



EPA Directing Board Finance & Resources Committee

Draft Minutes of the Finance & Resources Committee Held at Bartholomew School Library on Tuesday 14 March 2017 at 6 pm

Present: Tony Booer (AKB), Paddy Coulter (PC), Andrew Denham (AD),
Andy Hamilton (ASH), Michael Ryan (MR), (Chair)

In attendance: Kit Howells (KH), Minutes Clerk, Mike Lawes (ML), EPA COO

The meeting was quorate

1. Apologies / absence / introductions -No apologies.

2. Declaration of interests – None.

3. Minutes of the Meetings held on 5 January 2017 - for approval

The Minutes were agreed, subject to amendment of Item 7, 1st para, 2nd sentence to read “. PC...proposing the value of seeking to bring together the Chairs of the EPA finance/resources committees to a central meeting to facilitate them all receiving the full picture.”, signed and placed on EPA files at Bartholomew School.

4. Matters arising from the Minutes of 5 January 2017, not on this Agenda

- **External member of the EPA DB Audit Committee**
MR had made contact with a local solicitor as agreed, to no avail, following which he had suggested to ASH and ML (who had agreed) that he might contact Cllr Charles Mathew. Cllr Mathew is indicated he is very happy to be an external member of Audit Committee if invited. He would have no conflicts of interest as the work of Audit Committee is to review the EPA internal procedures and ensure they are operating correctly and that the EPA is responding appropriately to any queries raised by Auditors and that the risk register is being properly maintained. It was agreed that MR will ask PR to invite Cllr Mathew to join Audit Committee.
- **Update on Government’s Apprenticeship Levy**
ML confirmed the Levy is due to take effect on 1 April, despite no decision on how it will be charged out (likely through PAYE but not confirmed) and no confirmation of what penalty might be incurred should the EPA decide to opt out (apart from losing the net £25K across the EPA, much less than will be the cost of implementing the arrangements). Representations continue to be made by schools to Government to suggest that they should not be included in the legislation given their limited scope for appropriate employment opportunities for apprentices. It would be necessary to employ 8 across the EPA each year and the difficulties which the Primaries would have in employing any apprentices are recognised. Government is currently piloting teaching apprenticeships, but there is substantial opposition to this way forward.
- **6th Form Centre – official opening**
A well-known sporting person will be approached to officially open the Centre, which will be good publicity for the MAT.
- **Critical incident planning for EPA**
A simulation lock-down will be held for Bartholomew and Eynsham Primary Schools in Term 6 (June).
- **HR review of job evaluation**
Jane Watret is currently undertaking a job evaluations for all administrative and TA roles in the EPA.

5. Chief Operating Officer's Financial Report for March 2017

Copies of ML's report had previously been made available to directors and ML briefed members, on EPA funding 2016-17 (including GAG funding and other income, including Pupil Premium Grant), monitoring of the EPA consolidated budget 2016-17 for all MAT schools, EPA cash flow, monthly non-contracted payroll payments, revenue funding implications for each school, and the new internal audit programme for each school in the EPA.

Total funding for 2017-18 will be £188K more than received in 2016-17 despite the £95K reduction. In Education Services Grant (for which transitional funding has been received for one year). Funding for Bartholomew is up by £255K, but down across all the Primary Schools.

Directors asked for detailed explanation of the capital monies/expenditure in relation to each school and work being carried out and ML explained that each project operates within budget with no ability to overspend (with the exception of the project at Bartholomew where there is already agreement to take overspend from revenue reserves). Budgets are running to plan, taking account of these capital projects.

Directors looked closely at the status of the individual schools' budgets, noting the potential for deficit at Cassington remains (known already due to reduction in Nursery staffing), and that Stanton Harcourt balances are relatively low.

