

The Minutes of the Finance & General Purposes (F&GP) Committee Meeting
Held on Thursday, 22nd March 2018 at 4.30 pm

Present

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

In Attendance

Tim Fenton (TF), Kendall Kingscott Chartered Architects. (For item 3.)
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 There were no apologies.
- 1.3 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. Expansion Bid

A preliminary project programme was circulated.

An extract from the DFE's CIF (Condition Improvement Fund) Guidance for 2019-2020 was also shared; the following points were drawn to the Committee's attention:

- *"A small proportion of CIF will be allocated to address expansion issues across high-performing academies and colleges. We expect this to be heavily oversubscribed.*
- *As an indication 20% of CIF 2015-16 funding was allocated to expansion projects, which was 3 times oversubscribed.*
- *If your project is to expand admissions as a result of demographic growth in the population for years reception to 11 in mainstream settings, you should contact your local authority to seek funding from the Basic Need capital programme rather than CIF.*
- *...we recognise that value for money can be securing through joining up basic need investment with addressing condition issues through a single project.*
- *Academies in areas of high basic need demand should consider working together with their local authority to maximise the impact of the available funding and demonstrating the benefits that can be accrued.*

- *Alongside the case for the expansion, academies still need to provide strong evidence to demonstrate their ability to deliver the proposed capital project through the CIF application process.*
- *Growth data must cover a 10-year period from 2014/15 to 2023/24 and should correlate with your business plan.*
- *Basic need funding is allocated on the basis of a comparison of forecast pupil numbers with school capacity, with shortfalls in capacity attracting funding.”*

The Committee noted:

- CIF bids were strengthened by the inclusion of a costed plan.
- The building would need to be ready for use by September 2020.
- The school’s financial contribution would demonstrate commitment; the school could be reimbursed for fees.
- The LA (local authority) had retained capital funding for SEND (special educational needs and disability); the LA might be willing to support the school’s bid, which would strengthen it but make it more complicated.
- It was noted that Margaret Simmons-Bird had offered to send a representative to meet with Oldfield. If Oldfield’s bid was unsuccessful it would not be able to provide a solution to the LA’s shortage of secondary school places.
- It was noted that if the school’s bid was unsuccessful but very close to meeting requirements the school would be allowed to make adjustments.
- Pursuing the ‘Basic Needs’ route was most likely to be successful.

Governors asked: By when must a decision be made? (We can’t currently demonstrate Basic Need.)

A: As soon as possible. A space analysis will be needed. Some of the information produced for previous bids can be used. There is a clear shortage of science laboratories and technical space, demonstrated in the last analysis. There is also a lack of physical space in classrooms.

Governors asked: What are the likely costs?

A: c£2 million, plus a further 10% for fees ie c£200k.

Governors asked: Will those costs include feasibility studies, planning applications and tendering processes?

A: Yes.

Governors asked: Do we have to use the funding in the financial year it is awarded?

A: No – but there is a 2-year limit.

Governors asked: Are your fees included in those figures?

A: Yes.

Governors asked: Are we materially weakening the bid by not undertaking planning etc in advance?

A: Yes, especially if planning is not dealt with because it is a new build – it is different for refurbishment projects.

Governors asked: Are fee payments made on a staged basis?

A: Yes. For example, 30% is paid at Stage 5. It should be noted that that quoted prices may change if there are significant delays. Evidence of poor condition should be collated; complaints and minutes could be used.

Governors asked: Would we need to commit up-front? If the bid for CIF money was unsuccessful, could we re-use some of the preliminary work in a Basic Need bid to the LA?

A: Yes.

Governors asked: Would the science classrooms count towards the Basic Needs bid?

A: No as the situation stands.

Governors asked: Why doesn't the LA offer Basic Needs funding currently?

A: There is a shortfall of 140 places, this is, in part, because schools are admitting students from outside of the local area.

Governors asked: If we invested in the fees but the bid was unsuccessful what wouldn't we be able to do?

