

Suffolk Academies Trust

Company Number: 09702333



BOARD OF TRUSTEES – FINANCE COMMITTEE

Minutes of the meeting held at 5.20pm on 7 November 2018

Present: S Clarke, Chair
E D'Souza
C Higgins
N Savvas, Chief Executive
D Wildridge, Vice Chair
C Ridgeon
S Healey Pearce

In Attendance: S Jones, Chief Financial Officer
C Bundy, Finance Manager
A Hicks, Deputy Trust Secretary

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

The Trust Board at the meeting held on 3 July 2018 approved to appoint S Clarke as Chair of the Finance Committee and the role of Vice Chair is to be undertaken by D Wildridge.

3 Apologies for absence

Apologies for absence were received from T Hunt and J Bridges, Trust Secretary, all other Members of the Committee being present.

4 Minutes of the meeting held on 28 June 2018

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.

Members noted agenda item 5 on Teaching Staff expenditure and discussed the recently announced government funded pay award of 1%. It was confirmed that this was limited to teaching staff and did not include support staff. Members considered how support staff might be helped, taking into account the need for any award to be sustainable and not just for one year. It was agreed that the Chief Financial Officer should consider this and report to the next meeting. It was further agreed that the position should be appropriately communicated to staff.

6 Committee Terms of Reference

Each Committee is asked at its first meeting in the new academic year to review and approve its Terms of Reference.

Members expressed their appreciation of the previous work which had been carried out to consolidate the Terms of Reference under the banner of the Eastern Colleges Group. They **agreed** that a further review should be undertaken to identify if any further common areas could be found.

Action

SJones

JBridges

As there were no amendments proposed to the copy received by the Trustees the Committee **approved** the Terms of Reference. **Proposed** by D Wildridge and **seconded** by C Higgins.

7 **2017/18 Year End Outturn**

At the year end the figure for the operational forecast is a surplus of £405K which is £380K better than the full year budget.

The report provided an explanation of the variances on income lines 1.02 (Other ESFA Grants of £37K), 1.03 (Abbeygate VI Form), 1.04 (Other Non-Central Government Grants) and 1.06 (Other Non-Government Income).

It was noted that the staffing expenditure surplus is made up from staff churn, non-progression and non-pension take-up (£86K) with the balance of £10K relating to unspent Abbeygate budget sitting in this line.

Teaching supply costs year-end position is a £151K surplus mainly due to a high maternity absence budget set that was not required. Educational Support and Other Staff lines year-end position is a deficit of £80K and includes an accrual for the 1% pay uplift budgeted for support staff from April which is not yet paid.

Premises costs (line 3.02) on non-pay expenditure show a deficit of £93K at the year end. A total of £208K has been spent on the property strategy, with £30K of this funded by DFC monies. It was noted that the planned work on LED lights, the ICAX and a few other small items will now be charged to the 2018/19 financial year at a cost of £115K.

At the end of the financial year a total of £210K has been invested in Fixed Assets (£186K from the GAG, £20k from the T Level restricted funds and £4K from unrestricted funds).

Of the £44K DFC (Devolved Formula Capital) Grant received in year a sum of £29K has been spent.

The Central SAT cost centre has a budget of £61K and following year-end adjustments a value of £38K has been spent leaving £23K to move to reserves. It was noted that the SLA between the Trust and West Suffolk College has cost less than budget by £9K, this together with the £23K makes a total reserve of £32K.

With regard to Abbeygate, a total of £172K PDG income has now been received. The Principal of Abbeygate commenced employment in August 2018 and their salary has been charged to the account. The Committee discussed restricted and unrestricted reserves and considered the year-end surplus for Abbeygate of £132K which will move to restricted reserves.

At the end of the year the total bank balance stands at a total of £2,156K and this is made up of £1,156K in the current account and £1m held on deposit.

In summary the Committee was pleased to see the positive outcome and that the academy performed better than budget even after affording extra investment in the estate and infrastructure. Some of this spend it was noted would be carried forward and spend from GAG reserved during 2018/19. The need to look closely at high value technology equipment in the near future was highlighted as this was

now 7 years old. With a new academy joining the Trust in 2019/20, the reserves position is strong which will increase the capacity and resilience of the Trust.

8 SAT Enrolments (Suffolk One)

The student roll is counted on Census Day (first Thursday in October) and at that point the academy had enrolled 2,018 students (with another in the pipeline to make it 2,019) which is above the estimate of 2,016 used on the Medium Term Plan and submitted to the DfE in July.

Income is lagged and based on these student numbers this should increase income by £240K next year. This year the academy is funded for 1,960. This increase is encouraging given the demographic dip in SWISS catchment area. High levels of retention from year 12 into year 13 and a healthy market share across feeder schools both within SWISS and beyond is thought to be the contributory factors to increased numbers and reflects the growing confidence in the work of the academy. It was recognised that there will be more pressure for space at the academy as the rolls in student numbers are increasing.

