



The Minutes of the Finance & General Purposes (F&GP) Committee Meeting Held on Thursday, 18th October 2018 at 5.30 pm

Present

Tahir Darr (TD);
Tom Davies (TPD);
Steven Mackay (SMK) (Headteacher);
Joanna Symons (JS);
Kevin Ward (KW) (Chair of F&GP Committee).

In Attendance

Marya Marriott (Clerk).

1. Procedural Matters

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

2. Notification of Any Other Urgent Business

The following item was added to the published agenda:

- (a) Local Authority Consultation on School Funding;
- (b) School cleaning contract.

It was agreed that both items would be discussed at the end of the agenda.

3. Election of the Chair of the Finance & General Purposes Committee

KW was elected as Chair for a 1-year term.

4. The Minutes of the last meeting (18th October 2018) and Matters Arising

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

4.2 Matters Arising from the previous minutes

Please see pages 8-9.

5. Preparation for Annual Accounts

5.1 2017-2018 End of Year

The end-of-year position had been circulated. SMK highlighted the following:

- a. The Apprenticeship Levy did not apply to Oldfield in 2017-2018 but would apply in 2018-2019.
- b. The Premises budget had been overspent – 116%. It had not been possible to stay within budget due to several factors including unexpected remedial works.

Governors asked: What is the budget for this academic year; has it been increased?

A: There's no increase, it is £42K. We are trying to within the original plan.

- c. Utilities: charges for gas had been slightly under budget but costs for refuse and waste disposal had been higher than the amount in the budget.
- d. Departmental Capitation had been overspent (117%). A new system would be introduced whereby budget holders would receive a monthly position statement.
- e. IT costs and forecasts had been adjusted to better reflect expenditure across the different categories. There remained some issues relating to the coding of IT finance transactions.
- f. Postage costs had increased as a result of the increased examination entries.
- g. PS Financials (software and training) had cost £8K, the charge was included in the Agency Costs budget.
- h. All income had been received. Income from the ESFA (Education & Skills Funding Agency) was as forecast.
- i. PP (Pupil Premium) income was as forecast but under budget as PP numbers had not been accurately estimated for 2017-2018. The PP budget for 2018-2019 was unconfirmed but would be higher, calculations were based on the January census rather than the September census ie 206 students rather than 170. The funding would go straight into the PP budget.
- j. There was a negative balance in the School Fund which was due to timing. There was also a £6k shortfall in the fund due to an issue relating to the management of the Duke of Edinburgh Award scheme.

Governors asked: Will governors had portal access to the new finance system?

A: The Chair of the F&GP Committee will but not generally. We have paid for approximately 20 individuals to have access.

Governors asked: What is the reason for the jump in income?

A: The increase in Sixth Form numbers.

The forecast for 2018-2019 had been circulated and had been updated to include forecasts for the years up to 2022-2023.

The bank reconciliation statement (September 2017-August 2018) had been circulated. SMK asked governors to note that at the end of August 2018 there had been £413k cash at the bank; this figure had been adjusted down to £406K to take account of accrued income and expenditure.

SMK had modelled (circulated) the expected increase to employer contributions to teachers' pensions, from 16.48% to 23.6%, effective September 2019. The model covered the financial years up to and including 2022-2023; the impact on the school's finances was very significant. The DfE (Department for Education) had confirmed that it would fund the increase for the period covered by the current spending review period (ie up to March 2020). Future funding would depend on the next spending review, due in 2019. The model assumed that all teaching staff received a pay increase.

Governors asked: Is the employee contribution rate being increased?

A: The rates are tied to the Consumer Price Index and increased by 3% in April. Employees' contributions to teacher pensions increase as they rise through the salary bands.

The Committee agreed that large unfunded increases to Employer Contributions to Pensions should be added to the Risk Register, although the likelihood was low the impact would be high.

Action: SMK

5.2 Budget Monitoring

The 5-Year Budget Forecast document (from 1st September 2018) had been circulated in advance of the meeting.

It was noted that 2018-2019 was the final in-year deficit. Reserves in 2017-2018 were higher than originally calculated and the school had received more income than expected, an improvement of £108K. Actual reserves were £406K. The 2018-2019 in-year deficit of £68K masked an actual surplus of £553K based on lagged funding.

