

# Colyton Grammar School

## Minutes of the Finance and Resources Committee: Part One

Date of Meeting: Wednesday 2 December 2015

Venue: Headteacher's Office

### Present:

Governors	Mr G Davis, Lt Col T J Dyer, Mr M Goscomb, Mr M Marsh, Mr B Salter, Mr R Scott, Mrs J Wainwright and Mrs F H Wilkinson
Staff	Mr A Gregson
Visitors	None
Secretary	Mr S R Cook

### 1. Disclosure of Interest

There were no disclosures of interest.

### 2. Apologies

Apologies were received from Dr C Bastin, Mrs S Burns-Price and Mr G Hayne.

### 3. Approval of Minutes of Meeting held on 1 October 2015

These were approved and signed.

### 4. Matters Arising

#### (a) Item 11: Health and Safety Report – Boiler Room Fire

Mr Cook reported that quotations had been received from four companies for the replacement of the boilers, following the electrical fire in the main school boiler room, as follows:

- Murch and Baker - £28,657.87
- Modern Heating Solutions - £29,580.85
- Radiate - £31,175.70
- Wemco - £34,506.72

The quotations had been submitted to Zurich Municipal who appointed McLaren's as loss adjusters. Approval has been granted for Murch & Baker to carry out the works. Following a visit from their engineer, it has been agreed that the most of the installation of the new boilers can be completed without disconnecting the existing plant. The final connection will take place on a Saturday, thus avoiding an interruption to the heating in the Main School building.

There is no excess payable on this work, but the £575 cost of demolishing the existing brick flue and the installation of the new drainage pump (£1,438) are not covered as these are classed as "improvements".

#### (b) Item 7(a): Colyton Play Area

In response to Mrs Wilkinson, Mr Cook reported that there has been no further communication about the proposed Colyton Play Area.

There were no other matters arising.

### 5. Annual Financial Statements for the Year Ending 31 August 2015

Mrs Wilkinson drew the attention of the Committee to the Annual Financial Statements for the Year Ending 31 August 2015, together with the Audit Completion Report and Letter of Representations which had been circulated prior to the meeting.

She reported that the accounts have been audited with no issues arising, and that she together with Lt Col Dyer and Mr Cook had participated in a closing meeting with the auditors

Mr Cook drew attention to:

- The note on the increase in the FRS 17 pension deficit from £1,012k to £1,156k in line with the report provided by the actuary. He pointed to the auditors' conclusions that the increase is consistent with other schools for which they act in Devon, and had been reviewed by their technical partner.
- The minor recommendation regarding the review of prepayments related to educational visits which has been addressed
- The summary of changes to the Academies Financial Handbook for 2015/16 in Audit Completion Report
- The following additional note required under Note 20, to reflect the decision of the Board on 9 July

*"The entire Alumni and Friends Fund (Unrestricted) has also been designated by the Trustees for special purposes as agreed by the Board."*

It was agreed that this note should be added to Note 20.

In response to Mr Goscomb, Mrs Wilkinson and Mr Cook explained that following the recommendation in the Audit Completion Report for 2013/14, an additional section was added to the Responsible Officer's check which requires Mrs Hopkins to check all of the Headteacher's expenses. It was noted that the claims submitted by both Mr Evans and Mrs Wainwright are for relatively small amounts, and that it may be necessary to review these arrangements should the level of claims made by the Headteacher increase.

In response to Lt Col Dyer, it was noted that the format of the Letter of Representations needs correction. Mrs Wilkinson confirmed that the Letter of Representations is a standard document used by auditors to obtain confirmation from the organisation being audited on a range of issues. The draft letter produced by Frances Clark contains some additional representations specifically for academies. She also explained the Education Funding Agency's requirement for a "regularity" report.

