



**The Minutes of the Finance & General Purposes (F&GP) Committee Meeting
Held on Thursday, 24th January 2019 at 5.30 pm**

Present

Tahir Darr (TD); **Acting Chair**;
Tom Davies (TPD);
Steven Mackay (SMK) (Headteacher);
Joanna Symons (JS);
Kevin Ward (KW) (Chair of F&GP Committee) (Joined the meeting via Skype.);

In Attendance

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

1. Procedural Matters

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

2. Notification of Any Other Urgent Business

There were no additions to the published agenda.

3. The Minutes of the last meeting (29th November 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.

4. Staffing Update; Finance & Facilities Teams

IT reported that the school had a Facilities and Estates Manager who was supported by 3 Caretakers and a Site Assistant. The Facilities team had sufficient staff but coverage of duties if anyone in the team was ill was sometimes challenging, particularly as school lettings had increased. Some members of the team were very accommodating but worked very long days at times as a result. If lettings in the evening weren't taking place it would be possible to consolidate working hours.

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 Committee noted that IT had been appointed as the Trust's Chief Financial Officer.

5. Income & Expenditure Update

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

Governors noted that overall expenditure aligned with forecasts. (Staff pay for January 2019 was due to be paid; income for January 2019 was due from ESFA.) Some miscoding of staff-related expenditure had distorted 2 cost centres; that issue was being addressed.

It was noted that an analysis of spending on teacher meals (for those who supported extracurricular activities) was planned.

Governors asked: Is there anything about which we should be concerned?

A: No. Our brought forward balance was higher than anticipated by £65K (to £362K.) The projected end of year position is £108K better than budgeted.

Governors asked: Is this a 'live' forecast?

A: Yes.

It was noted that once funds for liabilities including pension payments and accruals had been set aside the school had a cash balance of c£190K at the year end. This was particularly relevant during the current year because funds were tighter than had previously been the case. The school's auditors had agreed to provide a template for reconciliation of the school's cash position as against the balance sheet. It was confirmed that the school had not inadvertently breached the Governing Board's Reserves Policy. The reserves were expected to be at a low point at the end of the academic year but would then begin to build.

Governors asked: What's the logic for reducing the Capital allocation for 3 years?

A: It is purely driven by the budget. My ambition is to have a flat Capital allocation each year.

It was noted that £19K of the £27K FSM (free school meals) budget was spent but the school was not quite halfway through the academic year. Due to the way FSM was calculated nationally, the school currently had FSM funding for 75 students but had 115 students supported by FSM on roll. The funding would receive the balance at a later point. Pupil Premium Grant funding had increased by £17K

Governors asked: Does income and expenditure for trips and visits balance?

A: It should do. There is sometimes a small surplus which is used to support students who need additional help.

It was agreed that the expenditure for capital schemes would be confirmed. **Action: SMK**

5.2 School Funding

SMK had mapped 4 scenarios for future funding which were circulated at the meeting.

Scenario A assumed a 2% pay increase. It was noted that although the 2018-2019 teachers' increase had been funded it was unlikely that this would happen for 2019-20. Scenario A assumed that development of the school site would not take place and the school would be unable to accommodate additional students.

Scenario B student site development would proceed allowing student numbers to grow. (Year 7 224 per annum and Sixth maintained at 100 students.) The scenario included a 2% pay increase with 1% of teachers increase funded. It was assumed that there would be no staff changes and all staff would receive increments. It was noted that the school had overstaffed in maths in order to address issues; that decision would provide sufficient capacity for the next few years.

Governors asked: Will this scenario help us plan Capital spending? A big variable is whether the CIF (Condition Improvement Fund) bid is successful.

A: It will help with planning. If the CIF bid isn't successful we can't grow but we won't have to contribute to the project from school funds.

Scenario C illustrated 1% (unfunded) pay increases.

Governors asked: What assumptions are made regarding student numbers?

A: It assumes there is no growth.

Scenario D assumed: An unfunded 2% pay increase; Sixth Form would have 100 students and 224 students joining the school in Year 7. The scenario placed the school in a good financial position until 2020-21.

Governors asked: Have increases to employer contributions to pensions been confirmed?

A: Changes are due in 2019. The funding review will determine the future position.

Governors asked: Will the changes in effect mean a pay rise of 7-8% if they go ahead?

A: Yes.

Governors asked: Are the increases likely to be funded?

A: If they are it is unlikely to be sustainable. We reach our ceiling for student numbers in 2021-2022.

