



## The Minutes of the Finance & General Purposes (F&GP) Committee Meeting Held on Wednesday, 4<sup>th</sup> July 2018 at 5.30 pm

### Present

Tahir Darr (TD);  
Steven Mackay (SMK) (Headteacher);  
Kevin Ward (KW) (Chair of F&GP Committee);

### In Attendance

Marya Marriott (Clerk);  
Siobhan Randall (SR), (Finance & Facilities Manager; Chief Financial Officer; Company Secretary).

### 1. Procedural Matters

- 1.1 KW welcomed everyone to the meeting.
- 1.2 Apologies were received and accepted from: Tom Davies (TPD); Joanna Symons (JS); Stuart Weatherall (SWe).
- 1.3 The meeting was quorate.
- 1.4 There were no declarations of interest.

### 2. Notification of Any Other Urgent Business

Consideration of the revised Charging and Remissions Policy was added to the published agenda.

### 3. The Minutes of the last meeting (16<sup>th</sup> May 2018) 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 pages 7-8.

It was agreed that, in order to improve the flow of business, items 4 and 5 on the published agenda would be reversed.

### 4. Budget Forecast 2017-2018 & Cash Flow Forecast

The following documents had been circulated in advance of the meeting:

- i. Five Year Budget Forecast, with commentary. **NB** This document also included the Cash Flow Statement and Bank Reconciliation.
- ii. Bank Statement, as at 30 June 2018
- iii. Deposit Account Statement, as at 30<sup>th</sup> June 2018.

SR summarised the YTD (Year-to-Date) position, as at **30.06.2018**.

### 4.1 Staff Costs - 82% spent

- The Teaching & Support Staff budget was 82% spent, which was line with forecast position for that stage of the year.

- Teacher Supply costs were overspent compared to forecast but the spending included costs for long-term cover of PE staff & vacancies. It also included some of the forecast costs for covering long-term vacancies.
- The Administrative Staff budget included the cost of that group's pay award.

**Governors asked: Is this the year we are slightly overstuffed?**

A: Yes – in teaching. We also have a little over-staffing within the administration team.

**Governors asked: Has the teachers' pay award been published yet?**

A: We are still waiting for that information.

**4.2 Other Staff Costs - 64% spent**

- Other staff costs were 64% spent compared to forecast, however, recruitment and DBS checks (Disclosure & Barring Service) costs were driving adverse variances.

**4.3 Premises Costs - 87% spent**

- The Repairs and Maintenance budget was 93% spent compared to forecast due to increased pressure on the budget to carry out remedial works.
- The H&S forecast had been revised to reflect the likely actual expenditure - 90% spent.
- The Service Contract forecast had been increased to reflect expected expenditure - 80% spent.
- Some repair costs had been incurred due to vandalism.
- The Furniture and Fittings budget was almost fully spent: storage and furniture for offices, classroom and the dining hall had been purchased.
- It was noted that the school had need to purchase more desks for exams due to increased pupil numbers.
- All spending in this area had been stopped, except for that related to the Penn building.

**4.4 Occupancy Costs - 73% spent**

- Some utilities were low compared to forecast; it was possible this was related to phasing ie costs would catch up to forecasts. The sewage underspend would be investigated. Electricity costs had risen because more air-conditioning was being used. Gas costs were lower than forecast.
- Additional waste management costs had been incurred due to the snack shack serving food at break time as well as lunch time. Unanticipated additional costs for the café provision were pest control and health and safety related.

**4.5 Departmental Capitation - 98% spent**

- The Headteacher contingency fund was 88% spent compared to forecast.
- At a total level, subject capitation budgets were 98% spent compared to forecast. Some departments were overspent; however, some department overspends would be absorbed at faculty level.
- Some departments were seeking agreement to use this year's budget to purchase teaching & curriculum materials ahead of the academic year ie in some cases adverse variances were mainly phasing-related. Unapproved overspends would be carried forward and offset against 2018-2019 budgets.