Proposed by Mr Marsh, seconded by Mr Scott and unanimously agreed that:

- (a) The Board should be recommended to approve the Annual Report and Financial Statements for the year ending 31 August 2015
- (b) The Board should note the contents of the Audit Completion Report
- (c) The Board should be recommended to authorise Dr Bastin to sign the Letter of Representations

## **6. Best Value Review**

Mr Cook reminded the Committee of the requirement in the school's Best Value Policy to identify at least one area of school activity for Best Value monitoring and reporting as part of the annual review. Last year the Committee had considered Income Generation. Following discussion it was agreed that the area for monitoring and review should be the cost implications of increasing PAN 5 forms of entry, to include issues such as accommodation, staffing and other expenditure. It was suggested that Mr Cook should work with Mrs Wainwright on staffing and accommodation issues, and also involve Mr Harris (headteacher designate). In response to Mr Goscomb, it was noted that while the chosen area relates more to financial planning than best value review, it was appropriate that this should be the focus in a year of significant change.

## **7. Multi Academy Trusts – Update**

Taken under Part Two Minutes.

## **8. Review Insurance Arrangements from 1 April 2016**

Mr Cook drew the attention of the Committee to the paper which had been circulated prior to the meeting. He also reported that the current Long Term Agreement with Zurich Municipal expires on 31 March 2016, and outlined the arrangements for using the CPC framework for academy insurance and the alternative Risk Protection Arrangement (RPA) scheme provided by the Education Funding Agency (EFA). Mr Cook indicated that the RPA has undergone significant development since its introduction in 2014, although some areas, such as school foreign travel cover and motor insurance would still need to be covered by a commercial provider.

Following discussion, it was agreed that:

- (i) The levels of cover from 1 April 2016 should be as indicated in the paper circulated prior to the meeting, subject to the standard index linked uplifts. Mr Cook was asked to check on the Personal Accident cover for volunteers and governors. In response to Mr Goscomb it was agreed to obtain quotations for Business Interruption cover both at the existing £1m level and also for £2m.
- (ii) Quotations should be sought under the CPC framework, using the levels of cover as agreed above.
- (iii) A quotation under the RPA scheme should also be obtained, together with an up-to-date evaluation of the scheme. Quotations for the additional insurances not covered by the RPA scheme should be sought from the companies nominated in the CPC framework.

## **9. Finance Working Party Report**

Mr Scott drew the attention of the Committee to the Notes of the Finance Focus Evening held on 12 November 2015. He focused in particular on the following:

- The two meetings held already, and the Finance Focus Evening which dealt with the major proposals. Mr Scott emphasised that the work of the Finance Working Party is ongoing, and a further meeting will be held early in the new year.
- The scores resulting from the workshop activity considering the various income generation and cost cutting proposals.
- The measures which were not considered at the meeting due to time pressure i.e. opening a school Charity Shop, merchandising, celebrity lectures, the production of a promotional DVD, the employment of a fundraiser, the use of the Bradbeer Fund and opportunities for re-structuring the Senior Leadership Team. It was recognised that the Board needed to find an early opportunity to discuss these ideas.
- The particular need to finalise a decision on the Development Officer role. In response to Lt Col Dyer, Mr Scott suggested that the trawl for volunteers so far has had limited results and governors need to take a long term view. Mr Goscomb pointed to the potential for a former student, former member of staff or similar to fulfil a volunteer role. The benefit of volunteer administrative support for fundraising was noted, although Mr Gregson pointed to the reduction in the number of volunteers willing to help in the Library. Mrs Wainwright suggested an appeal to the parent community for volunteers and this was agreed.

Mr Scott pointed to the benefits of CASE membership, including sample job descriptions, recruitment and training, and emphasised that he felt it will be

difficult to make any significant progress in fundraising until a paid development officer is appointed for at least two days per week.

Mrs Wilkinson suggested the possibility of integrating this role with a replacement Business Manager role.

It was agreed that Mr Scott should use CASE to assist with specifying a fundraiser role.

- Confirmation that the school has been asked to host BBC Any Questions on Friday 13 May 2016, using the Cottrill Hall, as part of the 470th anniversary of the founding of the school. It was agreed that governors should consider who could be invited as guests, and that this would be discussed at the next meeting. Mrs Wilkinson thanked Mr Scott for his suggestion to make this offer to the BBC.

