



The Minutes of the Finance & General Purposes (F&GP) Committee Meeting Held on Thursday, 1st May 2019 at 4.00 pm

Present

Martin Crook (MC);
Tahir Darr (TD);
Tom Davies (TPD);
Steven Mackay (SMK) (Headteacher);
Kevin Ward (KW) (Chair of F&GP) (Via Skype).

In Attendance

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

1. Procedural Matters

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

2. Notification of Any Other Urgent Business

It was agreed that financial benchmarking data would be an item on the next F&GP agenda.

Action: SMK

3. The Minutes of the last meeting (7th March 2019) and Matters Arising

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

3.2 Matters Arising from the previous minutes

Please see page 8.

4. Income and Expenditure Update

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

The financial reports, as at 27th April 2019, were circulated in advance of the meeting. 'Notes to Management Accounts (1st May 2019)' were shared at the meeting.

Expenditure

Supporting commentary:

Health and Safety: It had been expected that PAT (Portable Appliance Testing) would have been carried out in-house but this had not happened.

Rates: A correction had been made to the figures; as a result, the amount would come down (to £25,200).

Extracurricular: The cost of providing a free school meal to staff who led the activities had been moved into this cost centre; it had previously been included in catering. The change had been made so that the real cost of extracurricular activities was clear.

MABLE (More Able): The cost of the Brilliant Club had been moved to this cost centre.

Network Support: Expenditure at this point appeared low. Annual charges were pending, many of those would be levied in May or June.

Reprographic Charges: An analysis of costs would be carried out. The expenditure shown would reduce once re-charging to school departments had been done; that work was carried out quarterly.

Exam Fees: It was unlikely the agreed budget would be enough. The school had more students, for example, currently there were 224 in Year 11 compared to 203 in 2018. Further work was needed to establish the precise need. The budget had been adjusted to £95k for the next year but it was likely it would need to increase.

Year to Date:

The 'actual' figures appeared low because April expenditure was not yet included.

Supply cover appeared to be overspent but £17k was to cover vacancies in permanent teacher posts; the true figure would be c£32k. However, spending for this cost centre would still be over budget due to 3 long-term absences this year. It was anticipated that expenditure for total teacher costs would be in line with the planned budget.

ICT: Expenditure was much higher than budget because licensing costs had been moved to the school's central ICT budget. 'Show my Homework' had been very expensive.

Governors asked: Have the departmental budgets been adjusted?

A: That will be done.

Insurance: Costs appeared higher due to a phasing issue; the school had paid for 5 months in advance.

Chinese Hosting: The budget was showing an overspend; it was likely that this was due to a phasing issue.

4.2 Income

- The school's EFA (Education Fund Agency) income had been confirmed.
- The funding for 16-19 had been received.
- The LA (local authority) formula allocation had not arrived.
- The Chancellor of the Exchequer's 'Little Extras' funding had been received.
- Additional funding for the teachers' pay award had been received.
- The school had received supplementary funding for FSM (free school meals) because of changes to universal credit.
- EFA income forecasts for the years ahead were based on realistic estimates.

Governors asked: Why is there a spike in 16-19 funding for 2020-21?

A: Because next year income is based on 125 students, at which point we will be full.

Governors asked: This year we received lagged funding in-year?

A: Yes, because we received an exceptional number of students in-year. We have sent a business case arguing for the same EFA funding for next year. We expect a decision in June.

Governors asked: Funding for 2019-2020 could be the same as 2018-19?

A: It could be.

Funding for the uplift to employers' contributions to staff pensions had not yet been confirmed; the forecasts would be revised once the position was clear. It was anticipated that there would be a net benefit to the school. If that happened there was likely to be an extra £40k of income per year, which had not been expected.

Governors asked: Next year's bid for lagged funding is not included?

A: No. It will probably be c£300k; the school is likely to get it. A 2% pay increase for all staff is included. We have used worst-case scenarios for planning ie no staff movement and staffing getting more expensive. We have a high level of confidence up to 2021.

Governors asked: For consistency, should we be assuming £200k per annum budget for capital expenditure?

A: Yes.

The Committee agreed that £200k per year, contributed from revenue, was appropriate. It was noted that the Committee had previously held back because of the risk of technical insolvency.

Other creditors

A further £50-60k of invoices was anticipated. A significant buffer was in place, there was approximately £600k in general funds.

4.3 Reserves and Reserves Policy

The school was in a positive position. It was anticipated that in 2019-20 reserves would increase to over £1 million.

5. Capital Projects

CIF (Capital Improvement Fund) Bids

5.1 The expansion bid had been turned down. None of the secondary schools in the BANES area had been awarded funding. The school had received maximum points for the size of the financial contribution it had offered. Overall the school had received 68%. SMK would inform the LA (local authority). The feedback would be given to Kendall Kingscott so that an appeal could be prepared.

5.2 The bid for new windows had also been declined; it been 1% away from the threshold.

Governors asked: Will we need to increase our financial contribution when we appeal?

