



**MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Thursday 22 February 2018 at 5pm**

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

Also present: Mrs A Eastwood (Company Secretary & Business Manager)  
Mrs K Chard (Clerk)  
Mr T Settle (Responsible Officer)  
Mr Cole (Site Manager)

Apologies: None

	<b>ACTION</b>
<p>Mr Wall chaired the meeting.</p> <p><b>1 APOLOGIES</b></p> <p>Mr Clark had informed Directors he would be a few minutes late, as would Mr Foster. Mr Wall would chair the meeting in his absence.</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</b></p> <p><b>Action Sheet</b></p> <p><b>Item 1, Review of Independent Checks. Mrs Eastwood to update the report creating a written statement for items that are partly complete.</b> Mrs Eastwood commented that this was on the agenda today and could be removed. Item complete.</p> <p><b>Item 2, Management Reports. Mrs Eastwood to investigate if income can be shown in brackets instead of as a minus figure.</b> Mrs Eastwood said that the reporting tool they used would not automatically produce the report in this format. Item complete.</p> <p><b>Item 3, Huish Leisure, Directors Annual Report and Financial Statements.</b> Miss Gallagher to find out why there were no administrative expenses shown in this year's accounts as there had been last year. Mrs Chard explained to Directors that administration expenses in the last set of accounts had been included under cost of sales instead of being listed separately. Based on the previous year's calculation they would have been £8,163, the previous year was £5,196. Mrs Wright asked for a breakdown of what had increased. Mrs Chard agreed to report back. Item Ongoing.</p> <p><b>Item 4, 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'.</b> Mrs Eastwood agreed to check the listing at Companies House and the accounts document. Item Ongoing.</p>	Mrs Chard

**Item 5, Minutes and Matters Arising. Mrs Eastwood to speak to Mr Johnson and arrange the return of the cache box.** Mrs Eastwood told Directors that the decision had been made to trial the cache box for a short period. This item should continue to be monitored as the cache box had been supplied, free of charge, by the company which employed Mr Clark. Item ongoing.

**Item 6, Premises and Health and Safety – Swimming Pool Project. Mrs Eastwood to confirm with Directors the amount of contingency on the pool project.** Mrs Eastwood confirmed the pool build contingency was £10,000. Item complete.

**Item 7, Financial Information – Leisure Centre Financial Information 2017/18. Mrs Eastwood to check the terms and cost of the maintenance contract on the AGP.** Mrs Eastwood told Directors that she would report the details of the AGP maintenance contract back directly to the Huish Leisure board. Item complete.

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

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

Mrs Eastwood explained to Directors that nothing significant had changed and this would be brought to the next meeting.

##### **B) Swimming Pool Project**

Mr Wall told Directors that Mr Foster had asked that this item waited for discussion until he had arrived.

##### **C) Electrical Distribution Upgrade**

Mr Cole informed Directors that this project started in July 2017 and would be completed by the 31 August 2018. The only outstanding areas are Art and Music due to asbestos. The project has gone extremely well.

##### **D) Summary of Work Carried out During Half Term**

Mr Cole discussed the items on the document 'Summary of February Half Term 2018'. Mr Cole explained that the new sports hall lighting had been installed and was working well. Mr Wade passed his thanks to the site team.

##### **E) Health and Safety**

Mrs Eastwood told Directors that the annual Health and Safety audit had taken place on Monday. Mrs Eastwood had just received the report that afternoon and the Academy have scored 93.5%, last year was 98.64%. No significant issues had been found. Work is required around a couple of areas within the Academy, particularly Drama and Art. One issue was around the drama storeroom at the back of H1 that is actually an electrical distribution room. An alternative space needs to be found or some partitioning installed. In the Art department, COSHH risk assessments could not be produced. Mr Rumary clarified that this documentation was in place, but could not be produced at the time of the audit. It was also identified that there were insufficient risk assessments within the Food Technology department. Mr Rumary commented that these were all departments, which had relatively new staff and each issue would be addressed. Mr Rumary has also requested that COSHH assessments could be added to EEC live software so an electronic version could be kept recorded.

Mrs Eastwood clarified that it was confirmed that Category B visits could be delegated to any Director, not just the Chair for authorisation.

Mrs Eastwood explained to Directors she had also raised the issue of the leisure health and safety audit and asked Mr Saunders to write to the company asking for clarification on some of the wording.

**5 AUDIT COMMITTEE**

Mr Settle, as Responsible Officer, chaired this section of the meeting.

**a) Responsible Officer Report**

Mr Settle clarified that the Academy purchased an Independent Checking service from SCC. These financial checks had four areas of focus – purchasing, income, payroll and general financial operations - to ensure the Academy met the requirements of the Academies Financial Handbook and the Charity Commission’s publication ‘Internal Financial Controls in Academies’. Mr Settle explained that these checks were completed by Somerset County Council as an additional check external to those undertaken by the Academy offices and auditors and should give directors assurances that processes and procedures were being followed. Mrs Eastwood and Mr Settle both confirmed that they thought the reports were very thorough.