**4.6 Non-Subject Capitation 78% spent**

- Non-subject capitation was 78% spent compared to full year forecast.

**4.7 Admin Supplies & Services (excludes school fund) 89% spent**

- All IT costs and forecasts had been adjusted to better reflect actual expenditure. Some coding issues and unplanned expenditure remained.

- FSM (Free School Meals) were significant; the forecast had been increased to cover expenditure in this area.
- PP (Pupil Premium) expenditure was 77% spent. Finance team members and Sarah Mills were working to ensure that PP expenditure for trips & equipment and all approved expenditure had been re-charged to the budget.
- Catering costs and expenditure for staff well-being were over forecast; that expenditure related to events, INSET, lunches for staff who ran student clubs and staff room supplies. SMK advised that the catering budget would be cut if the school budget was squeezed.
- The increase to exam entries was also driving additional postage costs; the forecast had been increased in those categories to reflect actual expenditure.
- Costs for Professional Services were quite low. Architects' fees, ALPs and audit costs would be paid from this cost centre.

**Governors asked: Aren't FSM funded?**

A: Yes – but they are lag-funded. It is complicated by the fact that the school's FSM profile varies – instability in relation to the income is an issue. Schools receive £2.60 per day, per child. For Oldfield the lag impact is £15k ie £470.00 per pupil per year.

**4.8 Agency Costs 76% spent**

- Full year agency costs were 76% spent compared to the full year forecast.

**4.9 Capital Expenditure 80% spent**

- YTD ICT Capital Costs are 90% compared to Forecast. A commitment for £7.6k for new access system is included in this.
- Excluding any invoices for 2016/17 works of £59k, current year capital costs are £152k which includes the MFL refurb costs of £63k plus additional heating, lighting and flooring in Dance etc. Also £9k for additional CCTV.  
Further costs required for Fire Alarm, Penn Ceiling repair and Penn Floor repairs as well as water repairs as instructed by Wessex Water.

**4.10 Income**

- The school had received total 82% of funds full year forecast.

**Governors noted that, excluding the brought-forward prior-year cash balance:**

- The in-year year-to-date deficit was £295k
- The projected in-year, year-end deficit was £356k
- The projected year-end cash balance was £291k.

**Governors asked: How much of the £356k is a lag-funding factor?**

A: The underlying deficit is £86K – there will still be a surplus.

**Action: SMK** to confirm calculation in readiness for the Full Governing Board meeting on 16<sup>th</sup> July 2018, when the Annual Budget would be recommended for adoption.

**5. The Annual Budget – 2018-2019**

The Annual Budget for 2018-2019 was laid out in the Five-Year Budget Forecast document, which had been circulated.

**Governors asked: What is the impact of staff pay increases?**

A: Ten per cent for Support Staff; we have factored in 2% for teachers but await confirmation. The school is growing – it will benefit from current overstaffing because only 5 teachers will need to be recruited rather than 7.

**Governors asked: Will we be resourced to the right level next year?**

A: Yes. The only area where we would expect to retain additional capacity is in PE.

Governors noted that:

- a. Maternity cover had been factored in to the value of £10k; it would be taken out of the budget in December 2018 if not needed.
- b. Mini bus leases had been included in calculations.
- c. Pupil Premium income and spending had been reduced to £165k, based on the January school census.
- d. The school had one remaining lease for equipment, approximately £5K remained to be paid. The school's accountants had supported the school's attempts to reduce the costs but the lease company would not change its stance. The remaining costs would be included in the 2018-2019 budget.
- e. The school had allocated an additional £18K for examination fees.
- f. The postage budget had also been increased to support examinations.
- g. The ICT budget would include costs for a new security system.
- h. Agency costs had been reduced (the school had decided **to stop hosting foreign students?**)

SMK advised that calculations were based:

- a. 70 students joining 6<sup>th</sup> Form in Year 12 and 20 students joining in Year 13.
- b. 200 students joining the school in Year 7.

