

Suffolk Academies Trust

Company Number: 09702333



BOARD OF TRUSTEES – FINANCE COMMITTEE

Minutes of the meeting held at 5.00pm on 9 November 2017

Present: C Higgins, Chair E D'Souza
N Savvas, Chief Executive A Whittaker, Principal

In Attendance: S Jones, Chief Financial Officer
C Bundy, Finance Manager, One Academy
A Hicks, Deputy Clerk

1 Declaration of Interests

Trustees confirmed that they had no conflicts of interest to declare in relation to the items of the agenda.

2 Appointment of Chair and Vice Chair

The Trust Board approved to appoint C Higgins as Chair of the Finance Committee as E D'Souza steps into the role as Chair of the Trust Board. It was further approved that the role of Vice Chair of the Finance Committee is to be undertaken by C Ridgeon.

3 Apologies for absence

Apologies for absence were received from J Wakelam, C Ridgeon and J Bridges, Trust Secretary.

4 Minutes of the meeting held on 19 June 2017

The minutes of the meeting were agreed as a correct record.

5 Matters Arising

The matters arising from the meeting were summarised in the report and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

The Chief Financial Officer advised that more detailed information is required before a budget for Suffolk Academies Trust could be produced. It may be possible to produce a draft budget for the next meeting of the Committee but this would not be the final version. It was agreed that in the interim the Committee should have some detail of the DfE income and expenditure for the new academy (Abbeygate) and that a summary should be provided at future meetings in lieu of a full SAT budget including Abbeygate.

6 Committee Terms of Reference

Each Committee is asked at their first meeting in the new academic year to review and approve its Terms of Reference. There were no amendments proposed to be made since the last review in the 2016/17 academic year. It was noted that the Terms of Reference may require amendment as the Trust becomes a multi academy entity and collaborative relationships with West Suffolk College develop. On this basis the Committee **approved** the Terms of Reference. **Proposed** by C Higgins and **seconded** by E D'Souza.

Action

S Jones

7 Finance Report and Key Performance Indicators 2016/17 Outturn

The Chief Financial Officer presented the report and advised that although complete there may yet be a little movement in the accounts. A full set of audited accounts for year ending 31 August 2017 are to be presented at the next meeting of the Committee. The report gave comprehensive details of the end of the year position for 2016/17. The operational forecast is for a surplus of £567,292 which is £412,690 better than budget.

The Committee welcomed the positive outturn but queried why the outturn was so much greater than budget. They were advised that the improvement against budget is a combination of higher income, prudent budgeting (budgeting for worst-case scenario in terms of outgoings) and some favourable circumstances against various staffing budgets such as lower sickness and careful targeting of agency costs. The positive outturn was not due to an unplanned 'squeeze' on expenditure budgets. It is not anticipated that this level of unplanned surplus will continue as posts are now filled and recruited. There has also been notable savings within the non-pay section of the budget. During 2016/17 a total of £168,135 was spent supporting students against a bursary budget of £173,024. Trustees received assurance that the balance will be carried forward to support students in the autumn term 2017 (as numbers grow before additional income is received) and the surplus would be used to offset future costs and allow continued investment in the buildings and resources of Suffolk One. Whilst acknowledging that prudence in setting the budget is commendable it was important it should also be as realistic as possible as we gain experience in setting annual budgets.

The Committee were pleased to receive the positive results and congratulated the management, staff and students for their hard work and commitment throughout the year whilst delivering outstanding education, good housekeeping and a quality environment allowing continued investment in the infrastructure of Suffolk One.

The summary income and expenditure account along with cash flow and key performance indicators for the period were reviewed. It was agreed that RAG rated indicators should not be displayed as green where any doubt existed. On these occasions they should be displayed as amber so that any potential risks are immediately apparent to the Committee.

The Chief Financial Officer confirmed that the accounts are for Suffolk Academies Trust as a whole and include both Suffolk One and Abbeygate Sixth Form. It was agreed that this was not clear on existing documents and some means of ensuring clarity should be implemented.

S Jones

8 Potential Cost of Progression Increases

The Trust has an approved process for pay progression for staff based on performance. The approved process for accelerated pay progression has been undertaken and moderated by both the Senior Leadership Team and, following a robust auditable process, the governors of the Local Governing Body at Suffolk One. The combined cost of all pay progression is £72,256; this cost will become a recurring expenditure commitment in future years. The staffing budget for 2017/18 was predicated on all staff that were eligible to progress being approved; however, not all staff have been approved, demonstrating a saving against the full year budget in 2017/18 of £37,027. The Committee noted an error in the table provided where the progression budget for teaching staff should read £72,077 and actual cost £39,387. The savings figure remained unchanged.

The Committee congratulated the staff awarded progression increases and wished to reassure staff who did not get an increase this year that this was not due to lack of resource – the Committee had budgeted for everyone eligible to receive an increase had that been merited at their progression review.

The Committee **approved** the progression awards. **Proposed** by E D'Souza and **seconded** by C Higgins.

9 Estates Update

The Principal gave a comprehensive progress report. He advised that due to the healthy financial situation and increased student numbers some of the deferred spend has been brought forward allowing resource issues in classrooms and the configuration of new equipment to be completed ready for the new intake of students. A comprehensive summer servicing and inspection schedule had been completed.

Trustees commented that considering the number of students and use of the building the premises are in exceptional condition. The quality of the environment is important to the student experience and it is important to maintain high standards.

Managed services and contracts were discussed along with the performance of service providers. A number of contracts were in place with 3 year terms included options to extend for two further single years. The Committee noted there was no urgent need but recommended that Abbeygate Sixth Form should be taken into consideration in any forthcoming tender exercises to obtain best terms.

Members noted the completion of two Fire Drills in July and October 2017 along with the Hide element of the Intruder/Terror Drill in July 2017 which was very successful. As a result of these exercises the processes and procedures for dealing with these situations are being reviewed.

The Committee considered details of the process for reporting Health and Safety issues to Trustees. A Health and Safety annual report on the incidents and accidents at Suffolk One in the year is received by the Local Governing Body (LGB). This report flows through to the SAT Trustee Board through the Committee Chair's Summary Reports that details the contents of each sub-committee (including the LGB) held between meetings of the Trust Board. The annual report is due to be presented to the LGB at their meeting to be held on 6 December 2017. Trustees were concerned that the historic process might be insufficiently robust for a multi academy Trust Board, particularly receiving only an annual report and questioned if a report should be elevated more regularly through the Audit Committee. It was agreed that the Deputy Clerk would confirm the current process with the Academy Secretary and consider more robust alternatives with the Trust Chair.

A Hicks
J Bridges

10 Any other business

No other business was raised.

Date of next meeting

Tuesday 5 December 2017 at 5.00pm. Suffolk One Board Room.

The meeting closed at 6.05pm.