



**MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Wednesday 9 May 2018 at 5pm**

Present: Mr R Foster (Chair – FAP) Mr R Clark  
 Mr C Wall (Vice Chair - FAP) Mr G Rumary  
 Mr C Wade (Principal)  
 Mrs S Wright

Also present: Mrs A Eastwood (Company Secretary & Business Manager)  
 Mr R Vaughan (Vice Principal)  
 Mrs K Chard (Clerk)  
 Mr G Cole (Site Manager)

Apologies: Mr T Settle (Responsible Officer) Mrs S Harris

	<b>ACTION</b>
<p>Mr Foster chaired the meeting.</p> <p><b>1 APOLOGIES</b></p> <p>Mr Settle and Mrs Harris had given their apologies. Mr Wall had informed Directors he would be a few minutes late.</p> <p><b>2 DECLARATION OF BUSINESS INTERESTS</b></p> <p>None.</p> <p><b>3 MINUTES AND MATTERS ARISING</b></p> <p><b>Minutes – 22 February 2018</b></p> <p>Mrs Wright referred to an error on page 5, paragraph 7, <i>‘Directors discussed the fact that the Academy had signing the contract and the funding agreements with Sport England and SSDC, not Huish Leisure’ should read ‘Directors discussed the fact that the Academy had signed...’</i></p> <p>Mr Foster commented that the minutes in section 6e on page 5 did not reflect the full discussion that had taken place. The following text should be included “The value of the additional monies being requested was not being queried, the challenge was to determine whether the correct processes had been adhered to.</p> <p>Mrs Wright asked why the breakdown of Huish Leisure Administration Costs (page 1, Action Sheet Item 3), had not been circulated as agreed. Mrs Eastwood said that Mrs Chard had made this available but it had not been shared with Directors. This was an oversight and would be included within these minutes.</p> <p>Mr Rumary told Directors that on page 2, Item 4E, <i>‘Mr Rumary has also requested that COSHH assessments could be added to EEC live software so an electronic version could be kept recorded’</i>, was actually incorrect. Mr Rumary was looking in to the possibility of the documents being added, not requesting.</p>	Mrs Eastwood

**Action Sheet**

**Item 6, Huish Leisure, Directors Annual Report and Financial Statements.** To clarify what is included in administration expenses. Mrs Wright asked for a breakdown of what had increased. Mrs Chard agreed to report back a.s.a.p. Item Ongoing.

Mrs Chard

**Item 7, Huish Leisure – Directors Annual Report and Financial Statements. Mrs Eastwood to update the Academy being registered with Companies House as still ‘Huish Episcopi Secondary School’.** Mrs Eastwood clarified that the name registered with Companies House is ‘Huish Episcopi Academy’. The registered office address shows Huish Episcopi School. Mrs Eastwood explained this did not need updating. Item closed, to be removed.

**Item 11, Outturn for the Academy 2016 Financial Year. Mrs Eastwood to plot Academy reserve levels to date.** Mrs Eastwood distributed a document titled ‘Summary of Reserves Position’. Mr Clark asked why there was a £250,000 increase in 2011/12. Mrs Eastwood explained that during the first years of Academy status the school received significant levels of LACSEG funding (Local Authority Central Schools Equivalent Grant). Mr Clark asked if costs had been reduced to meet the decrease in funding. Mrs Eastwood said that several efficiencies had been put in place, which included reducing the spending on capital.

Mr Foster asked if the agreed level of reserves at £300,000 was a month’s salary. Mrs Eastwood confirmed that it wasn’t enough, it was nearer £430,000. Mrs Wright explained that the £300,000 was a historical figure. Mrs Eastwood clarified that the figure had never changed and it would be an agenda item at the next meeting to formally agree and review the figure. Item closed, to be removed.

**Item 12, Swimming Pool Project. Mrs Eastwood to request any extra funding from SSDC.** Mrs Eastwood stated that she had chased this on the 4<sup>th</sup> May and the request was being submitted to the portfolio holder. Item Ongoing.

**Item 13, Bank Account Summary. Mrs Eastwood to adjust the bank account summary to compare previous reports figures to current.** Mrs Eastwood confirmed this was on the agenda. Item closed, to be removed.

