

Colyton Grammar School

Minutes of the Finance and Resources Committee – Part One

Date of Meeting: Thursday 27 April 2017 2017

Venue: Headteacher's Office

Present:

Trustees	Dr C Bastin, Mrs S Burns-Price, Mr G Davis, Lt Col T J Dyer, Mr M Goscomb, Miss M Nickells, Mr T Harris (Headteacher) and Mr R Scott
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Staff	None
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Visitors	Mr I Griffin
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Secretary	Mr S R Cook (in the absence of Mrs S Smith)
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Item	Minute	Action
1	Disclosure of Interest	
	There were no disclosures of interest.	
2	Apologies	
	There were no apologies.	
3	Approval of Minutes of Meeting held on 30 November 2016	
	These were approved and signed.	
4	Matters Arising	
4(a)	<i>Item 4(a): Sports Centre and All Weather Pitch Agreement Update</i>	
	Mr Cook reported that there have been no further developments since the last meeting.	
4(b)	<i>Item 4(d): School Business Manager Recruitment Update</i>	
	Miss Nickells reported that Mr Ryan Lewis takes up the new post of Director of Finance and Resources on 1 May 2017, and will be working alongside Mr Cook until the end of May. Mr Cook reported that Mr Lewis has spent three days at Colyton, meeting staff and exploring key areas of the role. This has included a number of detailed discussions with Mr Harris and Mr Cook.	
4(c)	<i>Item 6: Best Value Review</i>	
	It was agreed to defer selection of a Best Value focus for 2016/17 to the June meeting, in order that Mr Lewis can be consulted.	
4(d)	<i>Item 7: Security Review</i>	
	Mr Cook reported that significant progress has been made with the	

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	<p>actions agreed at the last meeting, including:</p> <p>(a) <u>New All Weather Pitch Path</u> As a result of the email consultation in March, O'Brien Building Services were awarded this work at an agreed cost of £19,583.12. The works have now been completed satisfactorily and the new path is open.</p> <p>(b) <u>Signage</u> All the new signs have been delivered, and the majority have been installed. The total cost is £1,150.</p> <p>(c) <u>Gates</u> The new gates have been ordered from Quicks Engineering at a cost of £2,674 and should be installed in the next two weeks.</p> <p>Other works identified in the review, including additional CCTV coverage and fencing in a number of more vulnerable locations, will be completed by the end of the summer break.</p> <p>Mr Harris reported briefly on arrangements to be put in place to provide supervision of the Front Lawn area (which students use during the summer months) and the West Court.</p> <p>Mr Harris also highlighted a number of concerns with the new Colyford play area location.</p>	
	There were no other matters arising	
5	Policies for Review	
	<p>Miss Nickells drew the attention of the Committee to the following draft revised Travelling Expenses and Subsistence Payments policy which had been circulated prior to the meeting.</p> <p><i>RESOLVED: Proposed by Mr Davis seconded by Mrs Burns-Price and unanimously agreed that the Travelling Expenses and Subsistence Payments policy should be approved, with the addition of a sentence explaining insurance cover for those driving on school business.</i></p>	Secretary
6	Funding Update and Provisional Budget	
	<p>Miss Nickells drew attention to the Draft Provisional Budget and Five Year Plan which had been circulated prior to the meeting.</p> <p>Mr Cook emphasised that this is a provisional document, partly because of these significant uncertainties and also because the new Director of Finance and Resources will need to review the budget prior to the June meeting of the Finance and Resources Committee. Following that meeting, it is the role of the full Board to approve the budget plan for 2017/18 at the meeting in July.</p>	