**Governors asked: If 6<sup>th</sup> Form numbers increase will we have to spend more money on the Penn building?**

A: Yes – but increased numbers will generate more income.

It was noted that the school would receive additional income of £600 per student for those studying 16-19 maths.

SEND funding was a conservative estimate.

Overall forecast income was a slightly conservative estimate.

There was an underlying surplus of £203k, which was growing year-on-year.

It was agreed that budgets would need to be carefully managed in 2018-2019 but beyond that year the school's position was forecast to improve. It was confirmed that costs were controllable. If the school continued to expand income would also increase.

**Governors asked: Would the school have to contribute financially to the potential SEND development that is being considered by the local authority?**

A: As yet, we don't have any detail.

The F&GP Committee agreed that it would recommend the draft Annual Budget for 2018-2019 to the Full Governing Board at its meeting on 16<sup>th</sup> July 2018; the 3-year budget forecast return would be submitted to the EFSA before 30<sup>th</sup> July 2018. **Action: KW/SMK/SR**

**6. CIF Bids (SMK)**

**6.1 Outcome of Appeals**

SMK advised that the outcomes were due to be published on 25<sup>th</sup> July 2018.

## 6.2 Outcome of Emergency Bid (Fire Alarm)

SMK reported that a bid would be submitted. It was agreed that the school's dramatically reduced financial reserves, due to unforeseen circumstances, would be emphasised in the bid. It was noted that the school's financial forecasts would have to be sent with the bid. **Action: SMK**

The school had secured bids from 3 companies for the F&GP Committee to consider. The companies had been asked quote to provide new fire alarm panels and associated works for the whole of the school's site. The following points were noted:

- a. Two of the companies had submitted very similar amounts (c£78k), the third company was more expensive (£79K).
- b. One company's original quote had been submitted incomplete ie the quote had missed a significant part of the school site.
- c. One of the companies would provide a system with a fully open protocol which could be programmed by the school and spare parts for the system could be obtained inexpensively from local suppliers.
- d. Call out and on-going maintenance costs varied between the bidders – 2 had high call out charges.
- e. The school had experienced slow call-out response from one of the companies.
- f. The school had experienced very good service in relation to more than one project from another of the companies.

**Governors asked: Did the company which provided good service previously deliver on time and on budget?**

A: Not on the last one – but that was due to unforeseen circumstances; the company had kept the school fully informed.

**The F&GP Committee agreed that Stones best met the school's needs. It was agreed that the contract would be awarded to that company subject to assurances that the quote would be honoured and the timescale for implementation met. **Action: SMK/SR****

## 6.3 Expansion Bid: Update

The existing drawings of the school site, drawn up for the Master Plan, had not been suitable for used by the architects because they could not be edited. Kendall Scott had been instructed to produce new ones. The work cost of the work would be £4750; before agreeing to the work the school had compared other firms' charges – Kendall Scott charges were very competitive. Kendall Scott representatives were scheduled to meet with SR on 6<sup>th</sup> July 2018 and begin work. It was confirmed that the new drawings would be produced in an editable format and would be owned by the school. It was agreed that outputs from the meeting, and any decisions needed, would be communicated by email so that progress was not slowed. **Action: SMK/SR**

## 7. Development of School Café

A copy of the new 1-year contract between the school and D Hemmings & K Thomson, trading as AKA Chefs had been circulated to the committee. The contract was based on the DFE's best practice template.

Key points from discussions with AKA:

- a. AKA would pay the school a management fee of £100 per week.
- b. All requirements of the government; Schools' Health Eating Standards would be met by the company. (It was noted that the requirement to ensure that the standards were met would still reside with the Governing Board.)
- c. Free School Meals would be provided at a cost of £2.60 per day.

