

The Swanage School  
**MINUTES OF A MEETING OF THE FINANCE & PREMISES COMMITTEE**  
 Wednesday 23 November 2016, 5.30pm

Present: William Knight (Chair), Geoff Atkinson, Tristram Hobson (Headteacher), Steve Parker, Amanda Rowley, Isobel Tooley  
 In attendance: Sue Fletcher (Clerk), Katy Kerr (Business Manager), Jen Richardson and Amelia Adkins (Ward Goodman (external auditors) for items 2.7, 2.8 and 2.9)

Items	Action	Lead	Date
FP 2.1 <b>Apologies for Absence</b> Apologies were received from Tim Marcus and Catherine Starmer-Howes.			
FP 2.2 <b>Declarations of Interest</b> There were no declarations of interest or conflict of interest with any agenda item.			
FP 2.3 <b>Minutes of the Previous Meeting</b> The minutes of the meeting held on 5 October 2016 were confirmed as an accurate record and signed.			
FP 2.4 <b>Matters Arising &amp; Actions</b>  <u>FP 1.5 Solar panels</u> KK noted that formal planning permission for the solar panel installation had been received. The leases remained with the legal team at Dorset County Council for checking and meanwhile the school was receiving the electricity generated by the panels free of charge.  <u>FP 1.5 Maintenance schedule and landscaping</u> KK reported that she and the Premises Manager had discussed landscaping and had concluded that it would be useful to ask the Community & Engagement Committee for a steer as to what would be considered to be valuable in terms of attracting prospective parents and students. This was agreed.  A maintenance schedule had been circulated. This detailed every premises item that would require renewal or repair with an estimated time-frame and cost, looking over a period of approximately 30 years. From this, a trajectory of predicted spend had been determined. This showed that for the next seven years or so the costs would be reasonable, but then rose sharply reaching the range of 50k-140k per annum which would require a significant investment in the maintenance fund. As a starting point, an incremental rise in the contribution to the maintenance fund each year had been modelled and was agreed. It was further agreed that criteria for accessing the funds needs to be set.	C&E agenda / remit	Clerk	Jan '17
	Contribute to fund as proposed.	KK	Ongoing
	Set criteria.	F&P	Jan '17



FP 2.5	<p><b>Reports</b></p> <p><b>I. Business Manager</b></p> <p>i) <u>Budget monitor</u>  There were no significant changes to report on the budget monitor and the budget was on track. Governors questioned the supply teaching staff line, which was over budget, the professional services line which had seen a significant level of expenditure in October, and the insurance line. KK would check the detail and circulate information on these lines after the meeting. The learning resources budget would be itemised for the next meeting as it contained a variety of items, including expenditure related to visits &amp; trips.</p> <p>ii) <u>Cashflow &amp; cash position</u>  A 2-year cashflow forecast to August 2018 was presented, showing 250k cash in the bank at that point if the school stayed on budget. It was recognised that this was a reasonable, though not huge, buffer against the uncertainties over funding in the coming years.</p> <p>iii) <u>IT project</u>  KK reported that the IT project to increase the number of i-desks and migrate to a new server/thin client was on track to be implemented during the Christmas holidays and an update would be provided at the next meeting. Final quotes were within the budget agreed at the last meeting.</p> <p>iv) <u>Fairer Funding Formula</u>  It was noted that the Fairer Funding Formula was part of the Education for All bill which was withdrawn by the government during November. The funding outlook was therefore more uncertain in terms of whether and when the Fairer Funding Formula might be implemented. The Senior Leadership Team (SLT) had had initial discussions on potential consequences and will be mindful of these uncertainties when allocating resources. TH noted that the issue had been discussed at a recent meeting of the Dorset Association of Secondary Heads (DASH) and agreed that representations be made by letter to the local member of parliament signed by secondary, and if possible primary, headteachers.</p> <p>v) <u>Reportable accidents</u>  No accidents required reporting in September or October 2016.</p> <p><b>2. Premises</b></p> <p>- <u>Rainwater leaks</u>: the committee were informed that since the Business Manager had circulated her written report, bad weather had led to leaks, both in new and previous locations and so it was noted this</p>	Circulate detail	KK	Nov '16
		Report on implementation	KK	Jan '17