**Item 14, Review of Decisions Made. Mr Wade to investigate recruiting another staff governor.** Mr Wade stated that he had no interest from staff yet. Item Ongoing.

**4 PREMISES AND HEALTH AND SAFETY****a) CIF Outcome****History Block**

Mrs Eastwood told Directors that the CIF bid had been unsuccessful. The project application had scored 67% against a successful threshold of 76%. Mrs Eastwood explained that having met with Hadleigh Wells from Futures for Somerset, it had been agreed that an appeal was unlikely to be successful, as the condition of the building fabric had not scored highly enough. Mr Cole confirmed that there was not enough evidence to support a future or revised bid.

**Roofing**

Mrs Eastwood discussed with Directors that this bid had also been unsuccessful, although an appeal was going to be submitted. 69% had been scored against a threshold of 76% and it was thought the project may be successful at appeal, having

reviewed the criteria. The appeal closing date was 17<sup>th</sup> May and the outcome would be available in July 2018. The only grounds for a successful appeal was that the ESFA had made a material error in assessing the appeal, which had resulted in the application not meeting the threshold for success. This had occurred in the application for the J Block project. Mrs Eastwood explained that a new feature of the bids was being able to offset the value of necessary remedial work against the Academy's contribution should it be successful at the appeal stage.

Mr Foster told Directors that he had heard about 'The Wolfson Foundation' that gave grants to various educational projects. The aim was around achieving excellence. Mrs Eastwood agreed to investigate.

#### **b) Facilities Development Plan and Capital Projects**

Mrs Eastwood referred to the document distributed titled 'Capital Projects 2017-18'. The document presented three proposals for the funding of capital projects. Mrs Eastwood explained that Proposal 1 would be funded from DFCG. The capital expenditure identified would focus on classroom and office refurbishments during the summer, predominately focussed on creating a house base in what is currently the reprographics base. The Student Services reception would close with Year 7-11 students using the main reception with the fencing being adapted.

Proposal 2 - Mrs Eastwood clarified that this proposal contained items that needed completing in the next six months. Mr Cole informed Directors that the replacement heating system for the sports hall and leisure centre was being resolved by wall mounted infra-red heating. Mr Cole went on to explain that the staff room had already started being updated. Mrs Wright asked how many members of staff actually use the space. Mrs Eastwood thought that there were four or five regular users, but more PCs were required. Mr Cole then discussed the additional CCTV cameras being required to cover some of the higher priority blind spots. Mr Foster asked why not all of the blind areas were being covered. Mrs Eastwood explained that it was expensive. Mr Foster suggested there may be an advantage to buying in bulk.

Mr Foster asked what was the Academy's policy on getting quotations. Mrs Eastwood explained that as per the Academy's Finance Policy, any orders over £6,000 require three quotations. Orders over £25,000 require a full tendering process. Mr Foster asked how this was applied when there was the same supplier listed on numerous lines and how the Academy knew it was getting value for money. Mrs Eastwood explained that in some cases those particular suppliers may not be used; this was all still at the scope of works and quotation stage.

Mr Cole explained that with the CCTV, a company called Coomber's controlled and monitored the system, so it would be difficult to use another supplier. Mrs Eastwood commented that best value is always taken into account, but this could also be measured in terms of efficiency, impact on Academy operation etc. Mr Cole clarified that all projects are checked against the National Schedule of Rates.

Mr Clark asked if with Proposal 1 from DFCG, does shelving count as capital. Mrs Eastwood confirmed that DFCG is for repairs, maintenance and upkeep of buildings.

Mr Foster asked about the total amount of money being requested. Mrs Eastwood stated that £109,000 was agreed at the October meeting. Mrs Eastwood explained that £168,000 was being requested in addition, to cover Proposals 1, 2 and 3. There were several areas that needed attention, particularly in the history classrooms and an area of leisure roofing, which did need some immediate improvements, in light of the CIF projects being unsuccessful. Mr Foster asked if the Academy would be 'shooting itself in the foot' if it spent £75,000 on repairing the roof and then the CIF bid came through. Mrs Eastwood explained that no work would start before the results of the appeal were received. Mr Foster queried the scope of the History classroom refurbishment. Mr Cole explained that new suspended ceilings with LED

lighting would improve the lux levels which are currently very low. Redecorating would also cosmetically improve the space.

