

## **HOLYROOD ACADEMY TRUST**

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

### **Minutes of Finance and General Purposes Committee Meeting held at Holyrood Academy On Wednesday 22<sup>nd</sup> June 2016, at 5.30pm**

#### **PRESENT:**

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

#### **APOLOGIES:**

**IN ATTENDANCE:** Julie Pearce

#### **1. WELCOME**

SC welcomed all to the meeting.

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

It was noted that a quorum was present.

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

No Pecuniary Interests were declared

#### **4. MINUTES FROM 3<sup>rd</sup> MARCH AND MATTERS ARISING**

The minutes were agreed and approved.

SC signed the minutes as a true and accurate reflection of the meeting held on the 3<sup>rd</sup> March.

Action	Update
Inform SC and AA of the date of the H&S Compliance Visit	Complete
Circulate the Academies Benchmarking Report to all Governors	Complete

TC updated all on the ATP and confirmed that £46K has now been received from Hockley England and that £50K from SSDC has yet to be received but is hoped to arrive shortly. The opening ceremony will be held on the 1st July, and appropriate bodies have been invited.

## 5. BUDGET 2016/17 AND ESTIMATED OUTTURN 2015/16

TC explained the following –

The In year deficit for 2016/17 is £410K, this is £143K more than was projected when 16/17 budget forecast was drawn up last year – this is due to;

- Income variances – the Sixth Form funding is £66K less due to lower than anticipated pupil numbers. This is partly offset by £62K of additional income relating to recharged staff costs (re TAVCC)
- Expenditure Variances - £159K higher staff costs, due to the overstaffing in Maths and Science.

Governors discussed the overstaffing in these subject areas, and MB explained that this was a strategic decision due to the national issue of recruiting good staff in these areas. It was also noted that the current Yr. 10 cohort will require additional support next year. MB explained that he was sure that there will be natural wastage throughout the year, which would reduce the staffing numbers.

- The support staffing costs are £55K lower than budgeted for
- Most other non-pay areas have been left at the same level as last year.

The 85% staff to income costs were discussed but yet again it was agreed that this was a strategic decision, and that SLT have been made aware that if funding levels do not improve the current staffing levels are not sustainable and so we must continue to look at possible savings whenever situations arise and not assume automatic replacement.

The Academy continues to look for opportunities, such as the new links with Yeovil College.

The 2017/18 DfE funding, which will be based on a national funding formula but subject to a transition period has not yet been published, so the impact is not yet known, but as soon as this is known TC will amend the figures. It is believed that the funding can only be increased.

Governors held a discussion about the Sixth Form, and it was noted that the EFA suggests 250 as the viable number of students – this number would relate to one site only, so would not include any students from Axe Valley. The recent appointment of the Director of Sixth Form, the broadened curriculum offer and the links with Yeovil College was hoped to grow the student numbers. Each site should aim for 250 students, but once the fairer funding agreement has been agreed, 220 should be the break-even point for Holyrood.

It was noted that the cut in funding has caused concern across colleges, as the funding used to be based upon 200.

TC explained that once student numbers in the Academy are more than 1300 (as detailed in the Academies Funding Agreement) then new opportunities could exist for expansion funding. It was noted that more students than before have been attracted from the middle tier system.

Governors asked if staff to costs ratio should be closer to 80% - TC explained that this was not realistic, but should be aiming for 85%. The meeting agreed that it was important to maintain the educational standards, but that some changes would be needed if the new funding agreement was not agreed – this should be known within the next 12 months.

Tim Bourton, from the accountants Bishop Flemming, had previously explained that the Academy was very lucky to hold the level of reserves that we do. It was agreed that even if the fairer funding formula is agreed a sensible level of reserve would still need to be maintained.

### Estimated Outturn

This documents was then circulated, and TC explained that the -£496K estimated deficit at the start of the year was actually -£307K, so was better than anticipated.

Short term major changes in the SLT have had a significant impact on savings within the budget – this demonstrates the commitment for savings and income generating opportunities.

Capital –income granted for capital projects (ie Fire Safety and Roof) was realised in last year’s accounts in line with Finance regulations, but the expenditure is realised in this year’s accounts as it occurs.

It was noted that TC and JP exercise a cautious approach to budgeting, and SC thanked them for this.

TC reminded all that once the MAT has been approved the budget will need to be revisited as 5% of income will be “top sliced” for central costs.

## **6. HEALTH AND SAFETY UPDATE INC RISK REGISTER REVIEW**

This was previously circulated.

This was carried out by Jon Saunders, and focused upon the maintenance of central records.

John Phillips, Site Manager, had produced an extensive document for this review, which detailed items as required / expected. SC, JP and JA discussed a number of items such as fire safety.

### **Action:**

Follow up upon the fan within the lower site chemical store, which seems to run continuously.

### **Action:**

Future audits with SC and the site team are to be carried out on Friday afternoons.

The H&S Management Report was agreed and signed by MB and SC.

### Risk Register

This had been previously circulated.

Governors suggested that a new item be considered for the register regarding staff travelling between HA and Axe Valley.