	<p>remained an ongoing issue.</p> <ul style="list-style-type: none"> <li>- <u>Wing doors</u>: these were now working with thumb-release and the new design has prevented the problem of them slamming in the wind, however a failure to install drip trays at the top of the doors meant they were leaking when it rained. Kier has taken responsibility and will address.</li> <li>- <u>Music room acoustics</u>: the remedial work has been undertaken and the acoustics performance is currently being monitored.</li> <li>- <u>Air extraction</u>: no improvement has been noticed since it was reported at the last meeting that the air quality in the design &amp; technology and catering classrooms, as well as the science classroom, appeared to be an issue. This has been reported to Kier.</li> <li>- <u>Cold water tanks</u>: an inflow regulator had been fitted and both tanks were now operating as intended.</li> </ul> <p><b>3. Responsible Officer</b>  SP reported that he had repeated the CC8 Internal Financial Controls for Charities Checklist. In doing so, he had looked at bank reconciliation processes, income and expenditure checking, a sample of payments made by bank transfer and by card, the purchase order system and petty cash. As part of ongoing reviews of internal controls, the procedure relating to authorising and recording payroll changes (e.g. for change of role, pay or hours) would be tightened by the introduction of a formal “change” form.</p> <p>It was agreed that a statement be made to the full governing body in relation to the risks of financial crime and examples of potential fraudulent activities as it was recognised that whilst members of the committee would be aware of these, the wider governing body might be less so.</p> <p><b>4. Health &amp; Safety</b>  It was noted that the Health &amp; Safety Link Governor (Catherine Starmer-Howes) would be meeting with the Premises Manager on Monday 28 November 2016 and would be able to report to the next meeting of the committee.</p>	FGB agenda	Clerk	7 Dec '16
FP 2.6	<p><b>Financial Handbook Amendments and Letters from Peter Lauener and Lord Nash</b>  The Chair had reviewed the changes to requirements laid out in the 2016 edition of the Academies Financial Handbook and considered the requirements and advice set out in a letter to Accounting Officers dated 6 October 2016 from Peter Lauener, Chief Executive of the Education Funding, and a letter to Chairs of Governors dated 21 October 2016 from Lord Nash, Parliamentary Under Secretary of State for the School System. The Chair noted that the school and governing body were compliant in the majority of areas identified</p>			

	<p>and robust in financial oversight. A small number of issues were discussed:</p> <ul style="list-style-type: none"> <li>- The Clerk confirmed that the Scheme of Delegation had been placed on the website in its entirety and it was also noted that a summary of committee structure is available in the Annual Financial Report, also published on the website. Name and appointment details of all trustees/governors and members of an Academy Trust had been uploaded to Edubase (the Department for Education database) as is required. Additional data not previously held for members and missing for some governors (e.g. previous names, date of birth, nationality, place of birth) was being collected to populate these fields on the database to complete the records and ensure full compliance.</li> <li>- The Financial Procedures document would be updated to include a note that the school does not currently use any investment products except traditional bank accounts, but were it to do so would bring suggestions to the Finance &amp; Premises Committee to ensure the tight control required.</li> <li>- It was agreed that the authorisation of expenses for the Senior Leadership Team and governors might require an additional level of control and it was suggested that the auditors be consulted as to what would be considered prudent control.</li> <li>- The confirmation from Lord Nash that the Principal/CEO (headteacher) being a trustee (governor) of an academy is no longer a requirement and suggestion that it would be desirable to consider complete separation between the board and the leadership team, was noted. However, the Chair was of the opinion that the headteacher attending board meetings and having a vote was important. Moreover, it was noted that as the headteacher had been recruited on the basis that he would also be a governor, there could be a breach of contract if a decision were made otherwise.</li> </ul>	Continue	Clerk	Jan '17
		Add sentence to Financial Procedures	KK/SP	Jan '17
		Update procedures	KK	Jan '17
FP 2.7	<p><b>External Auditors Report</b> [This item was taken early in the meeting due to the attendance of the external auditors]</p> <p>The only issue raised in the management letter related to the updating of the list of governors at Companies House and on the website, which should be undertaken within 14 days of appointment. In noting that DBS checks are often not completed within 14 days, it was agreed that the election of governors at the Annual General Meeting of Education Swanage should represent a proposal for appointment, with the actual appointment taking place when the DBS checks are received by the school.</p>	Change appointment process, agree at FGB	Clerk	Dec '16
FP 2.8	<p><b>Annual Financial Statement</b> [this item was taken early in the meeting due to the attendance of the external auditors]</p> <p>Committee members had received a draft copy of the Annual Financial Statement for year ended August 2016, it being noted that the final sign-off would be at the meeting of the full governing body (FGB) on 7 December 2016</p>	Convene extra mtg of F&P	Clerk	For 7 Dec, 5.45pm

