



MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Tuesday 20 October 2015 at 5pm.

Present: Mrs S Wright Mr J Wilkinson Mrs S Fielden
 Dr M Richards Mrs R Carne Mr G Rumary

Also present: Mr A Davis (Principal)
 Mrs A Eastwood (Company Secretary & Business Manager)
 Mr G Cole (Premises Manager)
 Mrs K Chard (Clerk)

Apologies: Mr D Smith

Absent: Mr R Clarke Mr P Monaghan

	ACTION
<p>1 ELECTION OF OFFICERS</p> <p>The meeting was opened by Mrs Eastwood, as Company Secretary, who explained that a nomination for the position of Chair of the Committee had been received for Dr Richards. Dr Richards confirmed he would accept the nomination. The Company Secretary explained the election process and Dr Richards left the room while Directors voted.</p> <p>Mr Eastwood asked that Directors be aware that Dr Richards would be chair of both the Finance, Audit and Premises Committee and the Huish Leisure Board. Mrs Eastwood clarified that this had happened before with Mr Coutts, and that she was also Company Secretary of both the Academy and the Leisure Board.</p> <p>Dr Richards was returned by unanimous vote as the Chair of the Finance, Audit & Premises Committee for the forthcoming year.</p> <p>Dr Richards took the Chair for the election of the Vice Chair. Mrs Eastwood confirmed that there had been a nomination of Mrs Fielden. Mrs Fielden left the room whilst directors voted.</p> <p>Mrs Fielden was unanimously voted as the Vice Chair of the Finance, Audit & Premises Committee for the forthcoming year.</p>	
<p>2 APOLOGIES</p> <p>Mr Smith had contacted the clerk to give his apologies. Mr Rumary had contacted Mrs Eastwood to say he would be late. No other apologies had been received.</p> <p>Mr Rumary arrived, 5.05pm.</p>	
<p>3 DECLARATION OF BUSINESS INTERESTS</p> <p>Directors were asked to declare any business interests that they had in relation to the agenda. Mrs Fielden commented that as she was employed by the Department of Education, if any discussions took place regarding 'fairer funding' she would not be able to get involved.</p>	
<p>4 MINUTES AND MATTERS ARISING</p> <p>Minutes of the previous meeting held on 18 June 2015 These minutes had previously been circulated and discussed at the Full Board meeting on 29 September.</p>	

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<p>Mrs Fielden asked at the bottom of page four, if the 'broader five year budget' should be on the action sheet. Directors discussed the impact of pupil numbers with this budget, and how there is an issue around the capacity of practical rooms in particular with taking larger numbers of students year on year. Mr Davis clarified that currently we take 255 students per year, but that the building of the new classroom block increases the pressure to take 270 students. Mr Davis commented that financial efficiency works best at 270, a nine class system.</p> <p>Mrs Eastwood suggested she bring the five year budget to every Finance, Audit and Premises meeting to aid decision making with current budget constraints in mind.</p> <p>Mr Wilkinson asked if practical room numbers were still capped at twenty. Mr Davis confirmed this was now twenty two, but that this was only a recommendation. Mrs Eastwood reported that in all practical classes a technician was also available.</p> <p>Dr Richards questioned whether the premises 'walk around' could take place prior to the next meeting. Mrs Eastwood said that yes, it had been omitted from this agenda but would take place at 4.15pm before the rest of the meetings.</p> <p>Directors agreed and approved the minutes from the June meeting as a true and accurate record.</p> <p>Action Sheet Directors reviewed the Action Sheet.</p> <p>Mrs Wright asked about item four, 'Summaries of AGP accounts to be brought to Finance, Audit and Premises meetings'. Mrs Eastwood agreed that this should not say 'summaries', but that full details would be given. Mrs Eastwood also clarified that the AGP figures would show all related income, expenditure and the sinking fund.</p> <p>Mr Wilkinson questioned item one, RAMIS review date of 31 December 2014. Mr Cole reported that 73 members of staff had completed the online training.</p>	<p>AE</p>
<p>Mr Wilkinson then also asked about a review of the electricity suppliers, review date of June 2015. Mrs Eastwood explained that we are currently in a bulk buy system with the local authority, but it would be worth looking at other options. A good time would be to discuss options at the April budget setting meeting.</p>	<p>AE</p>
<p>5 TERMS OF REFERENCE & RESPONSIBILITIES OF THE FINANCE, AUDIT & PREMISES COMMITTEE</p>	
<p>Mrs Fielden asked if the last but one bullet point on page two (Finance Section) 'To monitor and review expenditure' should read 'To monitor and review income and expenditure'. This was agreed. In the last paragraph on page three, Mrs Fielden wondered if we were also looking for 'improvements in efficiency' and could this be added. Mrs Fielden also commented that on page five, under 'Duties of the Audit Committee' it was slightly confusing of which 'body' was being talked about. Mrs Eastwood agreed that 'the body' would be changed to 'the Academy'. It was agreed that these amendments would be made to the Terms of Reference.</p>	<p>AE</p>
<p>6 PREMISES AND HEALTH & SAFETY</p> <p>d) Summary of Work Carried out During the Summer (this item was moved up the agenda as the premises 'walk around' had not taken place).</p> <p>Mr Cole discussed the report which had previously been circulated to Directors with the agenda,</p>	