The Anti-Fraud Policy will also need to be reviewed (see item 8.3).

There will need to be a separate risk register for each educational setting as well as one for the Trust.

Governors asked that items R0009, R0034 and R0035 should be reclassified as financial risks rather than strategic risks.

It was also agreed to add an additional risk showing the impact of not receiving an increase in funding after the fairer funding agreement has been reached.

## **7. RESPONSIBLE OFFICER REPORT –**

This had been previously circulated.

### Whistle Blowing Policy

The code of conduct referred to in this policy has not yet been agreed, and is unlikely to be available until early 2017. Reference to this will be removed until this has been agreed.

Equal Opportunities is referenced within the staff handbook.

It was agreed to send the Disciplinary and Grievance procedures to Browne Jacobson for advice and guidance, being mindful that this will require consultation. This will be required asap, but could then become a standardised MAT Policy.

It was agreed to remove section 2.4 of this policy

### **Action:**

TC to amend Whistleblowing policy and send other policies to Browne Jacobson

### Responsible Officer Report

TC talked through the management responses.

- Whistleblowing Policy (see above item)
- VAT – this is due to the differences in the invoice date and the input date. The new financial system should rectify this issue, but TC reassured the meeting that the VAT is balanced at year-end.
- Aged debtors report is provided monthly and is reconciled at year-end. Governors felt that this was not necessarily a governance issue, but were happy to review as appropriate.

## **8. INFORMATION UPDATE**

### **8.1 CYCLE TO WORK SCHEME**

Details of this scheme were circulated. Governors discussed this proposal in depth and it was agreed that £300 would be the limit over a 12 month period. Employees will be able to contribute their own money, upfront, to any bike they choose.

If an employee leaves before the end of the purchase period, surplus bikes could be sold to recover costs.

This will be reviewed after 1 year.

## **8.2 CATERING TENDER OUTCOME**

After the tendering process, which involved primary colleagues, staff, students and governors, the preferred supplier was Aspens

TC will carry out a site visit on the 28<sup>th</sup> June.

Aspens will have capital expenditure which includes a new outdoor food pod, updates to the kitchen, a bid for a new training kitchen at a nil cost to Holyrood and a rebate on utilities. Part of the final contract discussion will look at agreeing a profit share or further investment once sales figures have been realised.

Governors asked about the current staff, and they will be retained under TUPE regulations.

Governors were happy with this new agreement.

## **8.3 BISHOP FLEMING ACADEMIES UPDATE – 21/06/16**

This was attended by TC and MM, and information included –

- There is not a 'U turn' regarding all schools becoming Academies
- The suggested size of a MAT by the Government, Regional Schools Commissioner and the EFA should be 3000 pupils and between 15-20 school in size.
- The new White Paper has greater emphasis on governance.
- The additional funding stream identified for Sponsor Academies expires on the 31<sup>st</sup> July – TC has already been in contact with the RSC office about this.
- The revised Finance Policy and Procedures, including the anti-fraud checklist
- Audit Committee
- Governors self-assessment review, which is included in the "List of Musts"
- Corporation Tax and VAT threshold regarding non education income

### **Action:**

TC to put Academies Finance Handbook on the secure website.

## **9. MAT STRUCTURE RE: FINANCIAL ACCOUNTABILITY**

TC circulated the operational management structure and governance structure, which has been updated and reviewed following the extra-ordinary meeting on the 17<sup>th</sup> May.

This was discussed in great detail, and it was noted that a Finance Committee is required at Trust level, as per the Academies handbook.

The LGC's must have responsibility for monitoring of standards and finance / facilities, and are the operational element of governance. It was thought that the LGC's will meet 8-10 times a year, split across standards, finance and facilities and would require correct agenda setting.

Directors should only receive over-arching reports from each committee – PS Financials will report upon all schools at Trust level. The Trust finance committee will report as appropriate. AA explained that that this is “Governance of Governance” arrangements which replaces the role of the local authority and the EFA, and builds in the levels of accountability.

Trust Committees will have to have a specific format of reports based upon individual schools plans. A standardised format of information would need to be developed, including agreed time scales.

Governors felt that this system was complicated and difficult to understand as the systems are not yet in existence. The CEO would be accountable to the Trust and the Heads would be accountable to the LGC's.

It was agreed that the system would need to be clear to show future partners that they have autonomy within their own settings.

An Audit committee would also need to be added to the “side” level.

Governors were happy to support this system of trust level reporting, as it still allows for freedom at LGC level.

**10. ANY OTHER BUSINESS**

There was no other business.

SC thanked all for their attendance

**MEETING CLOSED AT 19.50pm**

**CHAIR:**

Approved as a true and accurate record of the meeting;

..... Signed

..... Date

**SUMMARY OF ACTIONS – 22<sup>ND</sup> JUNE 2016:**

Action	By Whom	By When
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Fan in Lower Site Chemical Store to be checked	TC to instruct JP	ASAP
H&S Audits to be carried out periodically	SC	As required
Amend Whistleblowing Policy and send other policies to Browne Jacobson for advice.	TC	ASAP
Put Academies Handbook on the secure website	TC	By next meeting.