Funding Map

The ESFA (Education & Skills Funding Agency) payment schedule, which provided most of the school's income, was circulated at the meeting.

The funding map identified 4 areas of income:

- Pupil Led Factors (pupils on roll)
- Other Factors
- Academies Programme Funding (Sixth Form)
- Academies Bursaries (Education Maintenance Allowance).

Governors noted that:

- The school also received funding from the local authority, approximately £10K per month.
- Pupil Premium Grant was paid quarterly based on the financial year, which led to some phasing issues.
- The school received some funding from hire of its premises.

6. Capital projects: Sixth Form; SEND

A building plan prepared by Kendall Kingscott Architects was circulated.

The new SEND building would replace the existing caretaker's bungalow. Different build options had been suggested e.g. timber framed or modular. The company would also conduct a feasibility study.

Governors asked: Will the building have the same footprint?

A: It will be much bigger.

Governors asked: Will it be 2-storey?

A: No – it would increase costs, we would have to include facilities such as a lift.

Governors asked: Are the numbers in the Sixth Form stable?

A: Yes – we are likely to have the same in-take (100) for next year.

Governors asked: Is the work on the Sixth Form going to be done during the holidays? What's the plan?

A: Yes – it will be a total refurbishment. There will be double the amount of social and study space. Quiet study space is the priority.

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

The updated plan had been added to GovernorHub.

8. Audit: Governance

The audit had taken place on 18th January 2019; the audit would be discussed once the report was received. **Action: SMK**

9. Review of Model Articles of Association

The Clerk reported that it was a requirement for the Articles to be 'regularly' reviewed, the existing Articles (amendment) had been adopted on 9th December 2015. A new model been available since 2016. The existing version, based on a government model, was out of date, and contained some contradictions. The new model was more succinct, reflecting the fact that academy governance had evolved.

The Financial Handbook (2018/2019) placed a strong emphasis on separation of Members from Trustees. This was to ensure that Members do not have undue influence on the business of the Trust. (Minimum number of Members is 3.)

The Clerk advised that there was no explicit requirement to change to the new model but the Academies Financial Handbook 2018 emphasised the need for separation of Members and Trustees' roles.

The school had paid a very large sum to solicitors for existing version and for subsequent changes. The NGA (National Governance Association) had advised that the changes could be made by completing the template and following a 2-stage procedure to agree the new model formally with minimal cost. Once agreed by the Trustees and the Members the new model would need to be confirmed by the ESFA.

It was noted that due to DFE staff being re-deployed on other projects the time to formalise a new version of the Articles was likely to take longer than usual.

Action: Clerk. Forward to Board.

10. Risk Register

Re-cast of Register: The model for the new register was circulated at the meeting. The risks remained the same but they were measured differently.

Evaluation of risk: The new matrix had been drawn up to assess the likelihood and impact of risks by Emma Prior, Head of Science.

Addressing risks: The school would respond to risks in one of 4 ways:

Terminate – counter measures to stop a problem or threat occurring or prevent it having an impact;

Transfer – transfer risk to a third party such as an insurer;

Treat – take action to reduce or limit risk;

Tolerate – accept possibility because cost of counter measures outweighs downside/risk very remote.

Governors asked: How do we judge the severity of risk, for example if the risk were judged low for financial risk but high for reputational?

A: We will capture the risk once. We would prioritise reputational risk. For example, a level 5 risk that is 3 years away would be lower priority than a level 5 risk that was 3 days away.

It was agreed that a column to capture the movement/progress to address risks would be inserted in to the table and tested. **Action: SMK**

Review and oversight of Register on behalf of FGB

It was noted the senior leadership team had overall responsibility for managing risk. The Headteacher had lead responsibility for risk management processes and the school-wide risk register. SLT was responsible for reporting any increased or new risks to the relevant committee.

The roles and responsibilities identified in the policy were adhered to, including those of the Governing Board.

11. Policy Review:

11.1 Health and Safety Policy

IT circulated copies of the existing policy and the updated draft at the meeting.