**Governors asked: Has the company's income from the school been taken into account?**

A: No. We plan to look at that going forward. The company is pleased that we are planning to introduce a cashless system.

## **8. Audit**

### **8.1 Human Resources and Payroll System Report (May 2018)**

The Draft (Confidential) Internal Report had been circulated in advance of the meeting. Internal Audit has undertaken a review of the risks and controls related to Human Resources & Payroll and assessed the framework of internal control at Level 4. A total of 5 audit recommendations were detailed in the Action Plan. The recommendations largely focussed on systems to demonstrate that checks had been made.

The visit concentrated on a detailed review of Payroll and Pay-run procedures and processes, including a review of the relevant section of the Schools Financial Regulations Policy and sample testing of pay-run processes and documentation.

It was the Auditor's opinion that the **officer responsible (Executive Assistant to Headteacher) had introduced and demonstrated an effective process** over administering the payroll including the pay-run since taking over responsibility in October 2018, whilst also changing to a fully on-line payroll system with the payroll provider.

SR reported that there was some final work to be done to complete the recommendations. The final version of the report would come to the F&GP Committee in Term 1 2018-2019. **Action: SMK**

### **8.2 Date for Audit of Contract and Leases (to note)**

The audit was scheduled for 10<sup>th</sup> July 2018. The report would come to F&GP Committee's Term 1 meeting. **Action: SR**

### **8.3 Progress with 'Amber' Risks identified by Audit**

**Governors asked: Will we receive progress reports?**

A: Yes – work to address the recommendations in the Purchasing Audit was done today:

- a. Higher level purchases ie over £25k to a maximum of £75k require a minimum of 3 quotes.
- b. Purchases over £75k require a formal tender process.
- c. Accounting stamps had been ordered (for signature of invoices).
- d. A new catering contract had been drawn up.

**Governors asked: Where is the process documented so that governors can be confident that secure systems are in place and are followed?**

A: The school's Financial Regulations Policy provides the detail. Governors' questions to hold staff to account and Board decisions are recorded in the minutes of meetings. Staff responses are also minuted so that there is a record in place.

## **9. Academies' Financial Handbook (AHA) 2018**

**9.1** The newly published changes were discussed and actions noted. Please see Annex 1.

### **9.2 Role of Members**

The newly published changes were discussed and actions noted. Please see Annex 2.

### 9.3 Review of Scheme of Delegation (SoD)

The changes to the AHA had been very recently published. Changes to the committees' terms of reference and the AHA would be incorporated; the document would be forwarded to the Company Secretary for comment before it was sent to the Term 1 (2018-2019) FGB meeting for approval.

Action: Clerk to update.

## 10. Health & Safety

### 10.1 Annual Report

It was agreed that the report would come to the Committee in Term 1 (2018-2019). Action: SR

### 10.2 Audit of Staff H&S Training

SR reported that an audit of the site team's training had been completed.

SR would attend IOSH Health & Safety training and Fire Marshall training. The Site Manager would also attend the IOSH course as well as relevant refresher training. The new member of the site team would also attend training. It was noted that safeguarding training needs were identified and progressed by Sarah Mills.

It was agreed that the Committee would be provided with details of compliance with all statutory staff training requirements annually, in Term 1. Action: SR. Action: Clerk to add to business schedule.

## 11. Staffing Update: Finance & Facilities Teams

There were no changes to report.

## 12. Policy Review

### 12.1 Health & Safety

SR had been scheduled to attend a 4-day Health & Safety Course. The course had been cancelled; SR was trying to source an alternative provider. The Committee was advised that the school's existing policy was fit for purpose but some amendments to H&S procedures would be made. It was agreed that the policy would be circulated for approval via GovernorHub. Action: SR

### 12.2 Accessibility

The policy had been circulated in advance of the meeting. It was agreed the policy should be adopted.

### 12.3 Charging and Remissions Policy

The policy had been circulated in advance of the meeting. The school's Accessibility Action Plan was included at Appendix 3.