<p>Mr Cole highlighted the problems that have occurred with the 6th Form heating. Mr Cole reported that it had cost over £10,000 to date to repair. Directors discussed whether this would be claimable under guarantee. Mr Wilkinson mentioned to Mr Cole that we should check with the contractors as to whether the repairs would be covered under 'defect liability' clause in the original contract.</p> <p>Mr Cole reported there had been no problems at all with the AGP construction and handover.</p> <p>Dr Richards enquired as to what vision panels are. Mr Cole replied that they are glass panels set in the doors, so if pupils are being interviewed individually it adds an extra layer of safety.</p> <p>Mrs Wright reported that during the previous week the Art department had complained of a leaking roof and blocked drains. Mr Cole reported that there are eleven roof sections that need to be replaced and so far two have been completed. Mr Cole promised to investigate.</p> <p>Mrs Wright enquired about PAT testing. In the budget we have gone from every year, to every two years. Mr Cole clarified that this was a rolling process over two years, to cover over 3500 appliances, and this was compliant.</p> <p>Mrs Wright asked if we had a damage or theft disclaimer sign in the car park. Directors discussed if a sign was worthwhile. Mrs Eastwood confirmed she would investigate as it may work as a deterrent.</p>	<p>GC</p> <p>AE</p>
<p>a) Facilities Development Plan and Capital Projects</p>	
<p>Mrs Eastwood discussed the Capital Projects spreadsheet, stating that a lot of the items on the spreadsheet had already been covered in Mr Cole's report. Mrs Eastwood commented that row 2, 'Other Capital Funding - Leisure Capital', no money had been spent.</p> <p>Row 3 was predominantly the roofing project that had over run and had been problematic. Mrs Eastwood reminded Directors that in order to fund this project the Academy had taken out a Salix and CIF funding loan. Repayments start in March 2016 for Salix Loan and September 2016 for the CIF loan.</p> <p>Row 4 was the pitch project. Mrs Eastwood reported that all the expenditure had been paid out, but not all the income had come in. Mr Wilkinson asked if there was any movement on the Section 106 money. Mrs Eastwood stated that the latest update from SSDC was that there was currently £91,000 of unbanked Section 106 money.</p> <p>Mrs Eastwood commented that work will start on the long jump pits that need reinstating in the spring. Mrs Eastwood said that the estimate from South Somerset was £30,900, but the quote the Academy had received was in the region of £22,000.</p> <p>Mrs Eastwood discussed the outstanding items along the bottom section of the report. Directors had previously agreed to move £89,000 to the capital pot from the general reserves. There was still a balance of £89,000 within the capital fund. In the course of the year, additional issues had arisen, e.g. lighting improvements required at the front of school now the pitch is open for use in the evenings; a science classroom had required remodelling; lighting needs to be improved in the MFL classrooms. Mr Davis suggested perimeter fencing will be needed in some places, again discovered since the AGP has opened. As a consequence some of the projects had not gone ahead and a balance remained.</p> <p>Mrs Eastwood asked Directors to agree to carry forward the £89,000 in C001 and the £17,000 Huish Leisure (C002) balances, and the list of projects will be re-developed in order of new priority.</p>	