Governors noted that:

- a. The annual review of the policy was delegated by the Governing Board to the Health and Safety (H&S) Committee; the Governing Board would receive the results of the review and be asked to approve any changes.
- b. IT would oversee the H&S Committee meetings and reports. TD2, 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**
- c. It was noted that many schools had moved to a 'Statement of Intent' approach to H&S, rather than detailed policy documents.
- d. Other than information relating to named individuals and job titles, a small number of changes had been needed. Obsolete references had been removed, e.g. distribution of copies, to reflect the school's actual practise.
- e. The Chair of the Governing Board would be asked to review policy's Statement of Intent but IT advised that it was fit-for-purpose.
- f. At section 5, '*Special Obligations of Class Teacher*', an additional clause (i) had been added: '*Carry out an annual risk assessment on their teaching area*'. It was confirmed that teachers already fulfilled that expectation.
- g. IT advised that although, at the section dealing with Procedures and Arrangements (paragraph 2), the policy said: '*More detailed policies and written procedures for a number of these areas are available in the Health and Safety Management File*' the school did have procedures for defined areas but it did not have a dedicated Health and Safety file.
- 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: IT**

Governors asked: Are the procedures on the intranet?

A: Some but not all. All policies are on the intranet. I am planning to check where all the procedures 'live'.

Governors asked: How do we know what H&S risks we are running and the level of risk?

A: We are working through the procedures and identifying headings so that for each area we must address we can identify the location of the procedure e.g. the legionella procedure is in X; the date it was last checked would also be included. (The detail concerning health and safety-related inspections would not be included under the headings because they happened very regularly.)

11.2 Financial Regulations Policy

It was agreed that this item would be carried forward to the next meeting.

11.2 Risk Management Policy

The policy had been circulated in advance of the meeting.

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. **Action: SMK**

The policy was approved for adoption. It would be scheduled for its next review in January 2022.

12. Any Other Urgent Business

There were no further items for discussion.

The meeting ended at 8.30 pm.

Items for Next Agenda

- Financial Regulations Policy (IT)
- Governance Audit Findings

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

Dates of future F&GP Meetings:

Thurs	07.03.19	4.00 pm
WEDS	01.05.19	5.30 pm
Thurs	27.06.19	5.30 pm

From 29th November 2018

Item 3. Presentation of the Annual Accounts

Action: JG [James Gare] to forward template to reconcile statutory accounts and management accounts.

Recommendations were detailed in item ii - summarised:

- Introduction of a funding map would be beneficial (income dates). Action: SMK [Circulated at the meeting.]
- Missing statutory items relating to the Governing Board be added to the website. It was noted that this item was identified as Medium Risk – JG advised that it would be amended to Low Risk. Action: JG/Clerk.
- A Fixed Asset Register be introduced. Action ongoing: SMK [IT equipment had been registered, furniture and other equipment would be added. Governors asked: Do we need a full register in case of an event such as fire? A: No – insurance for furniture is fixed at 10%. The complete register is needed to calculate depreciation.]

It was noted that the documents would be submitted for approval at the Full Governing Board meeting on 13th December 2018. Action: SMK

Following approval by the Board, as required by the EFSA, the audited accounts would be:

- a. Submitted to Companies House by 31st December 2018
- b. Published on the Trust's (school) website no later than 31st January 2019.

Action: SMK/Clerk

Item 7. CIF (Condition Improvement Fund) Expansion Bid

...It was noted that professional fees of £185K were included in the cost summary. It was agreed that the architects, Kendall Kingscott Ltd, would be asked to confirm that its fees had not been rounded down ie the current figure was not 10%. Action: SMK [Confirmed.]

It was agreed that the bid should include legitimate costs for project management at the school end should be included. Action: SMK to confirm management/operational cost limits with the architects.

The Committee agreed that, subject to outstanding questions being resolved satisfactorily, the school would fund 20% (£210K) of the project over 2 years. Action: SMK [The school contribution would be £195K.]

Item 9. Audit (Governance)

It was agreed that this item would be deferred until the New Year. Action: SMK [The audit had taken place on 18.01.2019, the report had not been received.]

From 18th October 2018

Item 9.1 Internal Audit Report: Human Resources and Payroll System

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 c/f: Facilities, Finance & HR Manager. [The Manager was very recently in post.]

Item 9.2 Internal Audit Report: Contract and Leases Report

Contract/Lease evaluations were not documented/evidenced.

Action: c/f Facilities & Finance Manager.

Register of Interests are not published on the school's website. Action: Clerk [This item would be completed on 1st December 2018 once all governors had confirmed that their details were correct.]

Item 9.3. Progress with 'Amber' Risks identified by Audit

Governors asked: We previously agreed that there would be a master document to monitor [so that progress with risks could be seen]?

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

Action c/f: New Facilities & Finance Manager.

APPROVED