

AYLESBURY GRAMMAR SCHOOL

RESOURCES INCLUDING FINANCE COMMITTEE MINUTES OF THE MEETING HELD ON 5TH NOVEMBER 2015, 8.00AM



PRESENT: Mr G Gate (Chairman) Mrs G Miscampbell
Mr P Bown Mr M Pilkington
Mr M Brock Mr M Sturgeon (Headmaster)
Mr J Collins Mr R Williams
Mr K Hardern

IN ATTENDANCE: Mr P Aston Observer
Mr A Bates BDO Auditors
Mrs C Cobb Clerk
Mr D Shiels Premises Manager
Mrs R Wilson Finance Director

APOLOGIES: Mrs J Dennis Apologies received and accepted

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 APPOINTMENT OF CHAIRMAN

In accordance with the terms of reference, Mr Gate was unanimously appointed as Chairman for one year.

3 APPOINTMENT OF VICE CHAIRMAN

Mr Williams was unanimously appointed as Vice Chairman for one year.

4 AUDITORS FEEDBACK AND REPORT

Mr Bates from BDO previously circulated his report and further reported to Governors on the audit recently carried out as follows:

- The audit process went very smoothly
- The finance team are very organised and efficient
- Page 10 "Going Concerns" - the Auditors concur with the going concern judgement
- Page 11 "Reserves" it is very positive to see the unrestricted reserves have been built up to £330,000
- Page 14 demonstrates there are strong and robust processes in place
- Page 21 nothing was brought to our attention which needs to be reported to the EFA
- **Mr Williams asked if it is policy to increase the reserves from £250,000 to £330,000?** Governors agreed the last sentence in this section should be removed as the original intent of the policy was to achieve a stable reserve level of £250,000
- **The Chairman asked if the report had been received from the external pension expert?** Mr Bates responded that their pension department had reviewed the assumptions used by the BCC actuaries and found all the assumptions used to be reasonable.

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- **Mr Brock asked if other schools had similar levels of reserves?** Mr Bates responded it varies a lot between schools depending on the balance sheet position at conversion to academy status.
- Governors requested clarification on the restricted and unrestricted reserves. The Resources Director responded that the restricted reserves represents unutilized income from the EFA which must be used to finance specific areas, particularly education including GAG funding, pupil premium funding etc., Unrestricted reserves represents money raised by the school from other operations including money received for uniform, catering etc. Unrestricted funds can be used for unspecified purposes
- **Mr Bown asked if the reserves could be used for the pension deficit?** The Resources Director confirmed they could not be directly used to offset the pension deficit, however, they could be used to fund other activity releasing other funds to cover future increases in contribution rates if required.
- Pages 7,8,9,10,11 and 12 have all been recorded correctly
- Page 13 shows no irregular transactions were found. In future it would be useful to have documentation to support the thought process, as to why a contractor who undertook a capital project was then used for other work, showing that best value was clearly achieved during the tendering process, and in the appropriate circumstances that it was justified to transfer this value judgement to further work without re-tendering. The auditors need documented rationale for the decisions made. The Resources Director responded the school carries out a periodic tendering process for contractors who are used regularly but this isn't repeated every time they come into school. The Financial Procedures Manual has been updated to reflect this practice. Governors discussed the topic at some length, noting that for relatively small value works the cost and time of re-tendering is part of the value judgement set against existing data and market expectations.
- **Mr Williams asked whether the school required tenderers to state whether they had a connection with the school and requested that in future on tender documents a requirement to disclose any association with the school should be included.** All agreed an amendment to the financial procedures manual should be made to reflect this
- In summary Mr Bates reported the accounts are clean and tidy and there is no reason why Governors should not be sign them off
- Mr Bates agreed to email the letter of representation to the Resources Director so it could be signed at the FGB meeting

Mr Bates left the meeting.

5 MINUTES AND MATTERS ARISING

5.1 MINUTES OF THE MEETING HELD ON 20TH MARCH 2015

The minutes of the meeting held on 20th March 2015 were previously circulated and agreed to be a correct reflection of the meeting.

5.2 MATTERS ARISING

There were no matters arising.

5.3 MINUTES OF THE MEETING HELD ON 11TH JUNE 2015

The minutes of the meeting held on 11th June 2015 were previously circulated and agreed to be a correct reflection of the meeting.