A: We could proceed as planned but would have lost up to £60k, but the work that has been completed would be relevant for any future expansion plans. We don't know what future GAG (general annual grant) funding or teachers' pay increases will be. The lowest risk would be to wait for the opportunity to bid for Basic Need funding, the highest risk is to commit the funding and go ahead with the preliminary work.

Governors asked: Is it too late to bid for this year's CIF fund?

A: Yes.

Governors asked: How would our auditors view the expenditure? Is it an asset that we can carry forward?

Action: SR to check.

Governors asked: What would be the downside if we decided not to bid?

A: There would be a limit to school numbers and income.

Governors asked: What would be the impact of opening in 2021 instead of 2020?

A: We would need to manage the issues related to space over a longer period – but a shorter period puts the whole sum at risk due to the 'concertina-ing' of processes.

Action: SMK to discuss financial support for the building and SEND with the LA.

It was proposed that following be funded:

- i. Stage 0 – Project Start Up. Initial space assessment.
- ii. Stages 1 & 2 - Feasibility, Concept & Design. Costed options appraisal and feasibility study.
- iii. Items i and ii would be completed in time for the next F&GP Committee.

TF estimated costs for the above works to be c£20k. TF undertook to check the costs and confirm to SMK. Action: TF

Subject to significantly increased costs, the proposal was accepted. Action: TF/SMK.

It was noted that organisations such Bradbury Trust and Wolfson Foundation offered funding.

Action: SR to investigate. [TF left the meeting at this point, 5.10 pm.]

Governors asked: Are we content for Kendall Kingscott to run the project?

A: The company will run the tendering process and ensure that we are compliant with EU regulations, which will ensure that work is not a burden to the school. Companies wishing to undertake the actual work would have to tender.

Work above the value of £25k, 3 quotes must be provided to the F&GP Committee. Work valued above £75k would trigger a formal tendering process.

Governors asked: At what point do we need to put the work out to tender? Could we ask other companies what percentage they charge on projects (which they would usual receive on a staged basis rather than up-front as a single payment)?

Action: SR to investigate.

Governors asked: Is the Site Supervisor COSHH (Control of Substances Hazardous to Health) trained? It would very valuable.

A: I will check. Action: SR.

4. GDPR (General Data Protection Regulation)

This item had been discussed the previous week, at the full governing board meeting on 15th March 2018. An update would be provided at the next F&GP meeting. Action: SMK/PH

5. The Minutes of the last meeting (25th January 2017) and Matters Arising.

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

5.2 Matters Arising from the previous minutes

Please see Page 8.

6. Budget & Forecast 2017-2018 & Cash Flow Forecast

The following papers had been circulated:

- Five Year Budget Forecast from 1st September 2017 (as at 28th February 2018), and supporting commentary.
- Cash Flow Forecast
- Year End Accruals
- Reconciliation Statement, as at 28th February 2018
- Deposit Account Statement, as at 28th February 2018
- School Fund Account Statement (trips and visits), as at 1st March 2018

6.1 Financial Reporting: SR advised that reporting was up to the end of February 2018 - the school was halfway through its financial year.

- a. **Staffing:** Teaching and non-teaching budgets. 49% had been spent – in line with forecasts. The Teacher Supply Cover Budget was 73% spent, due to longer-term illness. An underspend in the permanent teacher budget would be used to re-balance the supply budget. Overall, other staff costs were in line with forecasts.
- b. **Premises:** The Repair & Maintenance Budget was 75% spent because urgent repair work had been needed. In order to control costs discretionary spending would be stopped; a potential underspend in the Health & Safety budget had been identified – if confirmed, this would be vired to the Repair and Maintenance budget.
- c. **Utilities:** Spending was in line with forecasts.
- d. **Transport:** In line.
- e. **Curriculum Departments:** Some budgets would be overspent if current patterns continued. However, budget holders had been provided with cost centre reports and informed that any overspend would be funded from their next financial year's allocation.
- f. **ICT** expenditure currently looked low but most of the costs would appear in March 2018.
- g. **FSM** (free school meal) forecasts had increased to cover actual costs because more students were taking them.

