

## **HOLYROOD ACADEMY TRUST**

Company Number: 7341523  
A Company Limited by Guarantee  
Registered in England

### **DRAFT Minutes of Finance and General Purposes Committee Meeting held at Holyrood Academy On Thursday 3<sup>rd</sup> March 2016, at 5.40pm**

#### **PRESENT:**

Ann Adams, Martin Brook, Stuart Cochrane, Matt Collins, Margaret Mercer, Tina Coles (Company Secretary /Clerk), Paula Gibson (Minutes Secretary)

**APOLOGIES:** Ewen Cameron

#### **1. WELCOME**

SC welcomed all to the meeting, TC explained that some items on the agenda would be taken out of order.

#### **2. APOLOGIES AND CONFIRMATION OF QUORUM**

Apologies were received from Ewen Cameron- It was noted that a quorum was present.

#### **3. DECLARATION OF PECUNIARY INTERESTS.**

No Pecuniary Interests were declared

#### **4. MINUTES FROM 11<sup>th</sup> NOVEMBER AND 26<sup>TH</sup> NOVEMBER AND MATTERS ARISING**

The minutes were agreed and approved.

SC signed the minutes as a true and accurate reflection of the meetings held on the 11<sup>th</sup> and 26<sup>th</sup> November 2015.

Action	Update
Amend F&GP Terms of Reference	Complete
Amend Trustees Report for year ending 31/08/15 with agreed actions.	Complete
Amend Governance Statement for year ending 31/08/15 with points.	Complete
Send a copy of the LGPS Employer Discretion Policy to the pension provider and publish on the Academies website.	Complete

TC also reported that she had e-mailed the EFA regarding the Capital Project spending, and that she had received an acknowledgement.

## **5. HEALTH AND SAFETY UPDATE**

The Site Manager will contact Jon Saunders to arrange a Health & Safety compliance visit for when he returns from his annual leave in April

**Action:** TC to inform SC and AA of the date of this meeting, when known.

## **6. RESPONSIBLE OFFICER REPORT - PAYROLL**

TC circulated the Management Response to the recommendations in the RO report. A discussion was held regarding the suspension of staff contracts when they are on maternity leave – it was agreed to continue as per the current practice. TC will inform the RO of the Governors decision as it was felt that the advice given was more appropriate for maintained schools, and not Academies.

Payroll control has now been added to the Monthly control procedures.

The Travel and Subsistence sections have been reinstated into the Staff Handbook, as per the recommendations.

## **7. CAPITAL PROJECTS UPDATE**

TC circulated the ACMF and CIF Project Cost report, which detailed all project works undertaken

CIF bids that we are waiting for the outcome of are –

- The replacement of the Sports Hall Floor - £68K
- The rewiring of the main block, including Fire Safety work - £600K

The results of these bids should be known by the end of March 2016, although it was recognised that the rewiring bid was unlikely to be successful, and that TC will reapply in due course.

The All Weather Surface work is now in progress, and should be complete before Easter – grants have been received from;

- England Hockey - £49K
- SSDC - £50K
- Chard Hockey Club - £4k
- Final cost £190K
- HA will contribute to the remainder.

An opening ceremony will take place when works have been completed.

It was noted that no monies have been received from 1610, despite previous positive discussions. TC reported that a number of other schools were investigating their legal position with 1610, and that she will inform Governors as appropriate.

Reprographics – Governors agreed to the proposed cost of a new photocopier as per the details circulated at the meeting.

## **8. FINANCIAL UPDATE**

### **8.1 BENCHMARKING**

The Academies Benchmarking Report 2016 was circulated, which TC had annotated with notes relevant to HA. The following points were noted –

- The staff costs at HA per pupil was above the median, but this in part was due to the high number of staff who are UPS (Upper Pay Scale).
- TC noted the high level of deficit in the LGPS (Local Government Pension Scheme).
- Pupil / Teacher ratios were in line with the benchmarked figures
- Staff Costs did not include Support Staff Costs

**Action:** TC to circulate the Benchmarking Report to all Governors

### **8.2 MONTH 5 – JANUARY 2016**

Analysis documents were circulated, and it was noted that –

- Income – was as expected, TC pointed out that some items (such as Educational Visits are off set against expenditure)
- Staff Costs – there is an underspend of £33K, but that overspend on Agency staff was due to covering teaching staff absence.  
A discussion took place regarding the appointment of Cover Supervisors – MB explained that the 2 members of staff that had been appointed to this role are now full time teaching staff, and that he would hope to appoint someone else to this role.
- Premises – is overspent due to the completion of fire safety work, but that monies for this had been carried forward from last year, so had been financially accounted for.
- Supplies and Services – were as planned.

Governors asked about staff costs being at 89%, as this is one of their KPI's- TC explained that the known 12% increase in staff costs due to increased National Insurance contributions had been added to the budget profile from April, but that the recent staff reduction programme would hope to reduce this percentage.

The Unrestricted Funds document was circulated – Governors questioned why there were staff costs in this budget, TC explained that these are the peripatetic music teachers.