9 Academies Benchmarking Data Report

At the meeting held in June there was a discussion about the M&A Partners Benchmarking Report for academies in Norfolk and Suffolk and the Committee tasked the CFO to provide a summary report of the principal observations.

M&S Partners is a Norfolk based firm of accountants who act for among other things as external auditors for a number of academies and have a heavy presence in Norfolk and Suffolk. Annually they provided a free benchmarking report for interested parties and the most recent report (shared with members electronically) relates to the 2016/17 academic year.

It was noted that the full report extends to 83 pages and to contextualise the data, the total population (in the statistical sense) is approximately 320 academies. Most importantly members recognised that the comparisons are in general with secondary schools as opposed to academies which are exclusively post 16 so the most notable points of interest were that the sector average for the staff cost to income ratio is 76% for MATs (Multi Academy Trusts) and 71% for secondary schools. The ratio for SAT in the 2016/17 reporting year was 73%.

The staff cost as a percentage of GAG ration (i.e. not total income) was 95% on average for the sector. The ratio that year for SAT was 74%. Average staff costs per secondary pupil in the sector was £4,452, SAT was just short of £3,600. The pupil: teacher ratio states that Suffolk and Norfolk falls slightly short of the national average for secondary schools with a ratio of 16 (17 for MATs) and SAT was 18.5 which is higher than any other secondary or academy in Norfolk and Suffolk in the report.

Suffolk One was the only academy in the report to achieve a surplus as all of the secondary academies and 83% of academy trusts made a post depreciation deficit in that reporting year. A good proportion (67%) of the Trusts had positive movement in their overall cash balances in the 2016/17 year and SAT was one of those Trusts. The report however (on page 41) shows that in percentage terms, Suffolk One had the highest cash balance among the sample.

It was lastly noted that the report analyses a number of pension benchmarks comparing pension costs to income, contribution rates by organisation and for each of the two schemes and also the amount of LGPS deficit per non-teacher. In

some respects these are less controllable and driven by the staffing mix and membership of the two schemes. Overall though, SAT performs well and certainly has no outlying scores.

The Committee were pleased to receive the positive report and considered how such reports could flow through to the Local Governing Body. It was **agreed** that E D'Souza and the Trust Secretary should investigate how such reports and those with common factors could be consolidated.

ED'Souza
JBridges

10 Estates Update

The Hard FM Managed Services Contractor is continuing to deliver a consistently high level of service and over the summer they have procured a Specialist Maintenance Contract to ensure robust servicing regimes are in place and compliant with statutory compliance for 2018/19.

The Committee noted that the 3 year contracts were started in 2015 and expired in 2018, were extended for a further year and on these contracts there is one more option to extend for another single year should we wish and still remain OJEU compliant. Members agreed a decision is needed soon and requested the CFO to look at the situation and report back to the Committee.

SJones

The building risk register has been updated to reflect the system upgrade of the fire and refuge panels.

The Soft FM Managed Service Contractor has maintained their high level of service and over the summer they have carried out a comprehensive clean and furniture audit across the academy in readiness for classroom setup.

A new Stowupland, Stonham and Claydon One Bus route has been set up at the start of the academic year. This runs alongside the established Felixstowe and Stowmarket One Bus routes.

The RICOH print device contract comes to an end in the summer 2019. This year we are reviewing what is in currently in place and will be needed in the future. An options paper will be prepared for the meeting to be held in March 2019.

AWhittaker

A comprehensive summer servicing and inspection scheduled was completed from a health and safety perspective. All electrical equipment has been PAT tested. There has been one RIDDOR reportable incident after a student broke bones in their foot after attempting to walk off one of the supporting walls outside. An investigation of the incident has taken place.

C Ridgeon gave apologies and left the meeting.

The Committee was also advised of two data breaches via the GDPRIS software package. Documents were found within a file that was also holding other out of date information that has now since been destroyed and payslips were issued unsealed so internal processes have been changed to ensure that such documents are handled and issued securely.

Members questioned the process for informing the Governing Bodies of breaches such as these and other instances of Health and Safety, Legionella, and GDPR. It was considered important that this information including nil returns should be reported to an appropriate Committee, possibly Audit. It was **agreed** that the CEO,

NSavvas
JBridges
SJones

Trust Secretary and CFO would investigate and report findings back to the SAT Finance Committee.

11 Any other business

i. Move 15 May 2019 meeting to Wednesday 22 May?

The Committee agreed to move the May 2019 meeting of the Committee to the 22 May 2019 as proposed.

ii. Move 19 June 2019 meeting to Tuesday 18 June?

The Committee agreed to move the June 2019 meeting of the Committee to the 18 June 2019 as proposed.

Date of next meeting

Thursday 13 December 2018 at 2.00pm. Suffolk One Board Room.

JBridges

The meeting closed a 5.50pm