Mr Foster asked how much the total CIF bid was for roofing. Mrs Eastwood confirmed it was £1,300,000. The £75,000 was a patch project that would stop leaks. Mr Clark asked if the roof could be repaired in sections. Mrs Eastwood showed Directors a plan of the Academy roofing which was colour coded to identified priority areas. Mrs Eastwood also explained that a full roofing survey had been completed. Mr Clark asked if the Academy would get more points in the CIF bid if more money was put in. Mrs Eastwood clarified that this was not the case and that we had received positive scores for the financial contributions we had identified. Mr Clark asked if we spent £75,000 on roofing now, how long could this be credited against a future CIF bid? Mrs Eastwood said she would investigate.

Mrs Eastwood

Mr Cole drew Directors attention to lines 43 and 44 of the report and commented that the two external sets of doors to Huish Leisure are not automated. Although the pool has full disabled access, the main doors are the original and not fully accessible.

Mrs Wright asked why asbestos removal was listed on line 26 when line 78 showed it as completed. Mrs Eastwood confirmed this was because the order had already been part committed on the accounts system.

Directors agreed to discuss the capital implications of the three proposals once the budget had been discussed.

Mr Wall arrived, 6.05pm.

**6 FINANCIAL INFORMATION**

**a) Current Financial Position 2017/18**

Mrs Eastwood stated that Management Report 3 had been distributed.

**b) Draft Budget 2018/19**

Mrs Eastwood explained that the budget had to be submitted to the by ESFA by 27 July 2018. Mrs Eastwood referred Directors to the 'Numbers on Roll' sheet that had been distributed. This showed that the National Funding Formula does not take full effect until 2020/21 when £4,800 will be received per student. Mrs Eastwood went on to explain that the Academy is funded on student numbers from the previous October (lagged funding) and as of today the Academy has 1514 on roll. Mrs Eastwood clarified that the draft budget projects the Academy as being full. Mr Clark asked how confident the Academy was with its student number predictions. Mrs Eastwood stated that there was confidence in the numbers that are in catchment as they are based on the Somerset County Council's school population forecasts. However, 20% of the students come from out of catchment (predominately Stanchester) and this is an area where there is slightly less confidence. Historically, Stanchester has been the weaker school, but this school now has a good Ofsted report. Mrs Eastwood stated that this was why the Academy's reputation and educational performance were very important, as it ensured that the despite the two schools having the same Ofsted rating, Huish was always perceived as the better school.

Mr Wade

Mrs Wright asked how many post 16 applications the Academy had received so far for September as against last year. Mr Wade commented that applications were slightly lower. Mrs Wright stated that we need to work on increasing the 37% retention rate of our current Year 11 student population. This would be followed up by Mr Wade.

Mrs Eastwood drew Directors attention to page 3 of the draft budget and line 7,

Total School Allocation. Income for 2018/19 from General Annual grant will increase by £420,000. Mrs Eastwood explained that no figures have been included for catering yet.

Mrs Eastwood told Directors there are currently 62 students currently in receipt of Services Pupil Premium. Mr Wade explained that this information came from parents disclosing it. Mr Clark enquired as to what V904, Services to Primary Schools related to. Mrs Eastwood explained it covered IT services and PE events provided as a purchase service from the Academy.

Mrs Eastwood went on to explain to Directors that the cost of staffing increases are now starting to overtake the increases in income in the budget. Mr Clark asked about the pay awards. Mrs Eastwood explained that teaching staff increased by natural progression and a 2.5% pay award had been included even though unions are asking for 5%. It has been estimated that Teachers Pensions contributions will increase by 16.48% to 18.5%. Support staff pay award for April 2018 to 2019 had been included, although the 2019 increase had yet to be finalised with directors. It had been estimated that the Local Government Pension Scheme will increase from 20.9% to 22.9%. Mrs Eastwood explained that again catering figures are not included as not finalised (either income or expenditure), but the figures do include the new house structure and maternity leave costs.