The Cash Flow Summary report, which had been asked for by Governors previously, was then circulated for information.

### **8.3 BUDGET 2016/17**

TC reported that the 2016/17 figures had been received, and the funding comparison document for 2015/16 and 2016/17 was circulated and discussed at length. The 2016/17 actual is less than originally estimated due to less students being recruited into the Sixth form. 2016/17 Sixth form funding is based on Oct 2015 student numbers – 'lagged funding'. There had also been changes to the funding of EAL (English as an Additional Language) students which had meant a slight increase in funding. Governors asked about the Lump Sum funding, and TC explained that this as the nominal starting amount that all schools receive, it is set at the maximum level

for Secondary schools – this helps to protect middle schools and smaller secondary schools.

There had been a reduction in the Sixth Form funding, and that this was due to the reduction in student numbers.

TC then circulated the changes to staffing, and noted that this did not include other changes that had taken place pre January 2016. A Head of English is being currently advertised, as it is no longer possible for members of the SLT (Senior Leadership Team) to cover this role.

The staffing matrix was then circulated, as per the Governor's request – MJC and TC explained how this document is used, and reminded all that this is a living document and is updated continuously.

The Budget Assumptions document was circulated, and TC explained that she will talk to the EFA regarding financial support.

Governors were informed about a recent partnership with Yeovil College, which would enable vocational courses to be offered to students, which HA are unable to offer – it is hoped that this will attract students that may have otherwise gone elsewhere. This should have very little financial impact but will give positive opportunities for students.

The 2016/17 budget assumes additional staff savings and includes all known incremental rises.

The Fair Funding debate continues, but TC has built into the 2017/18 an estimate of 2.5% increase and an additional 1.5% increase in the following years, in the hope that Somerset will benefit from the national formula changes, as Somerset is one of the most poorly funded authorities.

Student numbers were then circulated, and Governors asked how TC could predict future intakes, and she explained that she is in contact with partner primaries.

KS3 funding per pupil is less than funding received for KS4, and this relates in funding terms, KS3 relates to years 7, 8 and 9 but like many other schools we run KS4 from year 9.

TC then reiterated that realistically the only area where we can secure additional income, without incurring additional costs, would be by increasing student numbers in the Sixth Form.

The first draft of the EFA Report was the circulated – staffing costs had been taken into account, but that there was no allowance for cost of living increases. There had been a reduction in the budget deficit, and some potential savings had been identified in capital expenditure.

The meeting had a detailed discussion about the budget and the presentation of information to Axe Valley. It was agreed that the information provided must be clear and transparent as although the accounts are showing in year deficits, this had to be balanced against the larger carry forward reserve. As previously agreed this reserve is being used to manage the upcoming financial pressures around staffing costs.

Total deficit anticipated for this year us £387k, including all revenue and capital, against a carry forward reserve of £1,645k.

The Sixth Form at both sites cause financial concern, and discussions took place regarding potential changes which could impact on this. If the right changes were made it could be assumed that the Sixth Form numbers in both settings would increase, and that cross charges would occur after January 2017. The impact of planned change would be positive but that costs would have to be committed to before the partnership had been formally confirmed. The option of doing nothing was discussed and it was agreed this was not an option. It was noted that should Axe Valley financially contribute from September 2016, the financial issues were likely to be resolved. The HA SLT had discussed the proposal at length, and was in agreement.

TC stated that we needed to try and see if we could secure some extra funding either from Devon LA or the EFA to help support this partnership. After lengthy debate, it was agreed by all, to –

1. Speak to the EFA/Devon LA to see if there was any opportunity to get additional funding to support the partnership.
2. To use some of the HA surplus in order to pursue the proposed changes.

Governors were aware of the need for careful presentation of the HA accounts to the Axe Valley governors, given their “grant maintained” background.

Any fair funding decision would have a positive impact in 2017/18, and that this would hopefully be known by January 2017.

Governors were happy to support plans on the understanding that the Academy would continue to work towards balancing the budget after 3 years and continue to take opportunities to make savings. Governors felt that TC had made accurate budget assumptions.

A meeting will be held with Axe Valley on Thursday 10<sup>th</sup> March, and it was agreed that the budgetary commentary would be key at this meeting.

The full impact on the Axe Valley joint Sixth Form would be from 2017/18. The Yeovil College Partnership pupil number changes will impact from 2016/17 although we would not receive the funding for them until 2017/18

**9. ANY OTHER BUSINESS**

There was no other business.

SC thanked TC for her efforts and contributions.

**MEETING CLOSED AT 19.46pm**

**CHAIR:**

Approved as a true and accurate record of the meeting;

..... Signed

..... Date

**SUMMARY OF ACTIONS – 3<sup>RD</sup> MARCH 2016:**

Action	By Whom	By When
Inform SC and AA of the date of the H&S Compliance Visit	TC	When known
Circulate the Academies Benchmarking Report to all Governors	TC	By next meeting.