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	<p>Mr Cook then gave a presentation focusing on the following issues:</p> <ul style="list-style-type: none"> • Assumptions used to calculate income under the National Funding Formula as currently proposed • Post-16 funding - no increase in the basic student amount of £4,000 • The loss of the Education Services Grant from 2018/19 • Higher general inflation and food inflation rates than for the 2016/17 plan • The Institute of Fiscal Studies estimate of an 8% real terms reduction in school funding over the period 2015 to 2020 despite the promise of “cash-flat” funding • Cost uncertainties relating to curriculum changes, staffing changes and utility costs • Issues relating to the Take Five budget • Projections of the overall surplus/deficit for the next five years, compared with last year’s projections • A new section identifying a number of key budget “risks”, with associated controls and notes <p>In response to Miss Nickells, Mr Cook agreed to modify the format of the summary and detailed budget reports to show specific dates for the year headings and to standardise the use of brackets for surplus and deficit figures.</p> <p>Trustees addressed the key budget questions identified in the provisional budget plan, raising a number of important issues for discussion, as follows:</p> <p>1. <i>Do trustees agree with the assumptions on which this budget plan has been based?</i></p> <ul style="list-style-type: none"> • Mr Griffin suggested that the use of a <i>per capita</i> figure for funding would help to emphasise the significant of the funding challenges, rather than the total funding rates • Dr Bastin expressed his disappointment with the National Funding Formula proposals, when the expectation had been that schools in Devon which has historically been near the bottom of the funding league table, would benefit rather than significant reductions • In response to a number of trustees, Mr Cook explained that the National Funding Formula protection is based on the 2017/18 funding as a static reference amount, whereas the Minimum Funding Guarantee compares the current year funding with the previous year • Mr Griffin suggested that the debate on school funding is not 	

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	<p>helped by schools appearing to “fight” with each other, rather than addressing the central issue that the overall funding “pot” is too small.</p> <p>While trustees took the view that the assumptions on which the budget plan had been based were reasonably safe against a context of very significant uncertainties, a number of issues were raised:</p> <ul style="list-style-type: none"> • Mr Griffin cautioned against making far-reaching curriculum decisions based on assumptions that are built upon so many uncertainties • Mr Goscomb indicated that financial impact of curriculum changes is one significant element of uncertainty, and that therefore decisions need to be made within the context of the overall culture and longer term vision of the educational purpose of the school, in order to remove one area of uncertainty and safeguard the school’s future. Mr Harris reflected on the important of maintaining the distinctive nature of a selective school. • In response to Lt Col Dyer, Miss Nickells confirmed that schools are allowed to set a budget with an in-year deficit providing they have sufficient reserves overall to cover the shortfall. She also explained the action that the Education Funding Agency (EFA) would take if a school moved into an overall deficit. She emphasised, however, that the school has built up a strong reserve position in order to cover the in-year deficits caused by the impact of lagged funding in the first few years of the expansion to five forms of entry. • In response to Mr Goscomb, it was agreed that while Mr Cook’s estimate of a reduction in the National Funding Formula floor protection from minus 2.9% to minus 3.4% from 2020/21 was reasonable, given that no information is available about the level of protection beyond 2019/20, it would be helpful to show the sensitivity analysis included in the Risk Review on page 11 in the tables showing overall surplus/deficit positions. It was also agreed that a further line should be added to the sensitivity analysis showing the impact of a fall to minus 3.9%. <p>2. <i>Are trustees confident that the budget risks identified are adequately controlled?</i></p> <p>It was noted that there are very significant uncertainties as discussed above, and that the budget plan would need to be revised, as indicated in the risk review, in the light of new information as it becomes available.</p> <p>In relation to Take Five, Lt Col Dyer fully supported the move toward showing the full cost of operating this facility by the introduction of</p>	