#### **10. Catering Report**

Mrs Wilkinson drew the attention of the Committee to the Catering Report which had been circulated prior to the meeting. It was noted that the option for increasing Take Five prices by 5% in each of the next 3 years was supported strongly at the Finance Focus Evening. It was agreed that prices should be increased from Easter 2016. The importance of presenting this as part of a package of measures to address the funding challenge was noted. The explanation for the increase should include the fact that prices were last increased in September 2013, and there should also be a comparison with prices at other schools.

#### **11. Colyton Leisure Partnership Forum Report**

Mr Cook reported that he and Mrs Wainwright had attended the last meeting of the Colyton Leisure Partnership Forum at the school on 6 October 2015, but to date no minutes had been received. No major issues were raised at the meeting.

#### **12. Draft Management Agreement for Sports Centre and All Weather Pitch**

Mrs Wilkinson drew attention to the draft Management Agreement for the Sports Centre and All Weather Pitch, and the accompanying paper, which had been circulated prior to the meeting.

Mr Cook briefly outlined the background to the agreement. A minor typographical error in clause 4.5(iii) was noted.

It was agreed that:

- (i) The *de minimis* figure for determining revenue and capital repairs and purchases should be set at £2,000
- (ii) In relation to clause 4.2(b) dealing with a financial adjustment if the Agreement is terminated, Mr Cook should seek the advice of the school's solicitor on a payment based on twice the net value of the terminating party or parties contributions to the costs less the linked share of income over the year prior to termination. The purpose of this payment would be to reflect the increased liability on the party or parties not terminating the agreement, reduced by 20% each year over 4 years, but paid in one lump sum at the point of termination.
- (iii) In relation to clause 4.10 dealing with disputes, that the wording suggested by Sport England's Executive Director Community Sport is adopted as follows: "...to a person nominated by the Director of Community Sport (Sport England) or equivalent"
- (iv) Prior to negotiations with East Devon District Council and Leisure East Devon commencing, the agreement should be considered by the Leisure Partnership Forum

at the next meeting. It was also agreed that Dr Bastin and Mr Cook should represent the school in the subsequent negotiations, and that it should be suggested that one of the two district councillors on the Leisure Partnership Forum should also be involved.

It was noted that the plan which forms part of the Agreement will be completed on receipt of a suitable plan from TFQ Architects.

### 13. Capital Projects Report

#### (a) Condition Improvement Fund Bids 2016/17

Mr Cook reported that the deadline for the submission of Condition Improvement Fund (CIF) bids for the current round is noon on Wednesday 16 December 2015, and decisions will be notified in March 2016. TFQ Architects have prepared draft bid reports for the Staff House and Feoffees' Building projects. Mr Cook is currently completing the online application which requires significant supporting information in addition to the architect's bid report.

#### *Staff House*

Following a Stage One Tender process, Fifields Construction Ltd (Sidmouth) have been selected as the preferred contractor and TFQ are currently negotiating with them to prepare a realistic Cost Plan for the bid.

Mr Cook presented a number of funding options based on last year's overall cost as follows:

Funding	2014 Bid	Option 1	Option 2	Option 3
CIF Grant	£562,837	£562,837	£758,837	£498,837
School Reserves	£260,000	£196,000	£0	£260,000
PA Grant	£20,000	£100,000	£100,000	£100,000
Wolfson Trust	£46,000	£30,000	£30,000	£30,000
DFC	£19,000	£19,000	£19,000	£19,000
Total	£907,837	£907,837	£907,837	£907,837

These figures take into account the commitment from the Parents' Association to raise £100k through the Space4Science campaign, and also the indication of a £30k maximum grant from the Wolfson Trust.

Mr Salter suggested an alternative option, based on a request for 45% grant funding from CIF and 55% from other sources including school reserves. Mr Cook pointed to the advantage of the non-CIF element being used to the expansion elements of the scheme, so that the CIF application could be classed as a "condition" bid, and thus be more likely to gain approval. It would not be possible to identify the separate sums involved for the "expansion" and "condition" elements until negotiations with Fifields Construction Ltd have been completed.

#### *Feoffees' Building – Roof and Windows*

Mr Cook presented details of the quotations obtained to date for the required works to deal with the roof problems on the south elevation and the replacement of all the windows and rooflights. When professional fees, the cost of making good water damaged suspended ceilings and a contingency sum are taken into account, the project is likely to cost in the region of £170k.