Mr Foster asked if the Heads of House costs had been netted off with those of the Heads of Years, which would no longer exist. Mrs Eastwood said that the costs were not the same, but could not be compared as staff would be deployed differently. Mr Clark asked if a 5% in teachers' pay increase was likely. Mr Wade commented that no, schools cannot afford it.

Mr Foster asked why there was no figures in line 83, Premises Contingency. Mrs Eastwood explained that this would happen only if there was money left over at the end of the budgeting process. Mr Foster suggested that this might be something we want to include.

Mrs Eastwood referred Directors to the 'G204 Support Services 2018 Draft' distributed. Mrs Wright queried the preparation of accounts service being purchased and the fact that it was continuing next year. Mrs Eastwood clarified that it would be needed for another year. Mr Clark asked what Blue Sky was. Mr Wade explained it facilitated staff appraisals and objectives. Mrs Wright asked why we purchased a Trade Union Facility. Mr Wade explained this was something that unfortunately was required to facilitate union representatives carrying out their duties. Mr Clark queried the 'new WAN provision'. Mrs Eastwood stated that it should no longer say 'new'.

Referring back to the budget, Mrs Eastwood explained that line 18 included the capital spends from the Capital Projects Proposals 1,2 and 3 discussed at item 4b.

Mr Clark asked if the budget included a 2.5% teaching pay award for all five years going forward. Mrs Eastwood said that it only included 2.5% for 2018/19 and then reverted back to 1%. Mrs Eastwood confirmed that there was capacity within the current staffing for an increased roll. Mr Foster commented that the long term activity of the sixth form could appear to be a weakness. Mr Wade clarified that this was being discussed at the next Pay and Personnel Committee meeting. Mr Clark commented that the sixth form needed serious marketing and good results.

Mr Clark asked if there was a capital spend plan. Mrs Eastwood commented that the buildings are in fairly good condition. The roofing being the largest risk and the heating being inefficient.

Mr Vaughan stated that having looked up 'The Wolfson Foundation' Educational projects, it was only available for schools judged outstanding by Ofsted.

**Mrs Wright proposed and Mr Foster seconded agreement to capital proposals 1,2, 3 and purchase of the Huish Leisure doors on lines 43 and 44.**

#### **4 PREMISES AND HEALTH AND SAFETY**

##### **c) Swimming Pool Project**

Mrs Eastwood reported to Directors that the pool is still on track to open to the public on the 11<sup>th</sup> June. Mr Rumary asked if the groundwork outside would be complete by this date. Mrs Eastwood said that no it would not. Mrs Eastwood told Directors that tiling of the pool had started today and on Friday there were 30 tradesmen on site.

Mrs Eastwood confirmed that £16,000 had been received from the Clarks Foundation.

Mrs Eastwood drew Directors attention to a document distributed titled 'Swimming Pool, Project Summary – 08.05.18'. Mr Wall confirmed that £75,000 had been agreed at the meeting in February as a permitted overspend. Mr Foster asked where this sat in the budget. Mrs Eastwood confirmed line 163. Mr Clark said that fundraising had been discussed with the Huish Leisure board.

##### **d) Health and Safety**

Mrs Eastwood distributed a document titled 'Health and Safety Management Plan'. Directors agreed to discuss this at the next meeting.

##### **e) Summary of Work Carried Out During Half Term**

Mr Cole referred Directors to the document distributed titled 'Summary of Easter half term completed rolling maintenance programme'. Mr Cole went on to explain that PAT testing had been rescheduled to May half term. Mr Wall asked how often it was completed. Mr Cole explained that he would like to do it every year, but due to financial constraints it was every other year. Mr Wall stated that it was important to do the more significant items more regularly than the others.

Mr Wade explained to Directors that he hoped to be able to provide local primary schools a catalogue of services the Academy had to offer, this would include PAT testing as an option.

Mr Foster enquired as to what note one on page 3 referred to. Mr Cole explained that a child had hit their head in an accident outside the building whilst attending the Champion Music Rock School during Easter. Mrs Eastwood clarified that the incident had been investigated and recorded.