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	<p>an Admin Service Charge, and it was agreed that this aspect should be communicated to parents and students when explaining the rise in Take Five prices. It was suggested that a rent element should also be included.</p> <p>3. <i>Is there any further action that trustees should take in the light of the very significant uncertainties around the introduction of the National Funding Formula?</i></p> <p>It was agreed that school might need to re-visit the campaign regarding fair National Funding following the general election.</p> <p>4. <i>Do trustees agree with continuing the policy of removing all but the most urgent IT development costs from the budget?</i></p> <p>In response to Lt Col Dyer, Mr Cook outlined the background to this policy, explaining that an element of protection is provided by the inclusion of urgent and/or essential items (such as the Storage Area Network hardware included in the plan for 2017/18) and the recommendation that the Finance and Resources Committee should give first priority to applying any unexpected surplus to a priorities list of IT development projects at one of the summer term meetings.</p> <p>Mr Goscomb emphasised the important of clearly distinguishing “essential” and “desirable” projects.</p> <p>5. <i>Do trustees agree with the proposed funding of the shortfall on General Annual Grant (GAG) funding by drawing on the unrestricted reserves fund?</i></p> <p>Mr Griffin suggested it would have greater impact with parents if the General Unrestricted Fund was described as “Emergency Reserves”</p> <p>Mr Goscomb reminded the Committee that the Development Officer had initially been appointed on a three year contract, and so this would need to be reviewed for 2019/20 onwards.</p> <p>It was agreed that Mr Lewis should be asked to undertake a review of the provisional plan and bring forward revised proposals to the June meeting of the Committee, taking into account any further government announcements on the National Funding Formula and related funding issues.</p> <p>Mr Goscomb also suggested that the Finance and Resources Committee agendas should include a review of benchmarking data on an annual basis, providing an opportunity to explore this area in greater detail than at the recent Training Evening.</p> <p>In view of the close link between the Five Year Budget Plan and the requirements for capital funding, Item 12 was taken at this point.</p>	
7	Responsible Officer Arrangements	
	Miss Nickells drew the attention of the Committee to the paper which	

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	<p>had been circulated prior to the meeting.</p> <p>Mr Goscomb suggested a third option based on involving the school's external auditors in identifying areas of risk on an annual basis which would then be the focus of the Responsible Officer's work for that year. Mr Cook suggested this approach could be used as a variation on the risk-assessed option included in the paper circulated prior to the meeting</p> <p>It was agreed that Mr Lewis should be asked to bring forward detailed proposals to the next meeting on the basis of Mr Goscomb's suggestion, as outlined in the paper and discussed above.</p>	
8	Approve Travel, Subsistence and Cover Rates – September 2017	
	<p>Mr Harris, Mr Davis and Mrs Burns-Price disclosed an interest in this item.</p> <p>Miss Nickells drew the attention of the Committee to the paper which had been circulated prior to the meeting.</p> <p><i>RESOLVED: Proposed by Mr Scott, seconded by Dr Bastin and unanimously agreed that the revised rates as proposed in the Travel, Subsistence and Cover Rates document should be approved as from 1 September 2017</i></p>	
9	Approve Lettings Charges – September 2017	
	<p>Miss Nickells drew the attention of the Committee to the paper which had been circulated prior to the meeting.</p> <p><i>RESOLVED: Proposed by Mr Goscomb, seconded by Mr Scott and unanimously agreed that the revised rates as proposed in the Travel, Subsistence and Cover Rates document should be approved as from 1 September 2017</i></p>	
10	Support Services for 2017/18	
	<p>Mr Cook reported that firm quotations for the various services provided by Babcock/Devon County Council and Somerset County Council are not yet available.</p> <p>It was agreed to defer this item to the June meeting of the Committee.</p>	
11	Financial Statements: March 2017	
	<p>Miss Nickells drew the attention of the Committee to the Financial Statements for March 2017 which had been circulated prior to the meeting, including the detailed narrative.</p> <p>Mr Cook drew particular attention to:</p> <ul style="list-style-type: none"> • The reduction in projected income from bank and deposit account interest, due to reduced interest rates 	