Mrs Eastwood had circulated an updated Independent Checks action plan. Mr Wall asked why the Bacs issue had been on the report for three years. Mrs Eastwood replied that it was planned that this would be completed this summer, but had been delayed with a decision to be made around banking arrangements. Mr Settle informed Directors that a date had been agreed to discuss this. Mrs Wright and Mrs Eastwood discussed the mobile banking bus coming to Langport weekly and the fact the Academy’s local branch of NatWest is now in Street. The banking bus was not an ideal solution, as it did not provide a full range of services.

**b) Risk Register and Risk Management**

Mr Settle stated that this had been discussed at the Full Board Meeting on Monday. Mr Clark commented that he thought it was a challenge to keep operational decisions away from policy. Mr Clark thought it was a comfort to leave the executive team to monitoring and the Directors to significant strategic items.

Mrs Eastwood drew Directors attention to item 4.6 on page 12, Uncertainty surrounding funding and reducing budgets. Mrs Eastwood thought that this would need to be reviewed once notification had arrived from the ESFA regarding funding.

**6 FINANCIAL INFORMATION**

**a) Outturn for the Academy 2016 Financial Year**

Mrs Eastwood discussed with Directors the ‘Final Outturn Financial Year Ended 31 August 2017’ document that had been distributed. Row 25 shows £1,187,540 as Nett Current Assets in the accounts. Mrs Eastwood explained to Directors that a £58,000 saving on support staff had been made during the previous year following restructuring. Mrs Wright asked why there had been a teaching staff overspend. Mrs Eastwood replied that this was due to staff changes throughout the year.

Mrs Eastwood told Directors that reserves carried forward had been of a similar level for several years. Mrs Harris discussed with Directors whether the level of Academy reserves was considered high or low. Mrs Wright commented that this had been talked about over the years. Mr Clark thought that with the change in funding this might be a good time to review the level of Academy reserves. Mrs Eastwood commented that this discussion had been raised with the auditors each year who had commented that we had similar levels of reserves to other schools. Mrs Eastwood agreed to provide information regarding the levels of reserves over previous years.

Mrs Eastwood

Mr Clark asked when the increase in funding from ESFA was likely to be. Mr Wade said that the full effect of the National Funding Formula would take effect around 2020. Mrs Eastwood explained to Directors that increased student numbers would also mean increased funding. Mr Wade said that he thought the Academy should not become complacent with out of catchment student numbers as other local schools are improving. Mr Wade said that although 600 houses were being built in Somerton and 200 in Langport, the cost of transport for out of catchment students is increasing.

Mrs Wright asked how this affected the sixth form as only 37% of students are retained from Year 11 and the remainder are from out of catchment. Mr Wade explained that Mr Madge was creating an action plan for sixth form recruitment.

Mrs Wright commented that every year we use reserves to balance the budget. Mrs Eastwood replied that was correct, but each year savings are made in that year that offset the budgeted overspend. Mr Settle asked what the future may hold in the next ten years. Mr Wade thought that it would be good to find the time to go off site and make a plan and strategy.

Mr Foster arrived 6pm.

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

Mrs Eastwood explained that all carry forward had now been allocated to either the relevant cost centre or reserves. Anticipated income from South Somerset District Council and Sport England towards the pool is also included. Actual salary payments are included to the end of January, with committed sums for the remainder of the year. Mrs Eastwood clarified that once February salary figures have gone through another management report would be produced and saved in the new Governors Area on the Academy's network.

Mrs Wright asked if a department underspends on its budget, was it carried forward to the next year. Mrs Eastwood replied that it was if they requested it with a clear rationale as to why it should be. Mrs Eastwood confirmed that capitation budgets had been restricted to an allocation of only £100,000 for the past few years. The allocations to departments are made using a formula that is based on student numbers taught, key stage and a weighting for practical subjects. Mrs Wright asked if students still share textbooks. Mr Wade discussed that some subjects may do due to the change in curriculum, but this will phase out gradually. Mrs Wright asked if departments still waste money on printing. Mrs Eastwood replied that this spending had improved.

**c) Efficiency Planning and Benchmarking**

Mrs Eastwood explained that this would be discussed at the next meeting alongside the budget preparations. Mrs Eastwood also told Directors that there is an Efficiency Metric Tool available on the DfE website.

**d) Budget 2018/19**

Mrs Eastwood told Directors this would be brought to the next meeting as already advised once the ESFA funding information had been released in March.

**e) Leisure Centre Financial Information 2017/18**

Mrs Eastwood confirmed that the same paper was discussed at the Full Board meeting on Monday.