Governors asked: Is PS Financials helpful?

A: Yes. We have a high level of confidence in the figures.

Governors asked: Do we need to allow for accruals this year?

A: No. All costs, including the fire alarm, have been taken into account.

Governors asked: Will the negative balance in the School Trips budget affect the budget this year?

A: No but it will in the next financial year.

5.3 Governance Statement

Action: Clerk to update factual items ie changes to membership, attendance etc.

6. Annual Review of Committee TORs (Terms of Reference) 2018-2019

The draft had been circulated; proposed modifications and additions had been highlighted and were accepted.

In addition, it was agreed that:

- a. A clause to reflect the ESFA's requirements, effective 1st April 2019, for Related Party Transactions would be added to the TORs: All related party transactions will be declare to the EFSA in advance. Any related party transactions exceeding £20K, either individually or cumulatively, would be approved in advance by the EFSA.
- b. **Clause 7 would be amended:** Ensure the annual accounts are produced in accordance with the requirements of the current Companies Act ~~1985~~ and the DfE **and EFSA** guidance issued to academies.
- c. Delegation of decisions about changes to the staffing structure would reside with the F&GP; a corresponding clause would be deleted from the PSW (Personnel & Student Welfare) Committee's remit.
- d. **Clause 11 would be amended to reflect the school's Financial Regulation Policy 2017:** Authorise the award of contracts **and expenditure** over £25,000.
- e. Clause 16 would be amended: Taking account of the ~~priorities as set out in the Asset Management Plan,~~ **Estate priorities** make recommendations to the FGB in relation to...

The Clerk advised that the Trust was not required to appoint a Company Secretary.

7. Academies' Financial Handbook

7.1 Letter from Chief Executive, ESFA to Accounting Officer (SMK), dated 18th September 2018.

The letter had been circulated; key points:

- a. **Related Party Transactions.** The Committee had noted the requirements; the Committee's TORs had been updated to reflect the changes.
- b. **Controlling Executive Pay.** The Committee noted the advice. The Remuneration Committee's Terms of Reference were fit for purpose.
- c. **Scrutinising the budget.** Requirement for all trustees to see the Accounting Officer's financial reports 6 times per year. It was agreed that the reports considered at the 6 F&GP meetings would be shared with all Trustees via GovernorHub. **Action: SMK**

It was confirmed that, as required, the Accounting Officer would send monthly financial reports to the Chair of the Governing Board. **Action: SMK**

d. Acting on audit findings

The Board had commissioned external audits 3 times per year, the findings and recommended actions were fully discussed at F&GP.

e. Financial returns 2018-2019

The Committee noted the following dates:

- Land and buildings collection tool – 5th November 2018
- Financial Statements – 31st December 2018
- Budget forecast return outturn – 21st May 2019
- Budget forecast return – 30 July 2019

7.2 Sharing and consideration of accounts by all Trustees (SWe)

Please see 7.1

7.3 Pay Policy

It was confirmed that consideration and decisions about any pay uplift were delegated to the Remuneration Committee and did not require the F&GP Committee’s approval.

It was confirmed that review of the Pay Policy was delegated to the Personnel & Student Welfare Committee; it would be scheduled for annual review in Term 6. **Action: SMK/Clerk.**

The Scheme of Delegation would be adjusted to show that review of the Pay Policy was delegated to the PSW Committee. **Action: Clerk.**

8 CIF (Condition Improvement Fund) (SMK)

8.1 Bids

The CIF Bid for windows was due to be submitted, and would include the gymnasium. If the expansion bid was successful, this would reduce the school’s contribution to the windows bid.

8.2 Science Laboratories Expansion Bid – Progress

The architect’s planning drawings for the new building had been circulated. The companies who had shown interest in submitting tenders were scheduled to visit the school site in the week beginning 22nd October 2018. The architect’s KK (Kendall Kingscott Ltd) estimated cost of the project was c£1.5 million. (Further details, including fees and exclusions, were contained in correspondence from KK, dated 4th October 2018, which had been circulated to the Committee.0

SMK was preparing a report for the local authority in relation to its £250K contribution. The architects, KK would produce a breakdown of costs.

