



EPA Directing Board Finance & Resources Committee

**(Draft) Minutes of meeting held Tuesday 11th October 2016 at 5.30 pm
at Bartholomew School (Library)**

Present: **Committee members:**
 Tony Booer (AKB) – EPA Director, Governor at Stanton Harcourt School
 Paddy Coulter (PC) – EPA Director (Directing Board Chair), Governor at Bartholomew
 Andrew Denham (AD) - Headteacher, Standlake CEPS
 Michael Ryan (MR) – EPA Director, Governor at Bartholomew – CHAIR OF THIS COMMITTEE

In attendance: Mike Lawes (ML) EPA Chief Operating Officer (COO)
 Kit Howells (KH) Clerk

The meeting was quorate.

1. Apologies / absence / introductions

Andrew Hamilton (ASH) - Executive Head Bartholomew, and EPA Chief Executive Officer.

2. Declaration of interests – None.

3. Minutes of the F&R Committee Meeting held on 7 June 2016

The Minutes of 7 June 2016 meeting were agreed, signed and placed on EPA files at Bartholomew School.

4. Matters arising from the Minutes of 7 June, not on this Agenda – for discussion

4.1 Apprenticeship levy

Although the Government has not yet issued formal proposals, the EPA has been preparing for the possibility of having to take on apprentices by visiting local colleges to discuss the issue and ensure they are able to provide the necessary training should apprentices be taken into the EPA Schools. The DfE website shows that the Levy is due to commence from April 2017 but there is no indication of when proposals will be issued. This will cost the EPA £25K (£40K cost with £15K rebate) initially. Based on headcount, the EPA will be required to take on 8 apprentices at a cost of £100K contracting them for 32 hours pw for 60 weeks, plus mentoring costs.

Q: What will happen if the EPA decides not to take these apprentices if it is felt inappropriate and too difficult for schools to do so?

A: ML had highlighted perceived difficulties and asked the EFA if the EPA will be penalised if apprentices are not employed. The Primaries are unlikely to have capacity to take apprentices and the Secondary would find the time required for mentoring and tutoring difficult to find. He had emphasised that the EPA had been working hard to increase efficiencies in procurement and other areas, that Bartholomew is in the top 10% of schools nationally for pupil progress results, has a balanced budget and staffing down to 75% and this additional pressure, alongside the impending further increase in teachers' pension contributions in 2018, and reduction in pupil funding, might result in having to put forward a deficit budget. There has been no response from the EFA to date with regard to possible penalties if the EPA does not take apprentices. There may be no penalty as such but the EPA would have to write off the £25K (which is less than the cost of employing would be).

Q: What will these apprentices be allowed to do in Schools, should the EPA be forced to take them?

A: Work in ICT, premises, site management, administration, finance, catering and cleaning, and possibly TA work.

The other local academy groups are in the same position and the Oxfordshire group will discuss the situation further at its November meeting and ML will report back.

The Committee will consider a detailed proposal with regard to the Apprenticeship levy

proposals, for decision at its next meeting. **Action: ML to bring plan to next F&R meeting**

4.2 EPA Websites

ML is working with EPA staff and the Schools to ensure all EPA Schools' Websites are fully statutorily compliant and have all the necessary Links to the EPA Website.

For the EPA website, good progress has been made and ML tabled screenshots of Governance and Statutory Information pages of the website, and information which will be available on the EPA website including: Objectives and Constitution, Scheme of Delegation, Central Services Arm structure, and the overall EPA organisational structure, for information. All the EPA Schools will have a Link to the EPA website. The EPA website will be compliant within a month.

ML also informed that a review of EPA policies is currently taking place.

The Committee thanked ML for all his work to ensure compliancy and to EPA staff for their support. The EPA Admin Officer's role will include monitoring and updating of the EPA Website to ensure continued compliancy and currency and, through ML, to ensure the Schools' websites are compliant ongoing.

5. Terms of Reference

Draft ToRs for Finance & Resources and Audit Committees were tabled and agreed for recommendation to the Directing Board meeting on 20 October for approval.

Action: BVB for DB Agenda and Papers 20.10.16

The Committee discussed accountability for Health & Safety in the EPA. It is the Directing Board's responsibility to ensure appropriate procedures and policies within the EPA Schools, and this is monitored through this Committee's monitoring of the work of the Schools' Finance & Resources Committees (via their Minutes).

ML informed that discussions are currently being held to put in place an overarching part-time EPA post relating to estate and premises management, which would encompass Health & Safety.

6. Approve the revised Internal Financial Procedures, Administration & Control Policy

Previously circulated the revised version dated 9.9.16, and ML highlighted the changes made since the last version. Appendix H Raising Concerns at Work/Whistleblowing Policy has been added at the request of the EFA. Payroll Payments processes (pp20-21) have been amended due to the changes in the EPA payrolls system recently put in place: the system is self-service and schools are now responsible for inputting their own payroll (including overtime, supply, casual staff and acting-up costs, expenses and mileage claims and contract information) which are signed off by the Headteachers.

The Committee was concerned about the amount of ML's and Frances Hickman's time which is taken up with independent checking of all the EPA schools' staff claims over and above contracted hours, time which is currently subsidised by Bartholomew. He is also checking that the Schools have budgeted for the outgoings to ensure budgets are being kept tight. However, PC reminded the Committee that each School checks its payroll reports for accuracy and that each School's Finance Committee will be monitoring their Budget on regular basis and the Schools monitor monthly; thus any drift will be picked up immediately. It is acknowledged that some costs will be 'front-loaded', eg staff training, so may appear to have high percentage of budget spent early in year; Headteachers and finance staff will be aware of the context.

Q: Have finance staff in Schools been adequately trained in the new payroll system?