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	<ul style="list-style-type: none"> • The below budget income from donations, due to lower than anticipated parental contributions to the Alumni and Friends fund. It was agreed that Dr Styles should work with Mr Harris and Mr Lewis to raise the profile of this scheme with both current and new parents • The overall surplus to date of £37,140 on all staff cost lines, due partly to savings on maternity leave cover and changes to the Senior Leadership Team. • The improved financial performance of Take Five, although the catering budget continues to be closely monitored in the light of the discussions at the Finance and Resources Committee meeting in November <p>The Committee expressed satisfaction with the Financial Statements for March 2017.</p>	
12	Capital Projects	
	<p>This item was taken immediately after Item 6 above.</p> <p>Miss Nickells drew the attention of the Committee to the paper which had been circulated prior to the meeting</p>	
10(a)	Cottrill Hall Project	
	<p>The Committee noted the successful conclusion of the negotiations on the final settlement figure for the Cottrill Hall project.</p>	
10(b)/ 10(c)	Condition Improvement Fund Bids: Staff House and Five Forms of Entry Expansion	
	<p>Mr Harris and Mr Cook reported on the unsuccessful outcome of the bids for both the Staff House and Five Forms of Entry Expansion.</p> <p>Mr Cook reported that brief feedback on the CIF bids had been published this afternoon. The Five Forms of Entry bid had score 61% against a threshold score of 67% for gaining funding, and the feedback was very positive about performance, high levels of demand, the school's financial contribution, project milestones and deliverability. The feedback included a comment about lower marks for "the proportion of pupils from disadvantaged backgrounds which it currently serves". Taken together these comments provide a strong base for refining any bid under the Selective Schools Expansion programme when details are announced.</p> <p>The feedback on the Staff House contained a number of inaccuracies and conflicts with feedback on previous bids. The bid scored 51% against a threshold of 74%.</p> <p>Mr Harris then drew attention to the needs identified in the paper</p>	

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	<p>circulated prior to the meeting as follows:</p> <ul style="list-style-type: none"> • The additional Science Lab (taking into account not only the curriculum requirement, but also the £100k raised by the Parents' Association and the £25k available from the Wolfson Trust) • The need for at least 6 additional classrooms and possibly a further additional Science Lab as part of the expansion to five forms of entry • The potential to meet the requirements for additional accommodation without Phase Two of the expansion programme as a result of other curriculum changes yet to be determined. • The need to address the serious condition issues in the existing Staff House and provide essential additional staff accommodation, not only to meet current needs but the additional needs of an expanding staff as the five forms of entry move through the school <p>Mr Harris outlined the proposal to convert T1 to a general Science Lab at a cost between £50k and £60k, rather than pursuing the stand-alone option on the Staff House site. The remaining balance on the funds raised by the Parents' Association would be reserved for the provision of a second Science Lab as the five forms of entry expansion moves through the school. Mr Harris expressed his thanks to the Parents' Association for their remarkable success in raising £100k towards this project.</p> <p><i>RESOLVED: Proposed by Mr Goscomb, seconded by Mr Scott and unanimously agreed that work to finalise plans for the conversion of T1 into a general Science Lab should continue, and that Mr Lewis should circulate quotations for the building works and lab fitting for approval when they become available</i></p> <p>Mr Harris also reported on the decision to convert the current Food Technology room to a general Maths classroom, which had been made possible by the changes to the way in which Design and Technology is being delivered from 2017/18 onwards.</p> <p>Mr Harris then outlined the proposal from the Department for Education (DfE) to automatically roll-forward the Five Forms of Entry Expansion bid to the new Selective Schools Expansion Programme and suggested that initial contact with the DfE and the feedback from the unsuccessful CIF bid gave grounds for reasonable expectation that a bid would be successful. . It was noted that the publication of the Education White Paper, which will include details of this programme, has been delayed by the general election.</p> <p>Trustees fully supported a proposal to revise the "Outcomes" section of the CIF bid to emphasise the focus on seeking to attract higher numbers of disadvantaged students</p> <p>Mr Harris commented on the very positive meeting with Mr Karl</p>	

