



MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Thursday 12 March 2015 at 5pm

Present: Mr J Wilkinson Mrs S Wright Mr G Rumary
 Dr M Richards Mrs J Innis Mr R Clark
 Mr R Cox Mr Monaghan Mr D Smith (Responsible Officer)
 Mr A Davis (Principal)

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

Apologies: None

		ACTION
1	<p>APOLOGIES</p> <p>None. Mr Smith sent apologies as he would be arriving late.</p>	
2	<p>DECLARATION OF BUSINESS INTERESTS</p> <p>Mr Cox was currently updating his Declaration of Interests form. Mrs Eastwood commented that Mr Rumary and Mr Moncur needed to be added and Mrs Rose to be removed.</p>	
3	<p>MINUTES AND MATTERS ARISING</p> <p>Minutes</p> <p>Mrs Wright commented at the bottom of page 4 a word was missing 'an asbestos test taken the previous <i>day</i> which will affect the register'. Mr Clark mentioned that on page 3 it incorrectly cited his name as asking a question, when he was absent from the meeting.</p> <p>Mrs Wright referred to Item 4 Part B, Paragraph 2, and asked for clarification of the following sentence -</p> <p><i>"Mr Davis mentioned that on page 5, Leisure Centre financial information, the 50% profit retained mentioned earlier, Mr Davis would prefer it was stated that the default position was that the funds would contribute towards capital projects associated with the Leisure Centre. However, we would retain the discretion to use those funds as the Academy saw fit to enable flexibility around how the funds could be spent."</i></p> <p>Mrs Wright asked whether it meant that any Leisure Centre profit would stand separately within the accounts and also from any profit from the AGP. Mrs Eastwood stated that there was an understanding from the start that any profit gift aided from the Leisure Centre was kept separate from other capital project pots. Mrs Wright commented that there had always been a disagreement over this. Mrs Eastwood stated that when Directors were presented with a list of capital projects at the last meeting, the profit from the Leisure Centre was included in the whole funding available against capital expenditure. Mr Cox stated that the sentence '<i>However, we would retain the discretion to use those funds as the Academy saw fit</i>' was our get out of jail card. Mr Davis clarified that as discussed the money could be available in a general pot for use at our discretion.</p>	

Mr Wilkinson asked that “for the avoidance of all doubt,” could this statement be agreed by the next meeting as the subject keeps recurring. Mr Davis confirmed he was happy to say the profits from the Leisure Centre could go into a general pot for capital improvements as we see fit.

Mrs Eastwood reminded Directors that capital spending would have to take place within the Leisure centre, for example the sports hall lighting needed to be replaced and the squash court walls repairing, and keeping the money in a discreet pot meant that funds could be available if needed, without having to resort to the Academy reserves.

Mrs Wright commented that the Academy could not subsidise the Leisure Centre at all. Mrs Eastwood confirmed that this did not take place. Mr Cox stated that we needed to be careful about gift aiding profit across to the Academy and then holding the money back to spend on the Leisure Centre. Mrs Eastwood confirmed that discussions had been had with the accountants regarding this.

Mr Cox proposed that the minutes should stand as they are. Six Directors agreed with the proposition. Two directors did not. Mr Wilkinson declared the minutes stood as they were.

Mrs Eastwood reported to Directors about the HSE guidelines on reportable incidents and circulated a copy of a summary document. Mrs Eastwood confirmed that there have been no reportable incidents during the last term. Mrs Eastwood also confirmed that the latest Health and Safety Management Report would be brought to the next meeting.

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Directors agreed and approved the minutes from the December meeting as a true and accurate record.

4 PREMISES HEALTH AND SAFETY

a) Synthetic Pitch

All directors had been provided with an updated pack of information and in addition a meeting had been held with the Chairs of the Committees and the Responsible Officer on 6 March to discuss the AGP. Mr Davis reported that there were several different points raised by Directors at the meeting. Questions were asked around the following areas:

- 1) When would the unbanked Section 106 money likely to be received from SSDC;
- 2) the extension of the Shared Use Agreement with SSDC by 21 years;
- 3) maintenance of the AGP;
- 4) the management of lettings;
- 5) the Area North £25,000 contribution;
- 6) the arrangements for managing the AGP finances;
- 7) the requirement for the 5 metre gate indicated on the plan;
- 8) health and safety and Construction Design & Management regulations;
- 9) whether building control were involved;
- 10) and VAT around the construction.