<p>Mrs Fielden asked if there was an assessment about the site in relation to pupils with visual, hearing and physical disabilities, and does this bring forward any items in order of priority. Mrs Eastwood reported that there is an accessibility policy which is currently being revised, and which she would issue to Directors when completed. Mr Davis mentioned that in September 2017 there may be on the horizon a pupil that will require toileting facilities, hoist facilities and physiotherapy rooms. Mrs Eastwood confirmed that in September 2016 a pupil will be joining the Academy that is a wheelchair user.</p> <p>Mrs Eastwood commented that when we were a local authority school, we would have been able to apply to an access fund, but this no longer available as we are an Academy. Mrs Eastwood may approach the DFE for additional funding, but they may not provide any funding as the Academy has reserves.</p> <p>Mrs Wright asked about 'panic alarm installation in SGLC' and thought it was already set up. Mr Cole confirmed that this had been completed.</p> <p>Mrs Eastwood mentioned that she would bring to the next meeting a full financial breakdown of the AGP pitch project, including the unbanked money. Mrs Eastwood explained that there was currently a projected £41,000 underspend of the grant. The terms of the grant are that any underspends need to be paid back. Mrs Eastwood planned on approaching the Football Foundation with suggestions on additions to the project. For example, developing access to the Academy toilets for use with pitch bookings. Mrs Carne asked if this posed a safeguarding issue, to which Mr Davis confirmed that it wouldn't as they would only be used out of hours.</p> <p>Mrs Eastwood made Directors aware of an opportunity of Sport England Improvement Funding around the increased participation in swimming pools. It presented a rare opportunity to apply for funding to cover the open air pool. Somerset District Council Section 106 money would be available to draw up plans.</p>	<p>AE</p> <p>AE</p>
<p>Mrs Eastwood agreed to report back more information at the next meeting.</p> <p>Directors agreed to carry forward the £89,000 and the £17,000 to the next year dedicated towards capital projects.</p> <p>b) Somerset Council's Ongoing Responsibility as Landlord</p> <p>Mrs Eastwood confirmed that the terms of our lease require us to make a request to Somerset County Council as landlord every time we make a change to the premises, for example the addition of the new classroom block. We have done this on every occasion. We also had to notify them that we became part of the Risk Protection Assurance Insurance Scheme. The document supplied was to ensure Directors were aware that we do have obligations under the lease and that we do comply with them.</p> <p>c) Compliancy Monitoring and Standards for School Premises</p> <p>Mr Cole brought to Directors attention the Construction Design and Management (CDM) changes on page 23 of the document. Mrs Eastwood clarified that this document lists the expectations around the management of government buildings, and how the Academy meets the requirements.</p> <p>Mrs Wright asked about tree surveys. Mrs Eastwood confirmed the cost had been included in the budget this year for a tree survey to take place.</p> <p>e) Health and Safety Update</p> <p>Mrs Eastwood reported there had been two staff accidents since June. An art technician had fallen off a table and a PE teacher was hit in the face with a hockey stick. Mrs Eastwood clarified the art technician incident was reportable to the HSE as</p>	<p>AE</p>

the staff member had time off of work. This will be brought to the next Health and Safety meeting. Risk assessments are currently being reviewed. Mr Davis confirmed that the Academy had done everything reasonable to stop the accident occurring.

Two pupil rugby concussions have occurred, and we have an issue with unauthorised students being on site at night. Mr Davis commented that he thought this was happening more now that the pitch was open in the evenings. An incident had also taken place where two members of the public had come onto site during the day, entered the science block, knocked on the classroom door and asked to speak to their brother. This had caused no problem, but had raised questions over site security. Mrs Eastwood informed Directors that decisions around improved security would be included in the revised site development plan. Mr Wilkinson asked about CCTV. Mrs Eastwood explained that this was something we had identified needed to be upgraded, and will now move further up the list. Mrs Fielden asked if this could be purchased with the un-used AGP grant money, if there is a strong link between the sites being open at night and children hanging around.