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	<p>Devincenzi from the University of Exeter, which is likely to lead to significant collaboration on identifying areas where disadvantage students are under-represented both at Colyton and in the progression to Higher Education. He also commented on the way in which some selective schools are setting quotas to increase the proportion of disadvantaged students gaining admission, and the potential advantages of moving away from commercial selection tests to the nationally standardised Key Stage 2 results.</p> <p>Mr Harris also outlined the DfE shift to including a wider group (the “Just About Managing”/JAMs) in the programme to widen participation. Mr Griffin suggested that the school should look at a range of strategies for attracting and supporting JAMs, including e.g. reduced price school food.</p> <p>In response to Mrs Nickells, Mr Cook outlined the provision that is available through the Pupil Premium Fund and the Bradbeer Fund for meeting the costs of transport to school. Mr Harris explained the work he is doing to bring together all the information about financial support into one simple “Promise” document that can be used with the parents of potential applicants.</p> <p>Trustees then discussed the various options for bidding under the Selective Schools’ Expansion programme, as follows:</p> <ul style="list-style-type: none"> • Option One: existing Phase One Five Forms of Entry project only • Option Two: Combination of Phases One and Two of the Five Forms of Entry project • Option Three: Combination of the Phase One of the Five Forms of Entry project and the Staff House project • Option Four: Combination of both phases of the Five Forms of Entry project and the Staff House project. <p>In discussion the following issues were raised:</p> <ul style="list-style-type: none"> • Miss Nickells suggested that Option Four would be unlikely to gain funding, in view of the 150+ schools that are likely to be seeking funding from the £50m programme. • It was generally agreed that the Staff House project should be included in the bid, with an emphasis on: <ul style="list-style-type: none"> - The need to increase the capacity of staff facilities as student numbers grow by 25%, particularly as they are currently inadequate - The need to make some provision for the additional support required by larger number of disadvantaged students e.g. a counselling room, access to study materials and “quiet study” space after school etc <p>Mr Harris also reported on progress with the “Significant Change”</p>	

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	<p>application.</p> <p><i>RESOLVED: Proposed by Mr Goscomb, seconded by Mr Scott and unanimously agreed that a bid should be prepared on the basis of Option Three (the combination of the Phase One expansion programme and the Staff House development) for submission under the Selective Schools Expansion programme. It was agreed that the two elements should be shown as two separate projects or Parts One and Two of the same bid, depending on the details of the bid process yet to be published.</i></p> <p>Mr Cook then distributed a draft Heads of Terms document prepared by the school's architects which East Devon District Council have asked for in support of the planning application for the Five Forms of Entry expansion. The document indicates an estimate cost of £12.5k for the widening of 83 metres of Stafford Lane between the Take Five service entrance and the main car park entrance, with a proposed contribution of 50% from the school. It was noted that the proposed agreement is subject to both planning approval and a successful bid for funds from the Education Funding Agency.</p> <p><i>RESOLVED: Proposed by Lt Col Dyer, seconded by Mr Goscomb and unanimously agreed that the draft Heads of Terms document should be submitted to East Devon District Council, and that the costs of this work should be included in the bid to be submitted under the Selective Schools' Expansion programme.</i></p>	
13	Risk Register	
	<p>Miss Nickells and Mr Cook drew attention to the papers which had been circulated prior to the meeting as follows:</p> <ul style="list-style-type: none"> (a) A paper explaining the Risk Register and suggesting key review questions (b) A Review Report showing the elements that have changed on the Risk Register since the last review. (c) The Risk Register, filtered to only show risks pertinent to the Finance and Resources Committee and colour coded as previously agreed <p>Mr Cook drew attention to the following changes:</p> <ul style="list-style-type: none"> (a) The new risk and controls relating to the likelihood that the introduction of the new National Funding Formula will lead to a significant reduction in grant funding. It was noted that it is not considered that this risk is adequately controlled. It was agreed that the response should be changed to "tolerate" and it was noted that this risk would need to be reviewed after the announcement of the government's response to the second stage of the consultation. 	

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	<p>(b) The lowering of the risk factor for the existing risk relating to the delay in the introduction of the National Funding Formula leading to a shortfall in funding, in the light of (a) above.</p> <p>(c) An additional control for the existing false invoice/payment risk about warning staff about phishing emails, including those containing false invoices. Mr Cook emphasised that alongside the technological defences in place to protect the school's IT systems, individual staff have been reminded of the importance of not clicking on "suspicious" links or responding to "suspicious" emails.</p>	
14	Bradbeer Fund	
	<p>Mr Cook reported that the Bursary Panel will be meeting on Tuesday 16 May.</p> <p>Following the approval of a revised Bradbeer Bursary Fund policy at the last meeting of the Committee, the guidance and application forms have been revised.</p> <p>He reported that the value of the Bradbeer Fund at the end of March 2017 was £465,763.</p>	
15	Any Other Business	
	There was no other business	
16	Next Meeting	
	Thursday 22 June 2017 at 6.30pm	

Signed:		(Chairman of Committee)
Date:	28/06/17	