- h. **Income:** 52% had been received. The school had received £1k of additional funding for 16-19 provision. It had also received an extra £10k to support SEND.
- i. **Capital:** 74% had been spent. The remaining funds were reserved for the fire alarm upgrade and the school's contribution if the current year's CIF Bid was successful. It was noted that if the CIF Bid was unsuccessful the contribution would be released for capital improvement works during summer 2018.
- j. Overall, a deficit of £30k was currently forecast; spending would be tightly controlled to the year end.
Action: SMK.

6.2 Future Funding Scenarios

SMK had modelled financial scenarios. The scenarios, for the financial years until to 2021-22, provided projections based on different levels of NFF (national funding formula), variations in pupil numbers and teaching staff pay rises.

Scenario 1: Best school funding/highest pay increase March 2018
Assumes: High NFF and pupil numbers, 2% unfunded teachers' pay award.

Scenario 2: Best case
Assumes: High numbers joining Year 7 and 12, full funded pay awards. (It was noted that this scenario was extremely unlikely.)

Scenario 3: Conservative
Based on: 2% pay rise in 2018, followed by 1% in following years (all unfunded); lower NFF, moderate numbers joining Year 7 and Year 12. Capital spending plans included.

Scenario 4: Worst case scenario.
It was noted that this scenario (lower pupil numbers, lower NFF, 2% unfunded pay rise) would result in an in-year deficit by 2021.

Governors asked: Have pensions and inflation been factored in?

A: Inflation has but pensions haven't.

Governors asked: Each 1% increase to teachers' pay is equivalent to £40-50K increase to the pay bill?

A: Yes

Governors asked: The transfer to capital fund is spending on premises?

A: Yes.

Governors asked: The worst-case scenario is the only one where reserves do not increase so the picture is very positive?

A: Yes.

7. EFA (Education Funding Agency) Revenue Funding

The information from the EFA had not arrived; deferred to the next F&P Committee meeting.

Action: SMK.

8. Local Government Pay Award

Judicium (the school's Human Resources Adviser) had reported that support staff unions had not yet come to an agreement about the level of pay increases. Informally, indications were that there would be a 2% increase for each of the next 2 years. It was noted that the pay increase would be considered by the Remuneration Committee.

9. Curriculum Structure and Staffing – Long Term Implication

It was agreed that this item would be considered at the next F&GP Committee meeting. **Action: SMK**

10. School Improvement Plan

10.1 Review of Progress against elements assigned to the F&GP Committee

Please see item 17.

10.2 Appoint Link Governors for Sixth Form and Capital Development

TPD was appointed Capital Development Governor. **Action: Clerk** – update GovernorHub.

It was agreed that appointment of the Link Governor for the 6th Form would be on the next full governing board agenda; TD would lead. **Action: TD/Clerk**

11. Refurbishment and Capital Programme Update.

Outcomes of the CIF Bids to replace windows and roofing (2018/19) had not been published by the EFSA.

Governors asked: If successful, how much will the school contribute?

A: £30k.

The following works would be carried out during the Easter holiday period:

- Installation of additional CCTV; cost £8k.
- Refurbishment of main block, second floor; 5 classrooms would be painted, carpeted and refurbished; cost £66k.

Governors noted, due to unplanned remedial works, plans to refurbish the Penn Building in the current financial year might be deferred – upgrade of the Fire Alarm system was highest priority from the remainder of the year's capital allocation.

12. Staffing Update; Finance & Facilities Teams

Due to competing demands, there was no report.

12.1 Health & Safety

SR advised that school site legionella testing had been scheduled.

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

Action: TPD/SR.

