

MINUTES

Finance, Facilities and Personnel Advisory Group

Tuesday 1st November 2016

Held at The Samworth Church Academy, 9:00am

SAMWORTH
CHURCH
ACADEMY



Present: Nigel Spraggins (NS), Barry Found (BF), Neil Smith (NSM)

In Attendance: Maureen Brown (MB) (Principal Finance Officer), Ellie Heald (EH) (Clerk), David Jackson (DJ) (Site Manager), Richard Shaw (RS) (Auditor), Ray Callingham (RC) (Auditor)

		Outstanding
1. Apologies: None.	01/11/16	EH to find out payroll costs of catering
2. Declarations of Interest: None.	01/11/16	EH to send account details to NS
3. Minute of Previous Meeting: The advisory group agreed the minutes of the previous meeting as a true and accurate account.	01/11/16	RS to provide detail surrounding Educational Supplies figure
4. Matters Arising: There were no matters arising.	01/11/16	RS to amend page 37 of accounts as discussed
5. Financial Issues:		
5.1 Responsible Officer Report Year ending 31st August 2016. RS referred to the accounts, advising that this year FRS 102 had been implemented and adjusted the manner in which items were described, but in essence there were no major changes. Highlighted the following key points:	01/11/16	EH to amend forecast document and provide commentary
- Page 13: It was deemed best practice that Catering income should appear in the "Unrestricted Income" section. Previously this had been shown in "Restricted Income". This showed income of £299,984 against expenditure of £291,511 making a surplus of £8,473. Net result transferred to restricted column. The expenditure was food and consumables, not payroll costs. NS requested payroll costs for full governing body meeting. EH to resolve.	01/11/16	EH to present 3-year budget
- General fund showed net expenditure of £61,000. Supported by the £8,473 surplus from Catering Income made a true deficit of £52,000. Reasons for this are; approximately £10,000 income accrued in September which related to last year, significant works taken place deemed "Capital Expenditure", which were paid out of reserves and charged to a Balance Sheet code. These works affect profit and loss so have been brought back in. NS requested a list of those items detailing those that were due to timing, and those down to definition. EH to send. Discussion took place surrounding reserves and the EFA guideline. All agreed replacement and works costs should be factored in to the annual budget, with some reserves held for any unknown expenditure.	01/11/16	DJ to present updated Capital Replacement plan
- Page 36: Highlighted the following key variances: Educational Supplies increased by £130k. £68,000 due to alternative provision, £12,000 Careers Advice and £25,000 Round Square. NS stated it would be useful to know what was included in this figure for 2016 that was not in 2015. RS to resolve. Recruitment increase of £23,000 due to high staff turnover. Maintenance increase due to items previously discussed above.		
- Page 37: Significant difference due to depreciation, as the building had been signed on a long lease hold, showing depreciation of £544,500. 2015 does not need restating as the building lease		

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was signed in the last month of 2015. Building was valued by an academy specialist, with depreciation being applied over 50 years. This may be revisited in the future. All agreed to make the information easier to understand for governors, the depreciation would be put on a separate line underneath total resources expended. **RS to amend.**

- Page 14: Restricted funds decreased from £330,568 to £58,817. This was due to investment in IT, repair works and in year deficit. Pension Liability had increased from 2 million to 4 million. A caveat had been received from the actuary stating the significant increase was due to a significant fall in bond yields, in particular due to the EU Referendum. The number of instruments required to pay value had doubled.

- Items referred to in the Management Letter would be the related party transaction with Bev Nita and Gordonstoun Fees. Highlighted the change in the Financial Handbook stating in future auditor recommendations must be followed. BF advised of actions being taken with regards to Bev Nita's payments. **Richard Shaw and Ray Callingham left the meeting.**

5.2 Management accounts. As per circulated document. Nothing of concern to highlight.

5.3 Forecast update. EH referred to the forecast document circulated. Advised the following changes:

- Salaries- Increase of £123k due to the employment of an additional 1 to 1 tutor costing £42,967. Full chaplaincy service in place costing an additional £7,512 and £40,000 allowance for pay rises.