#### **5 AUDIT COMMITTEE**

Directors agreed as Mr Settle was not present this would be discussed at the next meeting.

#### **6 FINANCIAL INFORMATION**

##### **Leisure Centre Financial Information 2017/18**

Mrs Eastwood referred Directors to the 'Huish Leisure Management Report 5' distributed. Mr Foster asked why the AGP was making a surplus. Mrs Eastwood explained that the expenditure was being managed well, even with the £16,500 annual sinking fund being taken into account.

#### **7 FINANCIAL MANAGEMENT**

**a) Catering Contract Update**

Mrs Eastwood explained that there may be a requirement to review the staffing structure for the catering team and that this will be discussed at the Pay and Personnel Committee meeting. Mr Foster asked if a specialist adviser had been secured yet. Mrs Eastwood explained that there are three options going forward. One is to buy into the services of the Catering Manager at Castle School/Bishops Fox School, the second is to purchase the service from Somerset County Council via Jon Garside's team or the third option is to consider changing the staffing structure. Mrs Eastwood reported that she felt that changes to the staffing structure could improve the service provided. Mrs Eastwood told Directors that a meeting was taking place the following day with the Catering Manager.

Mr Cole and Mr Rumary left the meeting at 7.35pm, as the following discussions related to an employee of the Academy.

Mrs Eastwood updated Directors regarding the potential issues around the existing catering manager and her ability, and possible reluctance, to undertake the full role of catering manager across the site once the Academy took over the service in September. Mrs Wright said that the challenges with the existing catering were known before the decision was made to take the catering service in house. This was why Mrs Eastwood was going to buy in a Manager. Mrs Eastwood also explained that the ability concern had been known, but that the 'reluctance' had now become apparent. It had also only just become known that the current Taylor Shaw Area Catering Manager might be willing to work for the Academy.

Mr Foster asked if the Area Manager had expressed an interest in the role. Mrs Eastwood confirmed this was the case. Mrs Eastwood also confirmed that the job would need to be advertised, but if the Business Development Manager post was filled in this manner, then it would increase the staffing costs. Mr Foster discussed that a £36,000 profit was projected during the proposal period and any changes to the staffing structure would potentially reduce this. He questioned how this would be sustainable over time. Mrs Eastwood thought that although profit would be reduced, a better service would be offered in time. Mrs Wright reminded Directors that Mrs Eastwood's workload was not to be increased.

Mrs Eastwood explained that the consortium purchasing would still go ahead with meetings booked with suppliers in half term.

Mr Cole and Mr Rumary returned to the meeting at 7.50pm.

**b) ESFA Updates (March 2018)**

Mrs Eastwood drew Directors attention to the letter from the ESFA.

**c) Bank Account Summary**

Mrs Eastwood brought Directors attention to the 'Bank Account Balances' sheet provided. Mr Wall commented on the large balance in the Academy current account. Mrs Eastwood explained that due to the low interest rates money was not being transferred in and out as often.

**8 ACADEMY IMPROVEMENT PLAN**

Mr Wade discussed the Academy Improvement Plan, which was saved in the Governor's Area <T:\Governor's Area\Academy Improvement plan\Academy Improvement Plan May 2018.docx>

**9 REVIEW OF DECISIONS MADE**

<p>Mr Clark commented that a lot of time has been spent by both FAP committee and the Catering Working Group on evaluating the business proposal which was very useful. It appeared that the situation is fluid and potentially a £30,000 may be wiped if the staffing structure changes. A different decision may have been made at the time if this information was available then. Mr Clark went on to explain that he felt the right thing was done at the time by discussing with FAP and not bypassing directly to Pay and Personnel.</p> <p>Mr Clark also commented that he thought the materials provided tonight were very clear and easy to understand.</p> <p><b>10 ANY OTHER URGENT BUSINESS</b></p> <p>None.</p> <p><b>11 DATE OF NEXT MEETING</b></p> <p>Directors agreed to change the meeting from 11 June to 7 June 2018.</p>	
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Meeting closed at 8.10 pm