**Swimming Pool Project**

<p>Mrs Eastwood referred to the document that had been distributed. The anticipated completion date had been extended by eight weeks to 31 May. The £70,488 listed as additional cost included the pool tank treatment at £48,823. Mrs Wright asked if this was the £70,000 additional funding agreed to the project a year ago. Mrs Eastwood explained that it was not, this was in addition. Mr Clark told Directors that that initial budget allocation had been increased by £70,000 because the original tenders were higher than anticipated. The additional £70,000 on the report was for the variations listed.</p> <p>Mr Foster asked what was included under 'other additions and omissions' at - £13,863. Mrs Eastwood stated it incorporated lots of items, some of which were as low as £200 and included such things as water meter savings. Mrs Eastwood said she hadn't included the detail as she didn't feel the directors would require this at this level of discussion. Mr Foster queried why the pool tank treatment had increased in cost from £37,000 as discussed at the extra ordinary meeting to £48,000. Mrs Eastwood said that having gone out to different suppliers, it was the best quote available.</p> <p>Mr Cole explained to Directors why the £2,811 had been required for gas pipe diversion because the pipes had been found to be in a different place to the plans.</p> <p>Directors discussed which prices were fixed and firm or which were an estimate. Mrs Eastwood clarified that they were all firm apart from 'other additions and omissions', which does contain some estimates. Mrs Eastwood explained that the best prices would always be tracked down but she could not guarantee that the figures might not change.</p> <p>Mr Wall apologised for not being at the extraordinary meeting, but asked for clarification on the outcome. Mrs Wright confirmed that an £75,000 overspend was agreed.</p> <p>Mr Clark commented that Directors should have an oversight of the management team and should not need to go into detail. Mr Foster thought that Directors were perpetually being asked for more money and should not agree to write a blank cheque because as a Director it is important to ask pertinent questions. Mr Settle stated that the detail of the AGP and the pool appear to be continually interrogated, and asked whether Directors would go into such level of detail over things that might really trip up the Academy, for example Ofsted.</p> <p>Mr Wall asked whose idea was it originally to cover the pool, as Huish Leisure could not have embarked on this project alone. Mrs Eastwood confirmed that the Academy had been made aware by SSDC that Sport England had released a funding opportunity specifically for swimming pools. Mr Wall then asked why Huish Leisure was responsible for funding the additional money required. Directors discussed the fact that the Academy had signing the contract and the funding agreements with Sport England and SSDC, not Huish Leisure.</p> <p>Mr Wall told Directors that the date needed changing on the advertising of the pool development as it stated that it would open in Spring. Mrs Eastwood agreed to update. Mr Wade offered to contact The Langport Leveller with an updated press release.</p> <p>Mr Clark asked if any pressure could be put on SSDC for any extra funding. Mrs Eastwood had already made this request and would follow it up.</p>	<p>Mrs Eastwood/ Mr Wade</p> <p>Mrs Eastwood</p>
<p><b>7 FINANCIAL MANAGEMENT</b></p> <p><b>a) Bank Account Summary</b></p> <p>Mrs Eastwood clarified that this document was for information only. Mr Wall asked if it was possible to have a comparison column added to show this time and last times</p>	<p>Mrs Chard</p>

<p>figures. Mrs Eastwood agreed.</p> <p><b>b) Catering Contract Review</b></p> <p>Mrs Eastwood reported to Directors that Taylor Shaw had now been informed that the contract would be ending in August. Taylor Shaw have formally told their staff and Mrs Eastwood and Mr Wade would be speaking to all catering staff. The catering staff's response had been very positive.</p> <p><b>c) Charging Policy</b></p> <p>Mrs Eastwood explained there were no changes to the document and it was for review only. Directors agreed and approved the policy.</p> <p><b>d) Directors Expenses and Remuneration Policy</b></p> <p>Mrs Eastwood explained there were no changes to the document and it was for review only. Directors agreed and approved the policy.</p> <p><b>e) Letter to Accounting Officer</b></p> <p>Mrs Eastwood explained that the letter was regarding financial returns. Mrs Eastwood told Directors that the Academy Annual Accounts Return was submitted two days late. Mrs Eastwood also explained this was the first time in seven years that it had happened.</p> <p><b>8 ACADEMY IMPROVEMENT PLAN</b></p> <p>Mr Wade confirmed this had been covered at the Full Board meeting on Monday.</p> <p><b>9 REVIEW OF DECISIONS MADE</b></p> <p>Mr Wade commented that he would like to raise the need for a long term strategy. Mr Settle said that he thought some things had too much time spent on them and others did not. Mr Clark commented that there never seemed to be enough time and space to think. Mrs Wright offered the suggestion of a strategy committee. Mr Wade said that any strategic thinking would need to be off site and away from distractions. Mr Clark thought time was needed before that could happen to enable ideas to be developed.</p> <p>Mr Rumary questioned the number of staff governors and whether it was time to recruit. Mr Wade agreed to investigate.</p> <p><b>10 ANY OTHER URGENT BUSINESS</b></p> <p>None.</p> <p><b>11 DATE OF NEXT MEETING</b></p> <p>Tuesday 24 April 2018</p>	<p>Mr Wade</p>
<p> Action Sht FinPrem Mins 22-02-18.docx</p>	

Meeting closed at 7.10 pm