A: Yes, one-to-one training from Frances Hickman in each School.

Directors emphasised the need for the EPA to continue to ensure tight controls on budgets and for Schools to monitor *ad hoc* payments closely to ensure budget lines are not overspent.

Q: Have individual Schools/Headteachers had any difficulties with the new system?

A: AD confirmed that Schools appreciated the support and his School has experienced no major issues. His School keeps records of context for expenditure and is aware of the impact.

It was agreed that a procedure should be in place to ensure staff contract changes made in Schools are checked independently. In addition, further thought must be given to future options for independent checking of ad hoc claims and this is becoming an onerous piece of work within the EPA.

The Committee recommended that the Board approve the updated Regulations and Policy and it will be on the EPA website and copies will be available in all the EPA Schools when approved.

Action: MR to recommend approval of DB at its meeting on 20 October

7. Academies Handbook update for 2016

Paper previously circulated highlighting changes made by the EFA to the Handbook for 2016. The Committee noted the changes as listed.

Q: Under Changes in the Main financial and governance requirements, para 2.4.5 notes that "the Audit Committee's oversight must extend to the financial controls and risks" and Directors had assumed this was the role of the Finance & Resources Committee.

A: Audit Committee does have oversight of the EPA's financial controls and risks.

Q: As our current Audit Committee membership is all internal, would it be appropriate to ask an external person to sit on that Committee?

A: Although it is not a requirement for the size of the EPA MAT, it would be sensible to do so and would be a good idea to advertise for a suitably qualified (such as Company Secretary or Finance Officer from a business environment) person to sit on the Audit Committee, which meets twice a year. Action: ML/BVB to advertise for external member for Audit Committee

Q: There are many references in the Handbook to the Senior Executive Leader being the Accounting Officer; how does that fit with the EPA's COO and CEO roles?

A: This is because the Principal of a MAT does not have to be a CEO and this wording removes the expectation that MATs have to operate with CEOs leading them. The Senior Executive Leader/Accounting Officer is the person responsible to the Secretary of State for use of funds. This is standard practice. Thus the most senior executive in the MAT is the Accounting Officer. For the EPA that person is the CEO.

8. COO's Financial Report for period up to 31 August 2016

Previously circulated, detailing EPA Schools' financial outcomes individually. Year-end figures remain to be finalised due to adjustments being made currently but the total available surplus of £1.814M including the deficit on MAT Central Support Services is likely to be confirmed.

Q: Why is there a continuing revenue deficit?

A: This is related to the existing expenditure on building works at Bartholomew, Eynsham and Stanton Harcourt.

Q: Where there are issues of concern, are these being robustly addressed?

A: There are not many issues of concern; all schools are working hard in relation to financial controls. ML meets with Headteachers and Finance Managers to address any issues. Sometimes issues arise to do with incorrect posting but these errors are easily rectified and evidenced. The issue at Cassington is in connection with lack of admissions to its Nursery.

Q: What is the likelihood of capital projects overspending?

A: There are contingencies built in.

ML confirmed that the EPA is in a strong position with excellent cash flow.

The Accounts will be finalised for the 2015-16 year for DB to sign off in December and submission by end December.

9. EPA Budget for 2016-17

The Overview had been previously circulated, being the EPA budget broken down into the MAT's component parts (budget setting is individual schools' responsibility). The budget had been submitted to the EFA on 13 July and the EPA has not been asked to provide further detail.

Noted that pupil numbers are rising generally across the EPA, particularly at Bartholomew which has moved to 7-form entry. ML noted the pupil census on which funding will be based from September 2017 was held on 7 October.

10. EPA Central Support Services and Expansion update

ML briefed members.

Central Support Services: A new Strategic Academy Leadership Team (SALT) is now in place at executive level, comprising ASH, ML, Sarah Kerswell, James Bird, BVB and Catherine, which meets weekly. James Bird is now employed by the EPA for 3 days pw instead of 2. Primary Leads in English and Maths (each 0.5 day pw) had been appointed.

ML is drawing up an internal agreement for EPA Schools relating to the levy each school is paying annually to the EPA detailing the Central Support Services which will be provided.

EPA expansion: The DB's Expansion Task Group continues to meet regularly and reports to DB meetings. The many potential building developments in the local area are being taken account of. Communication with other local secondary and primary schools and the Diocese about potential links continues, as does discussion with other MATs about potential future collaboration. The Group continues to gather information about different models of MATs for discussion by the DB.

Members' discussion focused particularly on the large-scale building developments being proposed for Eynsham and the additional primary school which will inevitably be needed in the relatively near future. The Government has said that any new schools must be Free Schools. It was agreed that the EPA is best placed to provide these additional primary school places and that the DB will need to be active in planning a successful bid to do so. The Regional Schools Commissioner will not agree to expansion of the existing Primary School. In addition, any extension of Bartholomew could not be guaranteed, even if split site and despite being an Outstanding School. Further discussion will take place at DB meeting on 20 October.

11. EPA Risk Register - update

Previously circulated. Committee agreed that ML's assessment of risks was appropriate currently. ML will ensure that issues relating to expansion of housing in the catchment area of the Schools are included as well as Standards (attainment and progress) measures and will bring a further update to the next meeting. **Action: ML update and bring to next F&R**

12. Monitoring of Primary Schools' Finance Committee Minutes

Not all EPA Schools have their Minutes uploaded to the EPA Hub on a regular basis and members asked that BVB remind Schools (Clerks) to send them to her for upload. The Committee will monitor these Minutes. **Action: BVB to remind EPA LGB Clerks**

13. Items of Urgency - None.

14. Date of next meeting – To be arranged (KH poll for suitable dates before end December).

Meeting closed 7.10 pm
kh18.10.16