The key duties the school had in relation to students, staff and visitors were noted.

It was noted that the school's sloping site presented significant barriers to full accessibility. There was no wheelchair access. Although there was one lift it located in a remote area of the school.

**Governors asked: Does the school's position on whether refunds will be provided if a trip is cancelled need to be added, for example due to a terrorist incident?**

A: Safeguarding issues would be discussed with the Chair of the Governing Board as they arose.

It was agreed that a statement would be added: *'In the event that a whole trip is cancelled, which is not covered by insurance provision, the school may consider providing a refund.'* Action: SMK.

It was agreed the policy should be adopted from September 2018. It would be scheduled for review in September 2021. Action SMK.

### 13. Risk Register

The register had been circulated in advance of the meeting via GovernorHub. SMK reported on the changes made since the last review.

#### R03: Sixth Form

The number of applications was continuing to rise; therefore, the 'likelihood' risk had been reduced from 3 to 2.

#### R06: IT Systems Failure

SMK advised the Committee that potentially the fire alarm would not be operating on some parts of the school site while installation of the new fire alarm system was being carried out, over an estimated 3-week period. The local authority's fire service was aware that the school's existing system was at level 3; that was mitigated by very good escape routes. The overall risk of systems failure was judged to be unchanged.

#### R07: Maintenance.

There had been a series of significant unplanned maintenance and repair issues. The likelihood risk had therefore been raised to 3.

#### R11. Health & Safety.

This risk had been added to the F&GP Committee's remit (transferred from PSW Committee).

**Risk likelihood:** 3; **Impact:** 4; **Current score:** 12. **Strategy to manage:** Treat. **Current status:** On target.

#### R12. Terrorism.

This risk had also been added to the F&GP Committee's remit.

**Risk likelihood:** 1; **Impact:** 5; **Current score:** 5. **Strategy to manage:** Tolerate.

**Current status:** On target.

SMK advised that the introduction of a Lockdown Procedure had been added to contingency planning; the procedure was being developed.

It was noted that the annual presentation of the Risk Register to the full Governing Board would take place on 16<sup>th</sup> July 2018. **Action: SMK**

### 14. Finance & General Purposes Meetings 2018-2019

A suggested schedule had been circulated in advance of the meeting; the schedule was approved.

Thurs	18.10.18	3.30pm	Remuneration
Thurs	18.10.18	5.30 pm	F&GP 1/6
Thurs	29.11.18	5.30 pm	F&GP 2/6
Thurs	24.01.19	5.30pm	F&GP 3/6
Thurs	07.03.19	5.30pm	F&GP 4/6
<b>WEDS</b>	<b>01.05.19</b>	5.30pm	F&GP 5/6
Thurs	27.06.19	5.30pm	F&GP 6/6

The meeting ended at 8.00 pm.

#### Items for Term 1 Agenda, 2018-2019

Budget Monitoring

Audit of Health & Safety Training (SR)

CIF Bid Outcomes

Audit Report – Contracts & Leases

Expansion Bid Update

Review of Financial Regulations Policy (SR)

Health & Safety Policy (SMK)

Risk Management Policy (SMK)

### 3.1 Matters Arising (Record of Decisions) from Previous Minutes

From 16<sup>th</sup> May 2018

Item 3. KW advised that he would write to SM on behalf of the Committee. **Action: KW.**

#### Item 6e. Budget Forecast 2017-2018 & Cash Flow Forecast

It was agreed that the school fund (trip income and expenditure) skewed the true picture (£36k); it was agreed that this balance would move out of the main budget. **Action: SMK/SR.**

Item 6f. It was agreed that leasing of mini buses would be added to the 2020-21 budget; a revised budget would be circulated. **Action: SR.** [JS had reported that a local nursery was planning to lease mini buses which could be driven without MIDAS training; the school was also investigating that possibility.]