A: That will be checked.

It was agreed that an emphasis on the health and safety risks relating to asbestos should be included in the appeals.

SMK advised that Kendall Kingscott had been asked to proceed with preparatory work for the Sixth Form. Toilets and stairs had been included. The project had gone out to tender and the project awarded.

Governors asked: Has it gone to planning because it is a listed building?

A: Yes. That's the only delay. The work must take place during the summer holidays or the students will be 'homeless'.

Smaller projects would be done, depending on the outcome of the appeals. Potential projects included new ICT facilities, an upgrade to the fitness suite and removal of asbestos.

- 5.3 SEND (Special Educational Needs and Disability) Base: The intention was to demolish the bungalow and use the site. The LA had promised to contribute financially, on the basis that the school would provide up to 10 places for pupils with high functioning ASD (Autism Spectrum Disorder). The remaining spaces would be for use by the school. The aim was to improve the provision for Oldfield Students. The school was gaining a good reputation for its ASD provision. There was likely to be c.15 students with ASD on roll by September 2019. The facility would be big enough for students with SEND and SEMH (Social, Emotional and Mental Health) needs. The development would also release a classroom in the main building, which would allow the school to increase student numbers. Science facilities still needed improvement. Not increasing student numbers would have a negative financial impact of c£500k. The expansion bid would still be re-submitted.

Governors asked: In effect, the SEND Base is self-funding?

A: In some respects, over time. But there is no guarantee it can be done and the school grow at the same time. By giving SEND support improved facilities we have the additional benefit of an extra teaching room.

5.4 **SEND Base – Building Designs**

The designs had been circulated in advance of the meeting.

Option 1

This would cost £850k.

Governors asked: How much is the LA providing?

A: £200k. We know we can't afford £650k.

Option 2

The design was similar to Option 1 but did not include 2 group rooms. The cost was £750k, the school contribution would be £550k. The design would fulfil the same function as Option 1 but would be less attractive. Option 2 was likely to be unaffordable without more funding from the LA; discussions with BANES were taking place.

Option 4

The project would cost £600k and need a £400k contribution from the school. The design would work if the school did not provide LA places. Discussion about how to provide the places the school needed and the LA wanted were continuing. It would be possible to choose this design and it be funded solely by the school.

Option 3

This design would not meet the LA's needs because it was too small.

Governors asked: Is this smaller than Option 4?

A: Yes. It would not work for the LA but it would work for the school.

Governors asked: Does it include everything we need?

A: Yes.

Governors asked: Is it better to fund it ourselves and keep control?

A: We wouldn't lose control.

5.4 Funding of the SEND Base

General pupil funding would come to the school (c£4k). All students attending the SEND Base would be above the EHCP (Educational Health Care Plan) level, which would provide c£6k per student of additional funds to support their health and education needs.

Governors asked: The only disadvantage is the financial outlay?

A: The students' needs will have an impact on the rest of the school. But we are gaining a reputation for good provision in this area so we will be chosen by parents anyway.

Broadly there would be a £500k investment. (The CIF expansion bid was for £2.3 million.)

Governors asked: Given that we haven't been awarded the expansion funding, is this now our top priority?

A: Yes.

5.5 Committed Capital Funding

None of the next financial year's capital (revenue) had been committed (£200k budget). A surplus of c£200k was projected for the end of the current financial year; a surplus of £267k was projected for 2019-2020. The combined surpluses would provide c£500k. The school would still be growing reserves by c£170k. It was also possible that there would be c£250k of additional income as a result of growth of the Sixth Form.

In 2020-21, a healthy year financially, the school would not be eating into its existing surplus and would still have the capacity to carry out other works.

It would not be possible to refurbish the history and English rooms as well. The budget for the Penn Building was £70k; £60k was allocated to other work. If the school was granted the additional £300k of lagged funding it would be possible.

Other areas would need consideration, including sporting facilities.

Governors asked: If we never manage to obtain CIF funding for the laboratories and expansion, what's our strategy, and would doing this work stop us expanding?

A: We would probably need temporary classrooms – but there would be issues in relation to site space and planning. In the next few years we will have to refurbish the science laboratories – that's likely to cost £60k for each one.

Governors asked: Could we refurbish the old gym?

A: It would be hugely expensive and it isn't fit for purpose.

Governors asked: Are you asking for our approval now?

A: No. The deadline has gone. The deadline for the SEND Base is September 2020.

Governors asked: Do SEND classrooms need any particular facilities?

A: Nothing unusual is required.

It was agreed that the reasons for and impact of decisions of needed more discussion; a philosophical discussion was needed.

It was agreed that at the next F&GP meeting:

- The priorities would be mapped
- A budget with the projects included would be provided.

Action: SMK

The LA's response to the school's request for a larger contribution for the SEND Base was expected by the next meeting. An EFA 'letter of Comfort', in relation to lagged funding, should also have been received.

