

The Swanage School

MINUTES OF A MEETING OF THE FINANCE & PREMISES COMMITTEE

Held on Wednesday 4 December 2019, 6pm

Present: William Knight (Chair), Jenny Maraspin (Acting Headteacher), Nicola Newman, Isobel Tooley

In attendance: Anna Carvisiglia (Business Manager), Sue Fletcher (Clerk), Carl Styants (Governor Observer)

Item		Action	Lead	By
FP 2.1	Apologies for Absence Apologies were received from Tim Marcus and Amanda Rowley.			
FP 2.2	Declarations of Interest There were no declarations of interest or conflict with any agenda item.			
FP 2.3	Minutes of the Last Meeting The minutes and confidential minutes of the meeting held on 16 October 2019 were confirmed as an accurate record and signed.			
FP 2.4	Matters Arising & Actions Where not elsewhere on the agenda <u>FP 6.9 (2018/19) Bank accounts</u> AC reported on difficulties trying to fix a meeting with Lloyds Bank and therefore that opening a bank account has not yet been achieved. <u>FP 1.6 Use of the pupil premium</u> IT (Chair of the Student Committee) reported that trips and visits are subsidised for children on free school meals, and that the meal elements of some Challenge Week activities are not charged, which is factored into the costing of the trips. There are some ad hoc requests for pupil premium funds, and school leaders have acknowledged that a more formal process for considering and recording these would be useful. <u>FP 1.6 Balance Sheet entry</u> The Balance Sheet had been updated following identification of an error in the pension deficit figure.	Open Account	AC	Spring Term '20

	<p>FP 1.7 Salary Uplift and Pay-Scales The recommended salary uplifts for teaching and support staff, and updated teaching staff pay-scales, were approved by the full board of governors at their meeting on 24th October 2019.</p> <p>FP 1.7.1 Contracts The Chair reminded the committee that this action related to the wording of teaching staff contracts (in particular in relation to the definition of a working day) and that he and the Business Manager would consider this.</p>	Staff contract review	WK/AC	Spring Term '20
FP 2.5	<p>Reports</p> <p>I. <u>Business Manager</u> A report from the Business Manager had been circulated in advance; AC highlighted the key points and addressed questions from governors.</p> <p>i) <u>Budget monitor</u> The budget monitor was presented to end-November. In response to questions on variances, AC reported that:</p> <ul style="list-style-type: none"> - <u>Income & donations</u>: includes photographer's commission, a grant towards Lexia software and a donation from the Parent, Teacher & Friends Association which had funded new iPads for special educational needs support. - <u>Trip income</u>: has been phased over 12 months, but letters regarding Challenge Week trips were later than planned and so receipt of deposits had been pushed back. This had led to the negative variance to date. - <u>Insurance</u>: costs have not increased substantially and the negative variance showing is a phasing issue. - <u>Travel and subsidence</u>: costs related to hotel and meal costs for the Acting Headteacher whilst undertaking Ofsted inspections. <p>[Confidential minute]</p> <p>ii) <u>Balance sheet</u> The committee discussed the Local Government Pension Scheme (LGPS) pension deficit, it being noted that the tri-annual funding valuation is due. AC would share this with the committee when received. It was concluded that it would be unwise to make additional payments to reduce the deficit, as there would be no guarantee that the accounting at the local authority would be accurate on this matter, but it was noted that it might be possible to try and renegotiate the contribution if it increases.</p>			