13. Contracts

13.1 Utilities

SR advised that the school had signed up to the local authority to offer which provided a fixed price deal for 3 years, commencing 31st March 2018; a fixed price contract would be beneficial for financial planning during a period of national turbulence. The local authority charge was £48.5k; the school had allocated a budget of £51k.

It was noted that there was likely to be some income from the school's solar panels, estimated to be c£4-5k; the actual figure would be confirmed. **Action: SR.**

13.2 Cleaning Contract – Update

The cleaning contract had been terminated on 31st March 2018. The company had refunded £2k. The school's solicitors had advised that court action was unlikely to yield a significant financial result.

Imperial Cleaning had been commissioned to undertake cleaning from 1st April 2018-31st August 2018, as an interim measure. A tendering process would be run to appoint a new cleaning contractor from September 2018.

The school had obtained free advice and a model temporary contract from the DFE's 'Buying Hub'.

14. Academy Financial Returns for 2018

A letter from the EFSA, to all academies, outlining the timetable to ensure compliance with financial regulations had been circulated in advance of the meeting, and was noted. SR confirmed that all matters were in hand.

15. Audit

15.1 Focus of Audit West visits

Audit West had supplied a list of the areas it could review for academies. The Committee confirmed that the audit scheduled for 11th April 2018 would focus on payroll; the following audit would examine contracts and leases. **Action: SR**

15.2 Options for Audit Provision

This item was deferred to the next meeting. **Action: SR**

16. Risk Register Review and oversight on behalf of FGB

This item was deferred to the next meeting. **Action: SMK/KW**

17. KPIs (Key Performance Indicators)

KW confirmed that the Committee's 4, high level, KPIs were appropriately linked to the School Development Plan; there were no concerns.

18. Items noted for next agenda:

- GDPR – Deputy Headteacher to attend.
- Curriculum Structure & Staffing – long term implications
- CIF Bids
- Options for Audit provision.
- Health & Safety Policy review
- Accessibility Policy Review

The business concluded at 6.00 pm.

Date of the next meeting:

Thursday, 16th May 2018 at 5.30 pm

5i **Matters Arising from Previous Minutes**

From 25th January

5.6 **Occupancy Costs**

- a. Electricity contracts are due to expire on 31.03.2018.
Secure quotes from alternative suppliers, including Bristol. **Action: SR**

8.1 **GDPR (General Data Protection Regulation);
Governors asked: Do we need a Data Protection Controller?**

A: PH will establish the requirements.

Action carried forward: PH to report at the next F&GP meeting. **[Agenda – 16th May 2018]**

- 10.3 Marsh would be contracted to provide cover for 3 years **Action: SR.** **[The change had resulted in a £6k saving.]**

Governors asked: What is the level of Business Continuity cover ie for purchase of portacabins etc?

Action: SR agreed to check and increase the level of cover if necessary. **[Cover had been increased to £3 million from £2 million.]**

- 12.5 **Audit West** It was agreed that the focus for future visits, and options for ensuring systems were robust - for example peer-to-peer review - would be agreed at the next F&GP Committee meeting.

Action: SR

13. **Update on Stopping up of Footpath**

Action: Clerk - BANES letter to be shared with the Governing Board.

Action carried forward: SWe to ask Kelly Ogden (Governor for Student Voice) to advise students of the outcome.

- 15.2 **Charging & Remissions Policy.** The Committee agreed that the policy would be posted on GovernorHub; comments should be forwarded by Thursday 8th February 2018. **Action SR/Committee members.** **[The policy had been updated. It would be considered at the next F&GP meeting, 16th May 2018.]**

- 16.2 **Review Terms of Reference.** Committee members would forward comments by Thursday, 8th February 2018. **Action: Clerk/Committee.**

From 23rd November 2017

Item 3.3 (b). [Reserves Policy] The Committee agreed that the boundaries statement would be added.

Action: SR to adjust the policy and inform the governing body.

From 19th October 2017

Item 9. Budget & Forecast 2017-2018

Further action: The value of LAG funding would be added to future spreadsheets. **Action SMK.**