KK had also been commissioned to prepare feasibility studies for turning the Caretaker Lodgings into SEN (special educational needs) provision and creating additional permanent car parking spaces.

A planning application for the science block had been submitted; there were no concerns.

Three different planning applications would be submitted. Some objections to the application for the additional car parking were likely.

Governors asked: Will there be lighting in the new car park?

A: There will be low level lighting.

Governors asked: Is the tendering process ‘live’?

A: Yes. The closing date is next week.

It was noted that a, 'best and final offer' approach was sometimes used in negotiations, which could result in significant savings.

9 Audit

9.1 Internal Audit Report: Human Resources and Payroll System

The report (July 2018) had been circulated via GovernorHub.

The school had achieved a Level 4 (good) rating: *'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.'*

Areas for action **identified in the report:**

- An evidential/auditable trail of the pre-pay run and variance reviews is not maintained sufficiently, particularly including evidence of independent officer checks carried out. **Action completed**
- The School Financial Regulations Policy includes previous payroll processes and obsolete authorisation checks and controls. Limited separation of duties exists across payroll with a single officer responsible for all inputting and checking. **Action: New Facilities & Finance Manager**, once in post.
- Documented approval of the pre-pay run is not evidenced either from a senior member of staff or to the payroll provider. **Action completed** (system updated).
- Post pay run reports are not being reviewed or reconciled to the pre-pay run reports. **Action completed** (systems adjusted).

9.2 Internal Audit Report: Contract and Leases Report

The report, September 2018, had been circulated via GovernorHub.

The school had achieved a Level 5 (excellent) rating: *'The systems of internal control are excellent with a number of strengths and reasonable assurance can be provided over all the areas detailed in the Assurance Summary.'*

Two recommendations were detailed in the Action Plan:
Contract/Lease evaluations were not documented/evidenced.

Action: New Facilities & Finance Manager

Register of Interest are not published on the school's website. **Action: Clerk**

9.3 Progress with 'Amber' Risks identified by Audit

Governors asked: We previously agreed that there would be a master document to monitor?

A: Yes; it will be addressed once the new Facilities & Finance Manager is in post. **Action: SMK**

9.4 Retention of Audit services (annual or 3-year agreement)

The Committee agreed that the audits provided useful, objective information about systems and compliance. It was agreed that the service would be retained. **Action: SMK**

9.5 Focus of future audit activity

The Committee agreed the following focus and timing:

- Governance: Term 2
- Budgetary Control: Term 4 (April)
- Information Governance: Term 6.

10 Recruitment

Shortlisting for the post of School Facilities and Finance Manager had been completed. It was confirmed that Governors would be involved in the interview process. **Action: SMK/KW/TD**

11 Risk Register

A training session on Risk Management for the Governing Board and members of the Senior Leadership Team was scheduled for 8th November 2018, it was therefore agreed that this item would be deferred until the next F&GP. **Action: Clerk**

12 Any Other Urgent Business

12.1 Local Authority Consultation on School Funding

The School's Forum had agreed that Governing Boards should be asked to consider:

Q: Should the cap on SEND be removed?

Oldfield: Yes.

Q: Should the EAL (English as an Additional Language) funding be delegated to schools?

Oldfield: Yes. It should reflect the needs of EAL children. (It was noted that the funding was provided for up to 3 years, value £900 per student.)

Q: Should the LA retain the High Needs (SEND) funding?

Oldfield: Yes. (It was noted that in 2017 the school had not agreed.)

Q: Do you think that a further 5% should be transferred from school's budgets to High Needs funding?

Oldfield: No. (It was noted that in 2017-2018 the LA had retained 0.5% of the whole DSG (Dedicated Schools Grant) for High Needs.)

Governors asked: Who received the High Needs funding?

A: It was used to support students with High Needs but the LA top-sliced the funding so that there was 0.5% less funding available for students.

The Committee confirmed that the responses should be submitted. **Action: SMK**

12.2 School Cleaning Contract

The school had moved its business mid-2017. Imperial Cleaning Services had been contracted on a temporary basis, until the end of 2017-2018. Imperial's Terms of Business had been sent to the Committee via GovernorHub.