ML detailed the new internal audit programme which will now be undertaken annually (2 visits for each Primary school each year, one to audit and one to follow up required actions) in response to Critchleys' advice and the EFA Handbook. ML outlined the content of the audit work. He has already visited two schools, Stanton Harcourt and Standlake. Risks identified were noted with actions required. Dates to visit the others will follow. ML is arranging a follow-up visit to Stanton Harcourt in April. Bartholomew has a reciprocal arrangement for internal audit with Lord Williams School in Thame. AKB confirmed that the audit had been well received by Stanton Harcourt and its Governors and that response to all issues identified had been immediate where possible with some procedural issues where third parties are involved (eg Hampshire CC income/payments) taking a little more time to resolve. Directors were pleased to note the focus on internal financial procedures and again asked that consideration be given to bringing finance into the central services area in the near future.

Cash flow is good. In response to Director question, ML confirmed that high planned cover for salaries is maintained at all times, and cash flow will continue to be tightly controlled, and with even closer oversight once the cash expenditure on Bartholomew works has been made.

Directors were pleased to note the proactive work being done to seek more time efficient methods of work, noting the large number of bank transactions undertaken within the EPA (for instance, encouragement of increased take-up of ParentPay).

Payrolls are reviewed by each school monthly against contracts. Directors noted the substantial amount of additional (non-contract) payments requiring ML's authorisation which are raised by schools each month (for eg Supply, invigilators) and which require efficient recording in order that schools can have a complete overview of expenditure to date within the budget lines and tight controls can be maintained. The Supply budget is already spent and Directors were concerned that this had not been sufficiently well planned for although noted it is based on past trends in sickness absence and planned training needs. Where schools have decided not to purchase sickness absence insurance, this means that long-term sickness cover is paid out of their budget. It is noted that Bartholomew has Cover Supervisors, thus not requiring Supply. Constant review is required to ensure budgets are not overspent.

Directors discussed individual schools' funding issues and pupil roll numbers which may be increased by imminent building developments in the local area. All Primary schools are currently below capacity so there is room for growth across the EPA schools.

ML drew attention to new Government legislation affecting procedures for off-payroll employees

form April, which is designed to close tax loopholes. This will involve increased work by schools and will also impact on overall gross pay and national insurance liabilities. ML is meeting with Critchleys next week to discuss potential issues and will then explain implications to EPA finance staff.

6. Central Support Services & Expansion Update

PC, ASH, ML and James Bird had met the Regional Schools Commissioner and his staff and a colleague from the Free Schools part of the EFA. PC reported a successful and productive meeting and the RSC had been keen to understand and, following discussion, to support the EPA's plans to expand locally.

ML updated Directors on potential avenues for EPA expansion and the status of discussions with leaders of various interested and potentially viable partners, including a local Secondary school, the Diocese and the possibility of a merger with another Oxfordshire MAT with similar ethos, size, structure, reserves, and level of standards, which would also provide economies of scale, and ease succession planning among other advantages. PC informed that the MAT Expansion Task Group had considered the range of possibilities and has requested initial due diligence be carried out with regard to the possible merger with another MAT, in preparation for presentation to Directing Board for decision on action to be taken with likely further due diligence work being completed followed by consultation in Autumn Term 2017, following which RSC approval would be sought and completion of expansion likely in May/June 2018. Detailed discussions continue prior to April Directing Board meeting, with focus on finances and central support services. The other interested parties are aware of the EPA's timetable for consideration of options. Both the Diocese and the RSC are supportive of a merger of the 2 local MATs being considered at the current time.

PC informed that the Expansion Task Group has agreed that this work should be carried out before any expense on work is made in bidding for local new Free Schools, although it would be hoped that these schools would ultimately join the MAT.

7. Monitoring of Primary Finance Committee Minutes

The Minutes of Primary Schools' Finance/Resources Committee meetings are to be found in the EPA Directing Board GovernorHub folders. BVB is reminding Clerks to send them to her for upload.

8. Items of Urgency - None.

9. Date of next meeting – Monday 19 June 2017 at 6 pm – 8 pm.

Meeting closed 19:32
kh 19/03/17