies to address the remaining issues in the short term.

Governors asked: Have we been provided with the system we commissioned?

A: No.

Governors asked: Is there a health and safety risk that we should be concerned about?

A: Yes.

SMK advised the Committee that the current circumstances meant the school was unlikely to be insured. Air horns had been purchased as an emergency measure.

The Committee agreed that a full report on the system would be commissioned urgently; to be produced within 10-21 days. **Action: SMK.**

The Committee agreed that urgent action would be taken to ensure the system was safe and obtain a certificate of compliance so secure the re-instatement of the school's insurance. **Action: SMK**

It was noted that the problems were a notifiable event. It was agreed that mitigating action would be highlighted to the insurers. **Action: SMK.**

To date, the school had paid £63k for the project; it would withhold the remaining £15k allocated. It was noted that there would be additional costs for the remedial work which would be purchased from a new company. The school's solicitors (Stone King) had advised that the school should seek to recover the costs from the company which had supplied the equipment and installation. It was noted that the company was on the local authority's list of approved suppliers. A quote for the work had been found but a contract had not been located.

Remedial works would include:

- Rectifying the system
- Additional coverage.

The Committee agreed that Paul Reynolds, HGA Associates, would be commissioned to obtain quotes, project manage the work and undertake client liaison. **Action: SMK**

Staff would be briefed and very regular fire drills would be carried out. **Action: SMK**

The meeting ended at 7.00 pm.

Items for Next Agenda

- Main item: Capital Projects
- Financial Regulations Policy (IT)

Dates of future F&GP Meetings:

| | | |
|-------|----------|---------|
| WEDS | 01.05.19 | 5.30 pm |
| Thurs | 27.06.19 | 5.30 pm |

From 24th January 2019

Item 4. Staffing Update; Finance & Facilities Teams

Governors asked: Could those hiring space at the school be asked to lock up the facilities they used?

A: That is an area we could explore. **Action: IT** [The school's insurers had confirmed that such an arrangement was acceptable. However, school site staff had reported that they used the quiet time to complete useful tasks. IT planned to monitor the work undertaken during those periods. A pack would be prepared for those hiring the premises for late meetings.]

Item 5.1 Five Year Budget Forecast...the expenditure for capital schemes would be confirmed. **Action: SMK** [The cost of the new fire alarm and security system would be included as a capital expense in the current year's expenditure, shown as an accrual in the management accounts.]

Item 8. Audit: Governance...the audit would be discussed once the report was received. **Action: SMK**
AGENDA

Item 9. Review of Model Articles of Association **Action ongoing: Clerk.** Forward to Board.

Item 10. Risk Register ...a column to capture the movement/progress to address risks would be inserted in the table and tested. **Action ongoing: SMK** [The register included the newly identified risks. Narrative relating to the progress of mitigating action would be added.]

Item 11.1 (a) Health and Safety Policy

b. IT would oversee the H&S Committee meetings and reports. TPD, Link Governor for H&S, would be invited to attend H&S Committee meetings. Reports from the H&S Committee would be sent to the F&GP Committee before going to the Board. **Action: IT** [The H&S Committee had been formed and had met twice. One member of the H&S Committee had resigned; IT was seeking a replacement.]

Item 11.1 (h) Contractors: The Facilities, Finance and HR Manager had been added as a person responsible for selection and management of contractors. It was agreed that the Headteacher would also be added; a stepped approach would be applied. **Action closed.** [The sentence was redundant and had been removed from the policy.]

11.1 Risk Management Policy

It was agreed that at 4.2, Communicating Risks, a third bullet point would be added:

'the Risk Register is available to the Governing Board at all times via GovernorHub.' **Action: SMK**

It was agreed that 4.3, *'Risk review and assessment'* would be amended to

'Role of Audit West. The report from the external auditors provides periodic assessment of the effectiveness of the school's management of risk.' **Action: SMK**

It was agreed that the policy committee reference would be amended to F&GP [was FGB]. **Action: SMK**

JS offered her apologies for the next meeting. **Action: Clerk**