	<p>iii) <u>Key Performance Indicators</u> There were no questions on the KPI's, which were presented year-to-date and year-end forecast based on the student census October 2018.</p> <p>iv) <u>Cashflow monitor</u> Noted.</p> <p>v) <u>Facilities management</u> AC reported that the Facilities Manager had resigned (last working day 24th December 2019). Interviews for a replacement are scheduled for w/c 9th December 2019.</p> <p>vi) <u>Review of catering services (update)</u> AC reported that the catering service was forecasted to make a loss of c-£28k in year 2019-2020, the previous year having been a loss of c-£38k (with free school meal subsidy attributed). As a result she had held preliminary enquiries with an outside caterer and presented their outline proposal for a five-year deal, for running the service with existing staff. Whilst there was still a forecast loss, which would be charged to the school, this was significantly less than the loss sustained by the school in recent years. AC confirmed that the forecast had been produced with access to the school's sales data, as it was noted that sales forecasts were higher than sales at present.</p> <p>In order to consider the proposals further, Governors requested:</p> <ul style="list-style-type: none"> - a breakdown of the school's costs for the in-house operation in a similar format, to allow for a side-by-side analysis for greater understanding of the forecast put forward - an understanding of why the company would feel able to meet their sales projections and what would happen if they did not - similar information from other companies for comparison, but not yet a formal tender process - a review of the in-house operation and analysis of costs and income to date, to a) determine if the current losses could be reduced and b) determine if the extra investments in staffing and time have delivered increased income <p>AGREED that the above should be considered prior to a decision on whether to go ahead with a formal tender process for outsourcing catering. Also AGREED that the Community & Engagement Committee should consider questions relating to ethos and marketing of potentially losing in-house catering and report back to the Finance & Premises Committee.</p>	<p>Further information and cost comparisons</p> <p>C&E Agenda</p>	<p>AC</p> <p>Clerk</p>	<p>Feb '20</p> <p>Jan '20</p>
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	<p>[The auditor arrived at 6.50pm at which point item FP 2.12 and FP 2.13 were taken before resuming the other items on the agenda.]</p> <p>2. <u>Facilities Report</u> A report from the Facilities Manager had been circulated.</p> <p>There were no RIDDOR reportable accidents since the last report.</p> <p>In response to questions, AC confirmed that:</p> <ul style="list-style-type: none"> - The two mini bus drivers own the Link-Rider company, but are employed by the school as temporary, employees until the end of the academic year, i.e. the service is not contracted out to them or Link-Rider. - The kitchen fire-shutter drop test is on the regular test schedule. - There have been some difficulties in fixing recent maintenance issues due to the building design, notably a fuse box being housed in the ceiling of the Atrium which requires a cherry-picker to access it, and replacement parts for the heating system being difficult to source. <p>A governor noted that the cold water supply, atrium doors and heating, all of which had experienced problems, are things the designated Maintenance Fund can be used for (items 73, 37 and 16/17 on the maintenance list respectively). AC suggested waiting until year end to make the decision as to whether to allocate monies from the Maintenance Fund as it is at this point that the transfer of funds will be done in the final accounts.</p> <p>3. <u>Data Protection</u> There had been no reportable data breaches. AC would remind staff to be careful in the use of emails and to use blind copy when using multiple external email addresses.</p>			
FP 2.6	<p>Policies RE-APPROVED the Health & Safety Policy, which had been substantially redrafted, subject to confirming employer responsibilities in relation to display screen equipment eye checks with regard to the level of costs towards glasses that the employer must pay if the glasses are required for screen work only.</p>	<p>Check HSE guidance</p> <p>Update & republish</p>	<p>AC</p> <p>Clerk</p>	<p>Dec '19</p> <p>Dec '19</p>

	<p>A number of other questions posed in advance had been answered and it was agreed that references to processes relating to the service level agreement with Dorset Council should stay.</p> <p>It was observed that the Virtual College offer cheap courses which might be useful for staff training updates, and AC confirmed these were already used.</p> <p>The Health & Safety Link Governor (JS) reported that she will revise the way that health and safety monitoring is done to improve effectiveness. This will include reviewing the results of tests and monitoring that required checks have been done, looking for any trends.</p>			
FP 2.7	<p>Teaching & Learning Responsibility Payments [Confidential until approved by the full governing body.]</p>			
FP 2.8	<p>Mileage Allowances APPROVED an increase in mileage payments from 40p to 45p per mile.</p>			
FP 2.9	<p>Fixed Asset and IT Register Review Received a summary of fixed asset additions for financial year ending 31st August 2019.</p> <p>NOTED the additions, including an amount for capital works by Kier, which had been finalised in an invoice dated 10/10/2018 and therefore added to the asset register during financial year 2018-19.</p>			
FP 2.10	<p>Tree Planting Governors received a proposal for a tree planting scheme which would use free saplings provided as part of a wider “Greening Swanage” scheme in conjunction with “Sustainable Swanage”, noting the long term vision to plant around the perimeter and field. Primary schools would also receive some of the trees and it is intended that some primary school children will contribute to a tree planting ceremony at The Swanage School.</p> <p>APPROVED the scheme subject to checking that the trees will not have an impact on drainage and other underground pipes and cables (it being noted that drainage pipes and underground telephone connections run across the front of the land).</p>	Check land plans for obstructions	AC (with NL & JD)	Dec ‘19