	<p>after the committee, SLT and the auditors had made any final comments or edits. An additional meeting of the committee would be convened to give final agreement to the Financial Statement, prior to the FGB.</p> <p>The auditors explained the most significant point of note on the balance sheet which was the defined benefit pension scheme liability which stood at minus 167k, having been recorded as an actuarial loss of 101k for the year 2015-16 (as discussed at the previous meeting of the committee).</p> <p>It was noted that a large proportion of the liabilities owed to creditors was money due to be repaid to the Education Funding Agency for the pupil number adjustment. It was agreed there should be consideration of a comment on this in the report.</p> <p>The auditors flagged three journal entries for report, however they noted these were not significant enough to require journal entry adjustments, although KK noted that she would amend the financial statements to show the Risk Pooling Arrangement fees as an expenditure item rather than an income credit. .</p> <p>The transition to the Financial Reporting Standard (FRS) 102 accounting process meant that whilst the accounting and auditing processes are the same as previously, there is now increased transparency in terms of what information is reported in the Annual Financial Statement. One significant example of this was the requirement to disclose remuneration of key staff, including staff trustees/governors.</p> <p>The auditors and Katy Kerr were thanked for their hard work and diligence during the audit.</p>	prior to FGB		
FP 2.9	<p><b>Re-appointment of Auditors</b> [this item was taken early in the meeting due to the attendance of the external auditors]</p> <p>The Chair suggested that as the school had been in operation for three years, it would be prudent and in line with financial controls to re-tender for external auditors. It was confirmed by the representatives from Ward Goodman that this would be good practice. It was agreed that the process of re-tendering would need to be finalised by June/July 2017 to be able to make a recommendation to Education Swange at the Annual General Meeting in September 2017.</p> <p>[Amelia Adkins and Jen Richardson left the meeting].</p>	Tender process for auditors	KK	June '17
FP 2.10	<p><b>Fixed Asset Register</b> Governors had received a copy of the Fixed Asset Register and noted that the threshold for inclusion on the Register was £1,000 for an individual item or group of items. A number of items of lower value remained on the Register from when a lower threshold was in place and it was agreed that it was more appropriate for accounting</p>			

	<p>purposes to leave them on the Register to run their course rather than remove them. There had been only a few additions in the past year, including a printing press, tables, sport equipment and a 3-D printer. It was noted that annual depreciation is in the region of 55k for land and buildings, 58k for computing equipment and 30k for all other items.</p>			
FP 2.11	<p><b>Any Other Business</b></p> <p><u>Data Protection</u>  KK was asked to confirm who the data protection officer is and noted that by default it is herself as Business Manager, but that she planned to discuss taking on this role with the Data Manager &amp; Exams Officer.</p>	Update at next meeting.	KK	Jan '17
FP 2.12	<p><b>Confidentiality</b>  There were no items requiring confidential minutes.</p>			
FP 2.13	<p><b>Next Meeting/s</b>  Full Governing Body: 7 December 2016  Finance &amp; Premises Committee: 25 January 2017</p>			
	<p>The meeting closed at 7.10pm</p>			