With regards to the gate (7), Mr Davis reported that the width was to enable movement of the goals, but Mr Cole stated that he was told it was to allow emergency access. This would require further clarification.

AE

Mr Davis referred to the Football Foundation AGP Bid paperwork previously distributed and commented that figures quoted were ‘worst case scenario’. Mrs Wright asked for confirmation around the payment of the £96,000 outstanding from SSDC 106 and asked whether that payment would be made from the Academy on a loan basis.

Mr Davis clarified that the worst case scenario was that the Academy was paying £220k to get a 3G pitch and car park with a project total of £700k. Mrs Eastwood stated that within the tender the cost of the car park works are £110k alone.

Mr Cox asked what was being debated when we are so far on with the project. Mrs Wright said that we needed to make an overall plan for the Academy. Budgets are being cut, redundancies are coming up and we need to have solid reasons for proceeding.

Mr Davis mentioned two potential indirect income streams that may be possible. One would be to open the Sixth Form café whilst the pitch is let at evenings and weekends and the other to start a football academy.

Mrs Eastwood stated that if the pitch works did not proceed then the redgra would require replacement. Mr Davis then reported that the car park would also need landscaping as it only had a temporary planning permission.

Mr Davis stated that any other establishment in the local area that wanted an artificial grass pitch would be unlikely to get permission from SSDC or the Football Foundation as they have committed to ours.

Mr Davis commented that the £25k contribution offer from Area North as indicated in previous discussions with SSDC was unlikely to be received given the scale of their offer. Mr Cox said that we may be able to use Area North in the Summer to buy a one off item. Mrs Wright mentioned approaching Somerset FA as well.

Mr Davis talked about finding a balance between having enough money to see the Academy through leaner times that are undoubtedly coming against the fact that we have £800,000 in our bank accounts.

As regards the management of the AGP finances, these would be reported in a separate set of accounts. Mrs Eastwood stated that the income from the pitch would be unrestricted funds, so would not be part of the Academy's restricted funds balance.

Mrs Wright asked what the final figure would be that would be taken to the main board. Mr Davis confirmed up to £216k.

Directors agreed to recommend both the Football Foundation Grant Award and the SSDC Grant Award to the Full Board with the proviso that the Academy had received agreement from the DFE for the change of use for the car park land.

Mr Smith arrived at the meeting.

b) Health and Safety Update

A copy of the Health and Safety Audit report from January had been circulated. The Academy had scored 98.4%. The Academy had lost points on the lack of Drama risk assessments. Mrs Wright asked how this was being remedied. Mr Rumary reported that the risk assessment templates on the EEC Live system are not appropriate for what the Academy does in Drama. Therefore Mr Rumary plans on sitting in on some lessons and writing our own assessments. Mr Wilkinson asked for a completion timeline, to which Mrs Eastwood said the Summer.

Mrs Eastwood stated that the Health and Safety report for Huish Leisure was completed separately from the Academy. Mr Richards commented that the risks involved in leisure are much higher, but that the recent report result had increased from 54% to 85%. Mrs Eastwood said that good practice was always used but couldn't always be evidenced. Mr Cox asked to see a copy of the Huish Leisure

duty rota being offset by the underspend on the lunchtime supervisors. Mrs Eastwood explained that the number of lunchtime supervisors had reduced from 8 to 5, so the number of teaching and support staff on duty had increased.

Mr Smith asked who sees the Management Reports. Mrs Eastwood said the Senior Leadership Team and the Finance team. Mrs Eastwood explained that the Senior Leadership Team also received a breakdown of their own allocated budgets on a monthly basis. Mr Davis commented that maybe every half term an agenda item could be on the Senior Leadership Team's meeting to discuss the finances. Mr Smith asked if it may be appropriate as Responsible Officer to sit in on this part of these meetings.