Mr Cole left the meeting at 6.25pm.

7 FINANCIAL INFORMATION

a) Academy Management Report 2015

Mrs Eastwood explained the format of the management report. The staffing costs at 84.3% include Huish Leisure, which is re-charged. If that is removed it comes out at 80% which is at the very top of being acceptable.

Mrs Fielden asked how much the Academy received from the Education Services Grant. Mrs Eastwood confirmed it was £158,882. Mr Wilkinson asked about the balance carried forward of -£102,074. Mrs Eastwood explained that this was the deficit budget set the previous year as agreed.

Mrs Carne asked a question about G226, Musical instrument tuition, and that it currently had no funding. Mrs Eastwood explained that a carry forward from the previous year would be added to this pot, but that we no longer allocate any Academy money to this budget. Funding could be applied for through the old grammar school fund towards the costs of music lessons.

Mr Wilkinson asked if we need the level of detail that this management report provides. Directors agreed that yes they did. Mrs Fielden suggested that it was actually the staffing detail that was the most important as this was the biggest area of expenditure.

Mrs Carne left the meeting, 6.45pm.

b) Provisional Out Turn for the Academy 2014 Financial Year

Mrs Eastwood discussed the draft out turn report for 2014/15. There has been a total income of £7,342,052 and expenditure of £7,683,422. This gives a deficit of £341,370. Mrs Eastwood explained that the key reason for this was because we have not received all the income from the pitch, but had paid all the expenditure. Once the income was received, we would have a surplus of £108,000. As of today, Somerset County Council has £91,000 of unbanked Section 106 money.

Mrs Wright asked if the rolling over of the HR fund was a safer bet than insurance. Mrs Eastwood thought that this was the fourth year that we had not had insurance, and recently the long term absences that we have had would not have been covered by insurance anyway.

Directors discussed the reserves of £792,243 with the £492,243 being uncommitted. This would be reduced to £390,169 once the deficit for 2015/16 had been taken into

account. Mrs Fielden asked if parents had this information available. Mrs Eastwood clarified that the accounts and Finance, Audit and Premises minutes are available on the Academy website.

c) Leisure Centre Financial Information

i. Estimated Out turn for Leisure Centre Budget 2014

Mrs Eastwood confirmed there was a profit of £13,436 for the year, of which 50% would be retained and corporation tax paid on, whilst the other 50% would be gift aided back to the Academy. This would mean the leisure centre would have a £20,000 capital pot. Mrs Wright commented that she thought it was a shame that corporation tax would be payable, and that the Academy could hold the money for them. Mr Davis discussed the fact that he thought the leisure centre board were anxious about this and they wanted to keep a capital pot that could be easily accessed. Mrs Eastwood agreed to discuss the situation with Baker Tilly and report back in December.

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ii. Leisure Centre Budget 2015

Mrs Eastwood explained this was for information only and that the budget resulting in a surplus of £12,806 had been approved by the leisure board previously.

8 FINANCIAL MANAGEMENT

a) Reserves Policy

Mrs Eastwood confirmed that this document should say 'Agreed level of reserves for the academic year 2015/16' not '2014/15'. This document is in place for the current financial year and will be reviewed next summer.

Mr Davis discussed that although pupil numbers are up, the budget is flat. Mr Davis would like to create a 'shadow strategy' whereby analysing what will be cut if setting a deficit budget is not enough. The items that will be lost could be the things that make Huish special, and that the decisions will be difficult.

Mrs Fielden suggested that reviewing this maybe a good idea alongside the five year plan. Mr Davis commented that if staffing has to be reduced the price will be paid with the more vulnerable students in the lower ability groups, as the class sizes are already large in the higher achieving classes. To live within our means it is looking likely that we will have to use some of our reserves year on year to be able to maintain the standard of education and opportunities we currently provide.

Directors agreed and approved the policy, with a review at the same time as the five year plan.

b) Financial Regulations and Accounting Policies

Mrs Eastwood reported that the document was not ready due to recommendations from the Audit. Mrs Eastwood suggested that the amended document be circulated and then it could be approved at the next meeting. Mrs Fielden asked if an email list of changes could be circulated with the updated document. Mrs Eastwood agreed to do this.