Plans to go to tender had been delayed due to the Facilities & Finance Manager vacancy. The existing contractor was performing adequately and proving reliable. SMK had negotiated additional cleaning hours for very similar cost to the previous provider: c£82k for 1 year, including increased hours to clean the Sixth Form.

Currently the company was effectively on a rolling contract; there was a risk it would withdraw. SMK requested agreement that Imperial Cleaning Services be retained until the end of the current academic year. The contract for 2019-2020 onwards would go through a tendering process.

Governors asked: Is £82K below what we were charged by the previous provider?

A: It's in line. We are not paying more.

The Committee confirmed that it was content for the request to be actioned, however, due to the size of the contract it was agreed that the Governing Board should be informed. **Action: Clerk**

The meeting ended at 7.50 pm.

Dates of future F&GP Meetings:

Thurs	29.11.18	5.30 pm
Thurs	24.01.19	5.30 pm
Thurs	07.03.19	5.30 pm
WEDS	01.05.19	5.30 pm
Thurs	27.06.19	5.30 pm

APPROVED

4.2 Matters Arising (Record of Decisions) from Previous Minutes

From 4th July 2018

Item 4.10. Income

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

Item 5. The Annual Budget 2018-2019

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 16th July 2018; the 3-year budget forecast return would be submitted to the EFSA before 30th July 2018. Action: KW/SMK/SR

Item 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 bid criterion required the school to submit 3-year financial forecasts and detail of reserves, which would have made a successful outcome unlikely. In addition, staff capacity to prepare the bid had been limited by a vacancy in the Finance team. As a result a bid was not submitted.]

Item 6.2 [CIF – Fire Alarm]

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 [Some snagging work and technical work remained, which was scheduled to be completed during half term. The old alarm had been in a very bad condition. There had been a small amount of additional cost. The company was likely to lose money on the project.]

Item 6.3. Expansion Bid: Update

Kendall Scott representatives were scheduled to meet with SR on 6th 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

Item 8.1. [Audit] Human Resources and Payroll System Report (May 2018)

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 [Agenda]

Item 8.2. Date for Audit of Contract and Leases (to note)

The audit was scheduled for 10th July 2018. The report would come to F&GP Committee's Term 1 meeting. Action: SR [Report received.]

Item 9.3. Review of Scheme of Delegation (SoD)

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.

Item 10.1. Annual Health & Safety Report

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

Action: Facilities & Finance Manager [This item was on hold until a Finance & Facilities Manager Manager was recruited. The local authority was scheduled to carry out Health & Safety Risk Assessments and prepare an Action Plan in December 2018.]

Governors asked: Does the fact that we don't have an Annual H&S report yet have any impact on the school's insurance?

A: No. I have regular meetings with the Facilities & Finance Manager.

Further Action: It was agreed that the H&S Governor, TD, would join meetings with the Facilities Manager , if available.]

Item 10.2. Audit of Staff H&S Training

It was agreed that the Committee would be provided with details of compliance with all statutory staff training requirements annually, in Term 1. **Action: Facilities & Finance Manager. Action: Clerk** to add to business schedule. [This item would be completed once the Finance & Facilities Manager had been recruited.]

Item 12.1 Health & Safety [Policy]

...It was agreed that the policy would be circulated for approval via GovernorHub.

Action: Facilities & Finance Manager [This item would be completed once the Finance & Facilities Manager had been recruited.]

Item 12.3. Charging and Remissions Policy

...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.**

Item 12.3. It was agreed the policy should be adopted from September 2018. It would be scheduled for review in September 2021. **Action SMK.**

Item 13. Risk Register

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

From 16th May 2018

Item 15. ...a session on risk should be planned for a full Board meeting.

Action: SWe [Scheduled for 08.11.2018.]

From 22nd March 2018

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

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

Action closed???

Item 12.1 Health & Safety

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

Action ongoing: TPD [Details of the LA's training programme had not yet been published.]

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

Action: SR. [It was agreed that sufficient information had been provided for the action to be closed.]