It was agreed that it would be valuable to collate the feedback from previous bids. Action: SMK

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

The plan had been updated to reflect the discussions about projects held earlier in the meeting; it had been filed on GovernorHub.

7. Risk Register

The Register had been updated and was filed on GovernorHub; there were no significant changes. It was noted that a SARs (Subject Access Request) had been received.

8. Staffing Update

- Approximately 10 people had been recruited. There was a net adverse effect on the budget; 2 of the posts had been more expensive than anticipated.
- Two new posts had been created to support Heads of Year; the costs had been included in the budget.
- One resignation had been received, the post had been advertised; the deadline for teacher resignations, ie planning to start elsewhere on 1st September 2019, was 31st May.

9. Any Other Urgent Business

9.1 Fire Alarm System – Update

HGA Associates had provided the report the school had commissioned; clear recommendations were included.

Governors asked: Has the report provided what we need?

A: Yes. It has given us what we wanted and identified areas of concern.

Full commissioning of the main school building had been completed and the certificate received; the school's insurance had been reinstated. The school was awaiting certification and zoning maps for the Penn Building.

Governors asked: Is the system fully operational now?

A: Yes. Once we have received all the documentation from Stones we will follow up on the legal aspects. There are also some historical zoning issues.

Governors asked: Has payment been made?

A: We paid in September 2018. Originally there were 4 quotes; only 3 quotes were presented to the F&GP Committee at its meeting on 4th July 2018.

It was noted that, at item 6.2 (f) of the 4th July F&GP minutes, one of the arguments for awarding the business to Stones Security was that *'the school had received very good service in relation to more than one project from another of the companies'*.

The Committee was advised that, in fact, staff had been making complaints about the service since 2017. The school had spent c£245k with the company over the last 12 months.

Governors asked: Did the project come in on budget?

A: The company had been provided with a full specification but other bidders had not been given the same detail. Bids didn't take account of key information, such as management of areas where asbestos was present.

Some of the information provided appeared to have been inaccurate or incomplete. This had flagged up the need for a matrix system which laid out the criteria to be used when future bids were considered. ADT had been discounted because it would not provide an 'open protocol' rather than cost considerations. Full detail and costs of the quotes had not been provided to governors.

Governors agreed that there had been some failure to follow procedures. It was agreed that the F&GP Committee should have required more detail before approving the supplier. It was confirmed that the school had not made a financial loss. **Action: SMK** to reinforce purchasing procedures.

It was noted that Stones Security, the supplier, was not certified to install fire alarms; commissioning of the system was dealt with by another company, Castles; that company had not reported any concerns to the school. The system had been working but the school had requested changes, once those were made the system should have been re-commissioned.

Governors asked: Are there any remaining shortcomings to the system?

A: We will be receiving a system map. We know that there are some gaps.

A member of the Facilities Team had left the school. School Finance Team members had been reminded of correct procedures in relation to authorisation of payments.

9.2 Audit Recommendations

A Management Accounts Report (dated 1st May 2019) was circulated at the meeting. It had been generated from the new PS Financials System. IT advised that the report had been prepared in response to an audit recommendation that governors should receive a report generated directly from the school's financial system. It was a work-in-progress but the key figures could be checked.

Governors asked: Are you comfortable with the gaps?

A: We have 7 green, 7 amber and 1 red.

It was agreed that the audit recommendations would be an item on the next F&GP agenda.

Action: IT

9.3 Bank Reconciliation

The reconciliation for the period to 31st January 2019 was circulated at the meeting; the cash balance at that date was £395, 717.89. It was noted that it was IT's role to check the reconciliation and confirm whether it was correct.

Items for Next Agenda: Thursday, 27th June 2019 at 5.30 pm

- Priorities for Capital Expenditure
- Benchmarking Charts (comparison with other BANES Schools)
- Financial Regulations Policy (IT)
- Audit Recommendations.

The meeting ended at 7.40 pm.

Matters Arising (Record of Decisions)

From 7th March 2019

Item 6. Capital projects: Sixth Form; SEND Base

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

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

Item 8. Audit: Governance

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.

Item 10.1. Financial Regulations Policy

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 ongoing: IT** **[Logged for 27th June 2019]**

11.1 Fire Alarm System. **(Further detail and update at Item 9.1 of main minutes)**

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**

The Committee agreed that Paul Reynolds, HGA Associates, would be commissioned to obtain quotes, project manage the work and undertake client liaison. **Action: SMK** **[This action had been superseded because the issues had been resolved. The school's next step, in relation to quality assurance, was to ask for the Fire Officer to set the system.]**

Staff would be briefed and very regular fire drills would be carried out. **Action: SMK** **[It was noted that some students had triggered the alarm as a prank.]**

From Curriculum Committee Minutes 16th Jan 2019

Governors asked: The school hosts fixtures - are there any implications relating to pitch quality?

A: Liability is covered, on both sides, by schools' insurance. We know that the only long-term solution is an artificial surface but that is very expensive. **Action: Clerk** to log for F&GP agenda. **[To be addressed under Capital Expenditure]**