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c) Risk Register

Mrs Eastwood clarified this would be brought to the next meeting.

d) Authorised Signatories

Mrs Eastwood confirmed that this document was produced every year, and was signed

by the chair. It relates to the division of duties in the appendices at the back of the Accounting Policies document.

e) Disposals

Mrs Eastwood informed Directors that scrap metal and PCs had been disposed of during the year. As the value was below £500, Directors were not required to approve the disposal, it is for information only.

f) Catering Contract

Mrs Eastwood explained that Taylor Shaw, who are our catering, contractors have an £11,000 management fee within the budget and the Academy has a £5,000 advance guarantee and a £6,000 utilities return, so they net each other off. Any profit is then split between the two companies, however there wasn't any for the last year. Mrs Eastwood informed Directors that the catering was satisfactory, but is listed in the risk register as something that needs to be monitored. Mr Davis said that he would like the standard improved, but that we have a productive relationship with the company.

Mrs Eastwood said the contract was originally set for three years, and they started in September 2013, but the contract was not signed until September 2014. It was agreed that we would test the market rather than go to full tender, but it needed to be agreed whether we use date of the end of the three operational years from the initial contract start or when the contract was signed.

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g) Academies Financial Handbook 2015

Mrs Eastwood reported that this was this year's version. Page 44 onwards is of the most relevance to Directors as a schedule of requirements. This handbook sits alongside the Academy's accounting policy document.

h) Bank Account Summary

Mrs Eastwood explained this was for information.

i) Benchmarking

Mrs Eastwood mentioned that she thought we needed to do some benchmarking in order to develop work around efficiencies.

9 AUDIT COMMITTEE

a) Responsible Officer Report

Mrs Eastwood reported that none are currently available.

b) Internal Audit Reports

Mrs Eastwood discussed that four checks are completed per year that are very detailed. Action points are noted in the document produced and actioned. for the document was provided for information, as all action points are currently being worked upon.

c) Audit Plan and Regulatory Update

Mrs Eastwood confirmed that the audit had been delivered as per the audit plan. The accounts will be presented by baker Tilly on the 2 December, but will be shared with the Chair, Vice-Chair and Responsible Officer in advance.

Mrs Wright referred to Appendix A, Audit and Regularity, and pointed out Kerry

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Gallagher is listed as Audit Principal. Mrs Wright thought she said last year that she would not be doing it again, because it wasn't considered good practice to do it for more than three years. Mr Wilkinson agreed that it had been implied that it would show over-familiarity and that she wouldn't be involved. Mrs Eastwood said that she was only involved as the Audit Partner and David Andrews was the Audit manager. Directors agree to discuss at the December meeting.

10 ACADEMY IMPROVEMENT PLAN

Mr Davis discussed the six areas around the improvement plan are as follows:

- 1 Consistently good teaching and assessment.
- 2 High levels of achievement
- 3 Outstanding curriculum
- 4 Development of outstanding personal development and behaviour for learning and welfare
- 5 Development of effective leadership
- 6 Continual development of facilities and resources.

Mr Davis discussed money set aside within the budgets to obtain these goals. Mr Wilkinson asked if the six areas of the improvement plan should be embedded in the terms of reference. Mrs Eastwood commented that no, she thought it should be kept as broad as possible.

Mrs Fielden asked if turning the situation around, we currently are spending more than we have in terms of income, could we look at areas where we don't need to spend as much money, that don't impact on these important areas of improvement.

7 REVIEW OF DECISIONS MADE

Directors agreed that the framework had been followed and good decisions had been made.

8 ANY OTHER URGENT BUSINESS

Mr Davis discussed the Student use of motor vehicles document distributed. It was explained that it had not previously been needed, but it was felt a policy needed to be in place for the future.

Mrs Fielden asked for the front page to be changed to October from September. Mr Richards asked if the points on page one could be changed to, "I will speak to his/her form tutor". "I will complete the attached contract." "I will hand in the form."

9 DATE OF NEXT MEETING

Wednesday 2 December 2015 (Approval of annual accounts).

Meeting closed at 7.55 pm.



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