Resources
Director

5.4 MATTERS ARISING

- **Solar panels** – The Headmaster reported the panels have been fitted but they have not yet been commissioned. This is expected to happen during November. The initial quote changed from a 50kw – 48kw system with feed in capabilities to the national grid. **Mr Aston expressed a concern that during the process it has been established that the base electricity load through the night is 35kw (which seems inexplicably high), and the accounts are showing an increase to electricity costs of 11%, and this was being investigated. Mr Collins asked if anything was learnt from the experience of buying in the solar panels?** The Chairman responded that the committee agreed the installation of solar panels at Summer RiF based on ability to export all power and the current feed in tariff (FIT). The school was later informed that the export grid connection was limited to export 11kw of spare electricity. This change meant that the energy usage of the school had to be re-evaluated to ensure that the solar panel production could be absorbed by the school and that the investment would still be financially viable (which it was in fact still believed to be). To improve future projects the full economic position on all capital expenditure should be considered more fully at the outset before receiving approval and contracts are awarded.
- **School wide development study** – The Headmaster reported an architect has been appointed to draw up a master plan and feed back to the next meeting, so far he has had some impressive ideas.

5.5 MINUTES OF THE MEETING HELD ON 3RD JULY 2015

The minutes of the meeting held on 3rd July 2015 were previously circulated and agreed to be a correct reflection of the meeting.

5.6 MATTERS ARISING

There were no matters arising.

6 FINANCE REPORT

The Resources Director had previously circulated a report to all Governors. Arising from the report:

- **2014/15 Position – Mr Hardern asked if there was an impact following the resignation of the maths technician?** The Headmaster responded the post had been fully funded in the past from the Science specialism, however, since the ending of the specialism funding this post has been funded from the school budget. A review of the role had been undertaken and, whilst some activity would be affected it was decided on balance not to seek a replacement.
- **Statutory Accounts – Mr Williams asked why was there a balance for the science block?** The Resources Director responded this was due to the residue of monthly income from direct debits being received and collated in the bank account and it would be put towards the next phase.
- **Approval of accounts** – Governors agreed the accounts for 2014/15 should be recommended for approval to the FGB.
- **2015/16 – Mr Hardern felt the charge of £12 per hour for 4 squash courts was extremely good value.** The Resources Director responded the price has been set in line with other local providers, all be it a little cheaper, but it was important to ensure the

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courts were available for the community to meet the Sport England criteria.

- **2016/17** – The Headmaster reported income for 2016/17 is likely to be calculated using the same formula as 2015/16, however, with the loss of the Sixth Form protection and an inflationary increase to costs there will still be a reduction in funding. **Mr Hardern asked if the Government continues to be lobbied on funding?** The Headmaster responded there was a meeting recently of Grammar School Heads at the Houses of Parliament. At local level the Headteacher of AHS has worked extremely hard to get Schools Forum reformed, it might not improve funding but it will make things more transparent. AGS is the 6th worst funded secondary school nationally. Governors expressed their concern at the iniquity of this situation and agreed the subject should be referred to the FGB for further discussion.
- **Science Block Campaign** – The Headmaster reported the Development Director has made a successful application of £50,000 to the Garfield Weston Foundation; added to £100,000 received from the William Harding Charity in the summer, this brings the total funds to £154,000 for phase 7.
- **Financial Procedures Manual 2015/16** – Governors approved the financial procedures manual as circulated and requested in future for all track changes to be shown.
- **Remissions and Charging Policy and Letting Charges** – The Remissions and Charging Policy was approved as circulated. **Mr Hardern asked how much income is received from lettings?** The Finance Director responded £60,000. **Mrs Miscampbell asked if all associated costs of lettings were covered?** The Finance Director confirmed they were and a small amount of income is generated. Governors discussed and agreed all letting charges should increase by 5%, the Finance Director agreed to inform the lessees.
- **Risk Register** – The Finance Director had previously circulated the risk register with updated key changes. Governors noted health and safety was a high risk and staff training needs to be undertaken. The Headmaster reported external monitoring is taking place but not across the whole school site. The Chairman asked whether, if H&S is identified as a high risk area, the school is doing enough to cover this topic. Governors discussed and agreed an external health and safety overview should be undertaken and reported back to RiF.
- **Mr Aston asked if a business continuity plan had been drawn up?** The Finance Director reported it had and is currently being updated and agreed to bring it back to the next meeting.
- **KPI's** – All agreed upon the recommendation of Mr Hardern that the KPI's were amended to reflect the unrestricted reserves should be maintained at £250,000.

FGB Agenda

Finance Director

Finance Director

Headmaster

Finance Director

RiF Agenda

7 RESPONSIBLE OFFICER REPORT

The Responsible Officer had previously circulated her report. The Governors noted the recommendations incorporated in the report and specifically requested the need for a float for the Biology department be reviewed.