Mrs Wright asked if the £17k shown under C002 was the profit from Huish Leisure. Could that not be used as part of the AGP? Mrs Eastwood stated that this year this amount was already rolled into the capital commitments discussed at the previous meeting when the additional £89k was requested.

b) Leisure Centre Financial Information

Mrs Eastwood reminded Directors this report was for information only as it was discussed at the Leisure Board meetings. Mr Davis confirmed with Mrs Eastwood that a similar set of accounts would be produced for the AGP. Mrs Wright asked if these accounts would be discussed at the FAP meeting rather than just being noted. Mr Davis mentioned that it was important to take a more strategic view and let Huish Leisure do the leg work on income for example. It was suggested the Responsible Officer could provide an oversight on these discussions.

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c) Budget Information 2015/16

An overview of budget information had been provided. Mrs Eastwood explained this report, confirming it showed just the General Annual Grant part of the budget. The key element that has changed is around pupil numbers. The Education Services Grant continued to be reduced to ensure that Academies are no better off than a maintained school.

Mr Davis reported a 2% pay increase could be available for exceptional teachers. If the Academy decided not to offer this pay increase, whilst other schools did, this could make recruitment more difficult.

Mrs Eastwood confirmed that Huish was in the F40 group. The members of this group were the 40 lowest funded authorities in the country. Mrs Eastwood mentioned that there is movement towards a national funding formula in 2016/17 but is unsure how that will work.

Mrs Eastwood sits on the Schools Forum which is made up of representatives from different schools who meet termly to vote on different decisions that affect the funding formula that SCC set and which in turn the EFA use to allocate funds.

Mr Cox asked Mrs Eastwood to clarify that our EFA funding is approximately £36,000 less than last year. Mrs Eastwood agreed, but this did not include the allocation for rates which would be approximately £31k. The net difference in the budget allocations would be £5k.

Mrs Eastwood flagged up to Directors future pressures on National Insurance and Teachers Pension costs, which by 2016/17 will increase employment costs by around 4%.

d) Bank Account Summary

Directors Noted.

<p>e) Risk Register</p> <p>Mrs Eastwood reported no movements had been made. There were no recommended changes.</p> <p>6</p> <p>AUDIT COMMITTEE (Chaired by the Responsible Officer)</p> <p>Internal Audit Checks</p> <p>Mr Smith invited Directors to suggest any particular areas that they would like him to focus on in his role as Responsible Office. Mr Smith also confirmed that he intended to attend as many committee meetings as possible so he gained a broader view of Academy activities.</p> <p>Mr Smith made reference to the Purchase and Income Responsible Officer Reports from SCC and that an action plan had been put together. Mr Smith mentioned he would like to come and make some checks himself, to which Mrs Eastwood said he was more than welcome.</p> <p>Mrs Eastwood mentioned that the reports follow a set template that focus on the day to day operations at the Academy.</p> <p>Mr Monaghan mentioned in the Income report 2.3 as not practical and Purchasing report 3.9 as not applicable and Mrs Wright asked about account signatories on page 16. Mrs Eastwood commented that the level of discussion over these reports at this committee needs to be agreed, as it is not intended to be a detailed discussion. It was suggested that in future a summary would be provided with a copy of the Action Plan. This would be discussed further by Mr Smith and Mrs Eastwood at their next meeting.</p> <p>Mrs Eastwood reported the Academy had had a HMRC VAT inspection. The only issue was around lettings income which in the last academic year totalled £4700.00. The issue was around claiming back VAT on purchases against this exempt income. Mr Smith asked the scale of this, to which Mrs Eastwood replied a possible bill of £800.</p> <p>7</p> <p>ACADEMY IMPROVEMENT PLAN</p> <p>Mr Davis reported that any improvements were not financial and were based around Pupil Premium due to budget cuts. Mrs Eastwood commented that the administration of Pupil Premium was time consuming and potentially an admin charge may have to be implemented.</p> <p>8</p> <p>REVIEW OF DECISIONS MADE</p> <p>None.</p> <p>9</p> <p>ANY OTHER URGENT BUSINESS</p> <p>None.</p> <p>10</p> <p>DATE OF NEXT MEETING</p> <p>Thursday 30 April 2015.</p>	
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Meeting closed at 7.30



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