Discussion focused on the following elements:

- The importance of Staff House project in providing both an additional Science Lab and lecture theatre, and the improved and increased staff accommodation
- Whether submitting only the Staff House project would increase the chances of this bid being successful
- The opportunity to maximise the contribution from the school and other sources to the Staff House project, in order increase the likelihood of approval, and the level of the contribution from school reserves, including a proposal for a contribution of 40% from the school and 60% CIF grant application
- The use of the Bradbeer Fund for a prestigious development, rather than for the general running costs of the school
- Mr Cook emphasised the urgency of the roofing elements of the Feoffees' project.

Following discussion, the following recommendations to the Board were agreed, subject to the outcome of the final cost negotiations with Fifields Construction Ltd and advice from TFQ Architects:

- To make a minimum contribution of £450k and a maximum contribution of £500k from the school (including other sources such as the Parents' Association, Wolfson Trust and Devolved Formula Capital)
- To submit only the Staff House project and to consider funding the roofing elements of the Feoffees' project from school reserves and submitting a separate project next year for the replacement windows

(b) West Court

Mr Cook reported that apart from some additional planters, the works on the West Court project have been completed, and the outdoor table tennis tables have been installed. The use of the area is being discussed with the School Forum.

**14. Revenue Funding Position at 31 October 2015 and Reserve Position**

Mrs Wilkinson drew the attention of the Committee to the financial statements, including the detailed narrative, which had been circulated prior to the meeting. The Committee expressed satisfaction with the report.

**15. Responsible Officer's Report**

Mrs Wilkinson drew attention to the Responsible Officer's Report for the Autumn Term 2015 which had been circulated prior to the meeting. It was noted that no issues were raised.

**16. Municipal Mutual Insurance**

Mrs Wilkinson reported that there have been no further demands for payment from Municipal Mutual Insurance (MMI). The annual accounts for the year ending 31 August 2015 show a provision of £34,009. MMI have, however, written to all creditors indicating that a further demand for payment will be made in April 2016, based on the end of year position as at 31 March 2016.

**17. Bradbeer Fund**

Mr Cook reported that the Bursary Panel meeting for the Autumn term took place on Thursday 8 October.

Following a number of grants to individuals, support of departmental residential visits and contributions towards the cost of various competitions, there is a balance of £4,370. In view of the increasing demand on the Bradbeer Bursary scheme, the Panel have suggested a reduction from 20% to 15% for the proportion of the costs of educational visits eligible for a grant. This proposal is included in the revised policy to be considered under Item 18(c).

The Committee noted the decisions taken under Item 13(a) above regarding the use of the Bradbeer Fund to support the Condition Improvement Fund grant applications.

**18. Policies for Review**

Proposed by Lt Col Dyer, seconded by Mr Marsh and unanimously agreed that the following revised policies which had been circulated prior to the meeting should be approved, subject to the changes noted below:

(a) 16-19 Bursary Fund

(b) Best Value Policy

(c) Bradbeer Bursary Fund

(d) Insurance Policy

In response to Mr Goscomb, Mr Cook explained the links to other aspects of risk management. In terms of insurance claims, apart from minor travel claims there are only very small numbers of claims for other areas and these are reported to the Finance and Resources Committee.

(e) Pupil Premium Policy

It was agreed that the measures relating to attendance in the draft policy should be updated to reflect those used in the Pupil Premium Statement

The Committee also approved the proposed Pupil Premium Statement for 2014/15.

In view of the carried forward balance of £37,727 from the previous year, it was agreed that

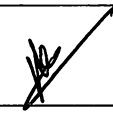
- (i) For one year only the amount available for individual Pupil Premium Accounts should be increased from £575 to £875
- (ii) A sum of £5,000 should be made available for additional support for Pupil Premium students e.g. LSA support, individual tutoring or mentoring, School Counsellor support, careers support.

**19. Any Other Business**

There was no other business.

**20. Next Meeting**

Training Evening - Budget (all governors) – 6.30pm on Wednesday 20 January 2016  
Committee Meeting – 6.30pm on Wednesday 9 March 2016

Signed:		(Chairman of Committee)
Date:	9 Mar 2016.	