- Premises- Decrease of £2,000 due to saving in Motor & Travel Insurance costs.

- Educational Supplies- £17,000 reduction due to £4,000 budget reclaw in Round Square, £10,000 removal of Aberdovey cost, £5,000 reduction in Gordonstoun Fee as directed by EFA, and £2,868 increase in Bursary costs.

- Other Supplies & Services- £9,000 reduction due to £10,000 decrease in Hospitality budget, £6,000 budget reclaw in Professional Development allocation and additional cost of £7,000 for Lexia licence which had been implemented.

NS requested document to show variance column, and commentary to be added for full governors.

EH to amend.

Discussion took place surrounding the significant decline in surplus from the approved budget. NS stated expenditure outside of the approved budget needed to be prior knowledge to governors, as ultimately this is where responsibility for the academy was held- both financially and educationally. BF highlighted this year would be difficult due to the second year of pay protection. Stated the budget was approved prior to the outcomes being known, which led to further expenditure. As discussed at the full governing body in future a mark one budget would be presented in June, and a mark two budget in September. NS stated a 3-year top level budget needed presenting to full governors at the November meeting, to justify the academy's current position. **EH to resolve.**

5.4 Financial Management & Governance. BF presented Development plan. Explained 2 SCAET review meetings had been held, and as a result of discussions held regarding the academy applying for funding, it was deemed any such requests should be made through the appropriate channels. Highlighted the items shown in red on the document, stating it would not be possible to account for these costs in the revenue budget, and would like to seek Endowment Trust support for such expenditure. Following discussion, the group felt it not appropriate to seek funds for Safeguarding, but NS and NSM would review the document and provide their thoughts on other items.

5.5 Update on financing offsite educational activities. Nothing to report.

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6. Personnel Issues:

6.1 Appointments, resignations, contractual changes, sickness. BF stated it was becoming increasingly difficult with staff resignations. Stated in January he may have to teach Chemistry. Stated there were significant issues with the Progress 8 predictions. Advised the following appointments had been made to commence 1st January: Teacher of Maths, Team Leader RS, Team Leader MFL & Teacher of Science. Advised the following resignations had been received: Teacher of MFL, Second in Science (Chemistry), Acting Second in Biology & Team Leader RS.

6.2 Planned review policies in accordance with the terms of reference. The group reviewed the Failure to Complete Registers policy. EH advised the changes were to staff titles only. All agreed to submit to full governing body subject to changes being highlighted in red.

7. Premises Issues:

David Jackson joined the meeting at 10.10am.

7.1 Review of conditions of premises (Asset management plan). DJ gave overview of condition of premises. Highlighted majority of work was being done in house by the site team, with external contractors where necessary. Gave overview of works completed during the summer and October half term including necessary service visits, relocation of Multi-gym, conversion of classrooms, new floor in dance room and on UGF landing. Highlighted most items on latent defect list had been resolved by Kier.

7.2 Improvement programme- short and medium term. DJ stated the Capital Replacement programme was a working document, and would be updated continuously to reflect expected life of plant. NS requested presentation of the plan highlighting the next 5 years following budget discussions. **DJ to amend and present.**

7.3 Review repairs and maintenance budget. DJ stated new budget for 16/17 financial year was being adhered to. Advised the number of external bookings were increasing.

David Jackson left the meeting.

8. Risk Management:

8.1 Review Risk Register. Nothing to report.

8.2 Business Continuity Plan. Nothing to report.

9. Any Other Business:

MB asked for feedback regarding the Financial Procedures handbook circulated. All agreed to submit to full governing body for approval.

MB explained HCSS education no longer provided an internal audit service. Had sourced an alternative provider for this service at the same cost. All agreed to engage the alternative company recommended by MB.

10. Date of Next Meeting: Wednesday 8th February 2017, 9:00am.

Next meeting dates for Board of Governors:

- Thursday 17th November (Evening)
- Thursday 10th January (Day)
- Thursday 9th March (Evening)