FP 2.11	<p>AUDIT COMMITTEE</p> <p>1. <u>Responsible Officer</u> WK had circulated a draft role specification for a suitably qualified independent volunteer to take on the role of Responsible Officer (which would involve being a governor) or to act as an independent auditor (which would not) to NN, which she agreed to check prior to advertising.</p> <p>Three quotes had been received for internal audits and it was agreed a decision would be needed at the next meeting either to appoint a volunteer or to contract an external auditor to conduct internal audits.</p> <p>It was noted that one of the three options (School Business Services) was significantly more expensive and governors agreed to rule them out. The current auditor Griffin Chartered Accountants had quoted (and would send different auditors to those who conduct the main audit), as had Albert Goodman. Quoted prices from Albert Goodman were similar to Griffin for conducting audits from their own specifications, but had indicated an additional charge to work from a specification provided by the Audit Committee. Governors felt there was merit in having the internal audits conducted by a different firm to that conducting the year-end audit and therefore:</p> <p>AGREED that if it is not possible to find a suitably qualified volunteer by the next meeting, Albert Goodman will be instructed to conduct two internal audits, but with a proposal to limit the cost to £500 per audit by reducing the scope if costs are set to rise beyond this. It was suggested that the first of the two internal audits could be based on one of their own specifications, with the second based on a specification set by the Audit Committee based on the risk register.</p> <p>2. <u>Submission of annual summary report to ESFA</u> Noted that Griffin Chartered Accountants will submit to the Education & Skills Funding Agency the reports of the internal audits they conducted, to meet the 31st December 2019 deadline.</p> <p>3. <u>Re-appointment of Auditors</u> Agreed to propose to the full governing body that it recommend Griffin Chartered Accountants be appointed to conduct the audit for the 2020/21 financial year [which would be conducted during Autumn 2021].</p>	Check and advertise	NN/WK	Dec '19
FP 2.12	<p>External Auditors Management Report 2018-19 [Misty Nickells of Griffin Chartered Accountants was present for this item]</p>			

