

The Teaching Staff expenditure YTD position shows a positive variance of £9K. The year-end position of a deficit £95K is forecasted on the assumption that the fully funded Government recommended pay rise's for teachers are approved (refer to next item below), and non-progression and non-pension take up savings are realised.

Support Staff expenditure YTD shows a surplus for the period of £84K. This, in part, is made up of the unpaid NJC proposal dating back to the start of the year along with the late filling of vacancies. The year-end figure against budget shows an overall deficit of £54K. This forecast shows the position if the NJC proposal is paid in full and further details about the funding position in this regard are included in the pay award paper.

Non-pay expenditure on premises YTD is a £7K deficit position due to acquisitions from the property strategy. The year-end forecast deficit of £116K is also due to this spend. Education supplies and services YTD shows a deficit of £174K against a profiled budget, due to spend on the One Bus and Exam fees being ahead of profile.

A figure of £132K PDG for Abbeygate sits in Restricted Reserves following the closure of the 2017/18 financial year. This was a requirement of accounting convention and means that expenditure during 2018/19 will appear to be unfunded but is in fact funded by these reserves. It was also noted that £60K PDG income is due in January 2019.

The full cost of the Principal is shown against a budget of £60K which is the corresponding figure with the PDG Income expected and as noted above. In addition to the report the Committee was advised of a potential £30K financial risk for SAT in respect of employment costs for 2 individuals that could be repayable if the Abbeygate project for any reason does not complete. This liability will be reported to the Trust Board at the meeting to be held on 20 December 2018.

The Committee was advised by the CEO and CFO that negotiations are in place with the DfE around payment of rent to WSC to house the 350 Abbeygate students on the campus as the new building will not be ready for 1 September 2019. Support costs for this arrangement will be shown and payable to SAT but rental for accommodation payable to WSC.

At the end of the period the total bank balance stood at a total of £2,238,881 this is made up of £1,238,881 in the current account and £1m held on deposit. The academy no longer holds a petty cash account. It was noted that the high balance remains due to the financial performance over the past three years, the level of creditors and agency and rates monies that have not yet been spent.

The Finance Manager was asked to confirm that the actual staff costs as a % of total income that was Red RAG rated excluded any other funding streams (such as SEN) and was purely GAG funding only. At the meeting the Finance Manager later confirmed that the ratio was 78% and did exclude other government funding streams.

In summary the Committee affirmed at this point in the year the academy is expected to achieve and probably out-perform the budget even after affording

SClarke

unbudgeted proposed pay awards but importantly whilst still maintaining the estate and IT infrastructure which will also be partially funded by unspent GAG reserves from 2017/18.

6 Pay Award

Confidential item under article 125(c) of the Articles of Association

7 Audited Accounts for the year ended 31 August 2018

The accounts are compliant with current accounting standards and show an excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) of £383,621. As at the 31 August 2018 the total reserve position for restricted and unrestricted funds (excluding fixed asset funds and pension reserve) was £1,285,600.

The unqualified opinion of the accounts was noted and subject to a number of small amendments the Committee **approved** the accounts and endorsed their acceptance thereof to the Audit Committee who are to recommend they be approved by the Trust Board at the meeting to be held on 20 December 2018. **Proposed** by C Higgins and **seconded** by E D'Souza.

CBundy
SJones

The Finance team were thanked for their hard work and effort to complete the financial statements and annual report for the year.

8 Financial Administration and Control Handbook

A number of changes are proposed to the Financial Administration and Control (FAC) Handbook following routine review but also as a consequence of the intention to more closely align the operational practices of the Trust with West Suffolk College following the increased alignment of the boards. Other changes have had to be made following the composition of the board being modified with effect from 1 September 2018 and the implementation of a new software system for the finances which has different parameters.

The Committee asked to receive an annual report detailing contracts awarded at the £100K threshold and on that basis will recommend the newly named Financial Regulations be approved by the Trust Board at the meeting to be held on 20 December 2018. The Trust Secretary will insert this requirement to the Terms of Reference of this Committee.

CBundy
SJones

JBridges

9 Medium Term Plan (MTP)

The MTP includes the Abbeygate (ASFC) figures which incorporates the Project Development Grant (PDG) as year 1 of the plan. The MTP shows that for the current year (2018/19), the Trust is financially viable and will remain so for the remainder of the MTP timeline albeit with the surplus reducing between year 2 and year 3 if there are no funding increases provided to academies. The budget assumptions are not high risk and if circumstances were to affect the Trust adversely then mitigating actions could be put into place.

Trustees attention was drawn to a number of key assumptions made in the preparation and review of the MTP and in summary it was concluded that, without over ambitious student growth and incorporating the recommended pay awards for staff in the 2018/19 year with 1% per annum thereafter, the Trust is still forecast to return a positive financial position. The MTP was **endorsed** and **accepted** by the Committee.

10 Eileen Milner Compliance Assessment

In September 2018 Eileen Milner, Chief Executive of the ESFA wrote to the Chief Executives in Multi Academy Trust and Principals in Single Academy Trust (copied to Chairs of Trustees) outlining her expectations of Trusts and their responsibilities for ensuring that public money is managed appropriately, fairly and wisely.

To this end, a compliance and evidence assessment has been completed against the expected performance outlined in Eileen Milner's letter for the Finance Committee and the Trust Board to consider.

The Committee concluded a fair assessment has been carried out and this will be held as a public record if required.

A Whittaker joined the meeting at 4.05pm

11 Estates Update

The Principal of One Sixth Form College reported that the significant carry forward from last year is to be utilised for IT equipment and the ICAX system. An access pit for this system is set to cost £70K but is an ongoing issue to find an alternative, cost effective solution.

12 Any other business

None

Date of next meeting

Wednesday 13 March 2019 at 4.00pm. West Suffolk College – TG1.16

The meeting closed at 4.10pm