Governors also reviewed and agreed the proposed schedule for 2016 noting that this reflects the key risks highlighted in the risk register.

Responsible Officer

Governors asked for thanks to be passed to Mrs Atkin for carrying out the visits.

8 PREMISES REPORT

Mr Shiels came into the meeting

Mr Shiels had previously circulated a report. Arising from the report:

- **Sixth Form Centre** – Urban Projects Bureau has been instructed to draw up plans and will assist with the CIF bid. The cost per day is £500 and a cap of £2,500 has been agreed.
- **Old Science Laboratories – Mrs Miscampbell asked if there had been any disruption to lessons whilst work was being undertaken?** The Headmaster confirmed there had been no disruption.
- **Fire Alarm** – Mr Shiels reported a fire alarm survey has just been carried out and a number of issues have arisen. A quote of £29,000 has also been received with the intention of modernizing the system and would include a new zoning system and panel. The Chairman expressed his concern and felt a survey of the fire fighting and alarm system for the whole premises should be carried out, with an action plan and list of all areas. Given the potential seriousness of the issues raised Governors agreed a sub-committee to include Mr Aston, Mr Brock and Mr Williams should be formed to review (if the anticipated cost was above the Headmaster's level of authority) the recommendations of the Headmaster and Mr Shiels following the full survey and it would if such approval was needed from the committee have delegated powers to make a decision on behalf of the committee to place any order for works. Governors further discussed and agreed the cost of the works was likely to be quite considerable that this might be considered as one of the two CIF bids the school would be making
- **CIF Bids** – Governors noted the CIF bid applications had to be submitted by the middle of December and agreed to leave it to the Headmaster and Mr Shiels to agree which of the three areas (replacing the windows, fire alarms or sixth form centre) should be applied for.
- **Chemistry Plans – The Chairman asked if there were specifications written for the chemistry laboratories?** Mr Shiels responded they would be written by 12th November. **The Chairman asked where the school was on the budget setting process?** Mr Shiels responded an estimate for the fit out has been given, the chemistry laboratories (x5) will be £70,000 each, physics laboratories (x2) will be £50,000 and common parts £50,000, making a total of £500,000. A structural survey has been carried out and no structural work needs to take place. The Headmaster reported the plan is to complete the two physics laboratories with the money currently available (£154,000) and then complete each chemistry laboratory one at a time. **Mr Williams asked if there were any restrictions or timelines on the two grants obtained?** The Headmaster confirmed there were not. **The Chairman asked if the reserves should be drawn on with a view to repaying them once funds have been raised?** The Finance Director responded she would be uncomfortable with committing the reserves with the uncertainty on future funding. Governors discussed and agreed that the school should go ahead with the two physics laboratories, one chemistry laboratory and enabling works for all five chemistry laboratories at a cost of £180,000, the funding would come from the £154,000 from fund raising and grant applications and a further £26,000 from reserves if further fundraising income had not been received. The work would then be targeted for completion by the end of March. In parallel the new Science fundraising campaign will

Mr Aston, Mr Brock and Mr Williams

Headmaster and Mr Shiels

RiF Agenda
(December)

be launched and a further decision on how to progress with the remaining four chemistry laboratories and common parts would be taken at the next meeting. Governors also agreed a sub committee to include the Chairman, Mr Aston, Mr Brock and Mr Williams should be formed to consider the tenders and appoint a contractor.

- **Old Biology Laboratories** – The Headmaster confirmed the cost of making good this area would come from the premises budget.

9 CONTRACTS AND LEASES

The Finance Director had previously circulated the contracts and leases the school had entered into, there were no further comments raised.

10 HEALTH AND SAFETY COMMITTEE

This Committee met on 9th October 2015, minutes were circulated to all Governors. Arising from the minutes:

- **Mr Hardern asked if there were any issues raised at the recent fire drill?** The Headmaster responded a few small issues and they are being addressed through the fire procedures.
- **Mr Aston proposed and Mr Shiels agreed to further investigate carrying out a refresher NEBOSH course.**

11 DATE OF NEXT MEETING

Friday 11th December 2015 at 12.45pm
Thursday 3rd March 2016 at 8.00am
Thursday 16th June 2016 at 8.00am

ACTION
and Spring
Term agenda)
Chairman, Mr
Aston, Mr
Brock & Mr
Williams

Mr Shiels

The meeting closed at 10.30am

Signed Date
CHAIRMAN