



EPA Directing Board Finance & Resources Committee

Draft Minutes of the Finance & Resources Committee Held at Bartholomew School Library on Tuesday 19 June 2017 at 6 pm

Present: Tony Booer (AKB), Paddy Coulter (PC), Michael Ryan (MR), (Chair)
In attendance: Kit Howells (KH), Minutes Clerk, Mike Lawes (ML), EPA COO

The meeting was quorate

1. Apologies / absence / introductions

Apologies from Andy Hamilton (ASH) and Andrew Denham (AD), and accepted.

2. Declaration of interests – None.

3. Minutes of the Meetings held on 14 March 2017 - for approval

The Minutes were agreed, signed and placed on EPA files at Bartholomew School.

4. Matters arising from the Minutes of 14 March 2017, not on this Agenda

- **External member of the EPA DB Audit Committee**

A new member had been identified but apparently not yet invited as he had not attended the recent meeting of that Committee. MR will discuss with Pete Reynolds to ascertain outcome. **Action: MR**

- **6th Form Centre – official opening**

Date to be arranged; it is hoped that a major sporting personality will be available.

- **HR review of job evaluation**

Jane Watret has almost finished this exercise, having visited all EPA schools and is assessing accuracy of job descriptions related to jobs. It is essential to achieve consistency throughout the EPA, and Directors emphasised the need to ensure there remain no anomalies.

- **New government legislation affecting procedures for off payroll employees**

ML has met with all EPA finance officers to explain the new procedures required and has run a few tests against the guidelines and there are no major issues. Directors were concerned about the staff time taken up with this work, but noted it is unavoidable. Schools are able to ask Frances Hickman at Bartholomew for advice.

5. Chief Operating Officer's Financial Report

Copies of ML's report had previously been made available to directors and ML briefed members on EPA funding to June 2017, Budget monitoring to April 2017, cash flow, monthly non-contracted payroll payments, and the new internal audit programme.

- **Funding to June 2017**

An additional £67K over and above GAG funding had been received, but most of this had already been built into budgets (ie in relation to PE & Sports Grant, Y7 catch up grant). There are no material changes to report therefore.

- **Pupil premium**

Funding had been received as expected and no issues to report.

- **Budget Monitoring 2016-17 (up to April 2017)**

ML reported as per his Paper that original budgets had been set and approved, in-year deficits were

noted, including that the capital expenditure monies are included in that figure for projects where either the funding was received last year or for building development at Bartholomew this year which was in brought forward balances as a committed sum. Overall, the forecast is slightly better than expected for year end and once known year-end adjustments (positive) have been factored in, there will be an overall surplus of over £1m, all seven schools finishing the year with a surplus. The capital sums held include £1.65M for Bartholomew of which £600K is committed for the tower block project (new 10-classroom block to be built at front of school, with Reception area at front of school and to demolish the tower block). It is noted that DfE have funded this project but have requested the School to provide an up-front contribution and the School has agreed to contribute £250K and hold another £100K aside for contingency, as well as allocating monies for furniture and IT. Balances continue to be strong currently but will diminish as projects complete.

ML confirmed that the EPA Central Services budget is showing a surplus this year, due to non-appointment of budgeted Premises and ICT Leads.

ML confirmed all schools' outcomes are good as a result of robust controls to keep within budget. However, the forecast ahead is difficult, with pupil numbers being below capacity in all the schools next year, funding being cut, and projected budgets showing deficits at the end of 5 years.

ML reported EFA's request for a budget outturn return in May 2017, providing actuals to end March and forecast for April to August against the same period last year; this information was requested so that DfE can ascertain how difficult the Government's proposed funding provision will be for schools in the coming year.

- **Cash flow up to April 2017**

ML confirmed that Cash Flow remains strong currently.

Bartholomew School will be completely cashless from September; it is hoped that all the Primaries will also be cashless as soon as practicable. Staff time is considerably saved by operating ParentPay, which includes trip payment management; parents not online can be provided with a pay point card.

- **Monthly non-contracted payroll payments (up to May 2017)**

ML confirmed the process whereby the Schools are responsible for monitoring contracted pay against a monthly interim report from the payroll provider, with final report being provided for checking when pay is issued. In addition, ML is authorising all EPA non contracted payroll payments for casual staff eg invigilators, HLTA cover, overtime etc, expenses for training courses for staff and mileage, and Supply Teacher cover, to ensure accuracy and notify the schools of their budget expenditure situation (particularly around Supply cover and overtime where the Primaries' budgets are utilised fairly quickly). This takes a considerable amount of ML's time but it is essential that the EPA has an overview of this expenditure.

Sickness absence is covered by insurance premiums in some schools and in others by means of holding an equivalent amount in the budget. ML continues to consider the possibility of establishing an EPA group scheme into which schools could contribute and from which they could draw funds when necessary.