	<p>The auditor confirmed that no significant risks had been identified during the audit. Revenue recognition had been done correctly and there had been no instances found of management override, which were the most significant risks areas identified at planning.</p> <p>There had been no control weaknesses identified that were of high significance.</p> <p>One weakness of medium significance related to opening balance adjustments after the previous audit, where the previous auditors had noted incorrect accounts for the postings. This had meant that the opening position on the Balance Sheet was out by c£3k.</p> <p>Two items of low significance were identified in relation to trustees (governors). The first had identified that two new trustees had not been appointed as directors on Companies' House, although had been listed on the "Get Information about Schools" website. This had been an oversight and was rectified as soon as notified. The second related to the presence of staff trustees on the governing board which was contrary to the strong preference of the Department for Education for there to be no staff trustees, other than the Senior Executive Leader [Headteacher]. However, it had been noted in the management response that this issue had been discussed by trustees and members of the Trust when the new guidance was published and that they are of the view that there should be staff governors as they make a valuable contribution to the board. MN also noted that a change to the Articles of Association would be required to remove staff trustees. The auditor outlined reasons why staff trustees can find it difficult to be privy to confidential information and have knowledge of things that may affect them or their colleagues. She also informed the committee that the Regional Schools Commissioner has been asking schools about staff trustees and recommended reviewing the need for staff trustees again. It was noted that standard practice was that staff governors were normally excluded from those parts of a meeting when staffing matters were discussed</p> <p>It was noted that the findings of the previous year in relation to the fixed asset register had been actioned.</p> <p>The Chair recorded thanks to the auditor, and to AC for their work in relation to the audit and preparing the annual financial statement and accounts. He noted that there are no outstanding actions to complete, and it was agreed that mitigation planning be discussed at a future meeting to make sure the same issues are not repeated.</p> <p>The auditor noted that the process had been smooth and all information easily available. She confirmed that no recommendations were needed in relation to day-to-day accounting or financial procedures.</p>	<p>Consider reviewing the position on staff trustees</p> <p>Future agenda item</p>	<p>FGB</p> <p>Clerk</p>	<p>Dec '19</p> <p>Feb '20</p>
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	<p>The auditor drew attention to the changes to the Academies Financial Handbook, particularly in relation to the responsibilities of the Audit Committee and suggested that the terms of reference are checked. The Chair confirmed this had been done at the previous meeting [see minutes 16th October 2019].</p> <p>Governors discussed with the auditor the risk register based approach to internal audit work, noting that the school's risk register does not currently contain many risks that lend themselves to be audited, it being noted that compliance related actions (for example monitoring the budget and deficit reduction) are routinely undertaken and therefore not registered as risks. The auditor suggested that "high likelihood, high impact" risks are those that should be prioritised, and that auditors could look at finance or governance risks. She also noted that the audit committee should have oversight of all risks, not just finance risks, although it was acceptable to delegate these to other committees to ensure they are monitored and controlled. It was agreed this would be an action for the next agenda, for at present non-finance risks are considered by the relevant committee and overseen by the full governing body rather than the Audit Committee.</p>	Review risks	Audit Committee	Feb '20
FP 2.13	<p>Annual Report & Financial Statements 2018-19</p> <p>The auditor summarised for the committee the balances at start of year and end of year, explaining the movement of monies to the designated funds for long term staff absence insurance (£50k) and maintenance (£50k). She confirmed that:</p> <ul style="list-style-type: none"> - Designated funds are unrestricted, but trustees have decided to put the funds aside for a particular purpose. Trustees could decide otherwise at any time. - Restricted funds are restricted for particular purposes and included the General Annual Grant. - General funds are unrestricted and come from other sources of income such as consultancy, school trips, lettings etc. These were showing as having decreased by £100k as this had been moved to the designated funds. Over the year the unrestricted funds had increased by c£36k. - There had been an in-year deficit of -£108k. This had left the school with reserves of £447k (restricted and unrestricted). An adjustment of £4k had been made (in respect of an amount relating to Kier in respect of opening utilities bills). The previous year's deficit had been -£94k. <p>Governors asked for an explanation of the figures in relation to unspent capital grants in-year and the auditor clarified that the expenditure showing in the accounts is the depreciation charge against the assets purchased with capital funds.</p>			

	<p>The auditor recommended that the committee review its reserves policy with a view to adding clarity on what it believes to be a “prudent” level of reserve funds. Whilst the current statement on the reserves policy did not breach any guidelines, it would be best practice to try and quantify the level of reserves in concrete terms such as one month’s payroll costs or a specific level below which the board would not be comfortable dropping as a buffer for unknown or changing costs.</p> <p>AGREED to review the reserves policy.</p> <p>AGREED the Annual Report and Financial Statements for recommendation to the full governing body.</p> <p>[The committee recorded thanks to the auditor Ms Nickells and her team. Ms Nickells left the meeting.]</p>	<p>Review reserves policy</p> <p>FGB agenda</p>	<p>F&P / FGB</p> <p>Clerk</p>	<p>Jan ‘20</p> <p>Dec ‘19</p>
FP 2.14	<p>Any Other Business</p> <p>None.</p>			
FP 2.15	<p>Confidentiality</p> <p>One item under the Business Manager’s report was confidential. The minute relating to TLR payments would be confidential until approved by the full governing body.</p>			
	<p>Next Meeting</p> <p>To be held on 5 February 2019</p> <p><u>Including:</u></p> <ul style="list-style-type: none"> - Reports (Business Manager, IT update) - Annual review of income/expenditure generating activities - Annual review of contracts, including subscriptions review - Health & Safety annual report - School Development Plan progress review 			
	<p>The meeting closed at 8.05pm</p>			