Item 6f. The committee agreed that the cash figure, at £195k, was too low. It was therefore agreed that capital spending would be slowed. **Action: SMK** [The cash level had risen since the last report. Commitment to some capital expenditure was needed: Fire Alarm, repairs to the Penn Building, water testing and costs relating to the expansion bid. It was noted that some of the outlay was necessary due to a previous lack on investment.]

#### Item 9. Expansion Bid: Update

Tim Fenton, from Kendall Scott Architects, had confirmed that initial costs for the project were likely to be £10k.....It was noted that the money would cover start-up costs, including an initial space assessment, but not a feasibility study. The outputs would come to the next F&GP meeting.

**Action: SMK AGENDA**

Item 12.1 SR was scheduled to undertake a 4-day Health & Safety Course; after the course had been completed the policy would be updated and the Annual Health & Safety Report to Governors scheduled.

**Action forward: AGENDA**

Item 12.1 Governors asked: Is there a central database of training so that governors can be confident that statutory requirements were met?

A: An audit would need to be carried out to ensure that what was in place was robust.

**Action: SR** to provide update at the next meeting. **AGENDA**

Item 12.2 Accessibility This item was deferred until the next F&GP meeting. **Action: SR AGENDA**

#### Item 14.1 Audit - Outcomes of 11<sup>th</sup> April 2018.

Governors asked: How do we track progress with the amber risks identified in the report?

A: Updates on progress will be brought to this committee. **Action: SR. AGENDA**

Item 14.1 Catering Provision: The committee agreed that the contract should be renewed for a further 1-year period and include a notice period. **Action SR.**

Item 14.1 It was agreed that that development plans for the café, including staffing and the potential introduction of a cashless system would be discussed at the next F&GP meeting.

**Action: SMK/SR. AGENDA**

Item 14.1 The audit for payroll systems had been carried out, the report would come to the next F&GP meeting. **Action: SR. AGENDA**

Item 14.1 The next planned audit would focus on contracts and leases, date to be confirmed.

**Action: SR. AGENDA**

#### Item 14.2 Options for Audit Provision

The regular reports were judged to have been useful. It was agreed that the existing service ensured the work was on a professional footing and should be retained. **Action: SR.**

#### Item 15. Risk Register Review and oversight on behalf of FGB

**R07: Maintenance.** It was agreed that the 'Likelihood' risk would be raised to '3'. **Action: SMK**

**Item 15.** It was agreed that a session on risk should be planned for a full Board meeting.

**Action carried forward: SWe**

**Item 15.** It was agreed that the Risk Register should be in the main block of files on GovernorHub.

**Action: Clerk.** [Folder 3A.]

#### From 22<sup>nd</sup> March 2018

SR to investigate alternative funding opportunities (Bradbury Trust and Wolfson Foundation).

**Action ongoing** [SR advised that the Wolfson Foundation offered STEM (science, technology, engineering and mathematics) funding; maximum value £50K. School applying must have an Outstanding Ofsted judgement.]

#### Item 12.1 Health & Safety

TPD had been appointed Health & Safety Governor and would undertake the LA's on-line training.

**Action ongoing: TPD**

**Item 13.1 Utilities:** SR to confirm income from the school's solar panels, estimated to be c£4-5k.

**Action ongoing.** [The contract had been located, the detail was being analysed but it was clear that, rather than income coming into school, the panels ensured the school's electricity costs were lower than if they were not in place.]

#### From 25<sup>th</sup> January 2018

**Item 8.1 GDPR (General Data Protection Regulation);**

Governors asked: Do we need a Data Protection Controller? [**Clerk confirmed** (09.07.2018) that schools do need to appoint a DPO - **Source:** <https://www.gdpr.school/faqs/>]

#### Item 13 Update on Stopping up of Footpath

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

[Students had reported that the result was not common knowledge and would be good for everyone to be informed via assemblies or tutors.]