- **Internal audit programme 2016-17**

ML reminded Directors of the Auditors' request for such a programme to be established. Bartholomew already had a reciprocal arrangement with another Oxfordshire Secondary School. ML and Frances Hickman have been carrying out internal audits for all the EPA Primaries, using a programme drawn up originally by ML along similar lines to that previously required of Schools (Schools Financial Values Standard) and based on the requirements in the Academies Handbook. The audits cover all areas of school finance: procurement & cards, purchase orders, accounting and banking, personnel (contracts and checks for starters and leavers, including DBS and references, risk assessments, evidence of qualifications), payroll, income, and financial reporting to the Governing Body via appropriate Committee and using the financial reports appropriately in running the schools. An issue concerning compliance in recording of DBS certification has been raised and

EPA Audit Committee has requested a full audit of DBS across all the schools should be carried out urgently to ensure all recording requirements are met satisfactorily.

Schools are given high, medium or low assessments and reports have been sent to the Chair of Governors, Finance Manager and Headteacher in each School. The outcomes should be reported to Finance Committee in each School. Three months are given to ensure all issues raised are dealt with and then ML/Frances Hickman undertake a review to ensure action has been taken and will be consistently correct going forward. ML reported that most issues, and all material risks, are actioned immediately and areas requiring improved understanding or resulting from lack of training are being addressed. Directors thanked ML and Frances Hickman for their work.

In summary, ML's overview is that the EPA is in a good position financially currently and for the next academic year. However, he confirmed that thereafter, due to reducing funding and falling pupil numbers, the situation will become difficult and he is encouraging the schools to start making savings immediately.

6. School transport for the EPA

MR reported on his further meetings with OCC responsible Officer with regard to transport for pupils to Bartholomew from September. Directors remain seriously concerned about the Hanborough area transport and the proposal that Stagecoach will use service buses to shuttle pupils at both ends of the school day, meaning that a large number of pupils will arrive at school earlier than usual in the morning and a large number will also be waiting longer than usual in the afternoon for the return journey, which raises safeguarding and staffing cost issues. OCC is not prepared to assist and its position is that the pupils do not require supervision. MR also updated Directors on potential need for Bartholomew to subsidise transport for Combe and North Leigh pupils.

It was agreed that while Directors should be aware of the financial issues at EPA level, this is a Bartholomew School issue to be addressed by that school's governors and leadership.

7. Review of EPA Strategic Finance & Operational Risk Register

ML had previously circulated an update and a further revision was tabled following Audit Committee' meeting, in relation to checking all safeguarding recording procedures in EPA schools. ML explained the procedures audit he will carry out at all the schools.

The increased risk in relation to succession planning due to the resignation of the CEO was discussed and the need for compliancy in relation to the Accounting Officer being separate from the role CFO/COO role.

It is noted that the Standards (education outcomes) risks are diminishing as appropriate actions are being taken.

ML reported that, with the addition of further work on safeguarding procedures, the Audit Committee had agreed the Register is appropriate currently, but that the change to the Data Protection Act next year will necessitate an addition to the Register (ensuring more robust data protection, not only online but also paper related). ML will lead this work alongside Bartholomew's IT Lead staff member. The Committee will discuss further at its next meeting in the Autumn when the obligations are clarified.

Action: MR/ML

ML confirmed that all risks marked for review this month are being reviewed. ML will update review dates as necessary.

Action: ML

8. EPA verbal update, including

- **Trust expansion – potential merger with FAoS**

ML reported that the due diligence gathering process was in full swing, with steering groups for all work streams in addition to an overarching Joint MATs Steering Group and an EPA Steering Group. A full report will be provided to the Directing Board on 13 July, but it is likely that the timetable might

move out slightly due to volume of work required and resignations of both CEOs, with a possible delay to the consultation until October, although with the proposed merger date remaining the same. PC informed that all aspects of the proposed merger are going ahead well, and issues are being resolved sequentially. FAoS staff have been concerned about the need to close the FAoS Company in order to join EPA Articles of Association, but a statement confirming that this is a merger of equals will be issued for reassurance.

- **Central Support Services**

ML reported no further changes other than the HR review being carried out by Jane Watret. As part of the Trust expansion due process, ML has done work to identify overall current costs structure and the cost savings which could be achieved by centralising all back office provision as well as likely savings made if this was done across a merged MAT, with savings being thus available for investment in teaching and learning. Directors agreed that a transitional arrangement is likely to be needed and that the EPA should continue with plans to centralise in any case, along the lines of the FAoS approach, which can be in place whether or not the proposed merger takes place. PC informed that a second central hub will in any case be necessary initially if the proposed merger goes ahead.

9. Monitoring of Secondary and Primary Finance Committee Minutes

The Minutes of Primary Schools' Finance/Resources Committee meetings are filed in the EPA Directing Board GovernorHub folders, and were noted. There was some concern that Hanborough Manor's Finance Committee had not met since January. **ML to note**

10. Date of next meeting

It was agreed to await setting of the Directing Board dates for next academic year and feed into those as required. **Action: MR/ML**

PC advised that Officers will be elected at the next Directing Board meeting in July. MR is willing to stand again for Chair of this Committee if nominated.

Meeting closed 19:35
kh 28/06/17