



A figure of £132K PDG funds in respect of Abbeygate sits in the ring fenced 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. The report shows the £60K PDG income received in January 2019. The Committee wished to formally thank those who have put a significant effort into manage the project under such limited and restricted funds.

Taking into consideration a number of costs the available balance not yet formally committed for the rest of the financial year is £7,171 although the PDG in its entirety is expected to be spent.

The only income shown on the SAT Central report is those recharged to West Suffolk College for the IoT work undertaken by the Project Manager of Abbeygate. The Central SAT is funded by a recharge of £135K from One Sixth Form College annually which represents 1.3% of income. The YTD position for Central SAT is a small surplus of £7,117 with the year-end expecting to be fully spent.

During the month of January 2019 £500K was returned to the current account from the deposit account along with £4,250 interest earned. The sum was immediately put back on deposit. At the end of the period the total bank balance was £2,185,967 of which £685,967 was held in the current account and £1.5m held on deposit.

The Committee noted the movement and direction of the KPIs detailed in the report notably commenting on the red RAG rating that we're spending more money on the maintenance and upkeep of the buildings than budgeted which is positive in terms of the investment of our property but financially against budget it is overspent.

At this point in the year it is expected that aside from extra investment in the estate and infrastructure which will also be significantly funded by unspent GAG reserves from 2017/18, the Trust will perform within budget even if the full recommended NJC pay awards (see next agenda item) are approved.

## **6 Pay Award – NJC**

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

## **7 SLA Approvals**

The current SLA between Suffolk Academies Trust and West Suffolk College is working satisfactorily although the Trust will need to consider and approve the SLA before 31 March 2019 to comply with the expectations set out within the Academies Financial Handbook for the Trust.

Approval of the SLA has not been possible until now due to conflicts of interest held by Trustees of the Trust who were also Governors of West Suffolk College. Non-conflicted appointments have now been made with three Trustees solely appointed to the Trust and not conflicted in a governor role with the College. These non-conflicted Trustees have considered the appointment of services under the proposed SLA and advise that the SLA currently in operation for services from West Suffolk College to the Trust for the provision of CEO, CFO, Clerk and Company Secretary roles are renewed.

It was noted that the existing SLA between the Trust and the Association of Colleges for the provision of a Project Manager to support the Abbeygate Sixth Form does not require approval and expires in October 2019 in addition the part of the SLA to support other Trust Projects such as Common Services has already been approved and will terminate on/before the expiration date.

It was noted that the additional SLA provided by the Trust to West Suffolk College for the provision of Project Manager to support the EIoT application is not to continue as the DfE has not progressed our application to the next stage of interview.

The Committee was also asked to consider two new SLAs, one relating to support services, the other for curriculum provision. In preparation for a Teckal arrangement between the Trust and West Suffolk College, a new SLA for sharing management leads within the Trust is proposed. This arrangement will pool, expertise, encourage sharing of best practice and improve corporate agility through a 'group' approach to some of the constituent operations of the Trust and West Suffolk College. This SLA will not be to the detriment of the Trust budget and is predicated to amount to just under £172K. It is proposed that this SLA will apply from 29 March 2019 to 31 August 2020.

The second new SLA proposed offers an opportunity to share the cost of capable and talented curriculum staff between the College and the Trust's new Sixth Form, Abbeygate. This SLA will enable the appointment of a limited number of staff to help shape and grow the Sixth Form without creating a significant cost burden to the Trust since the costs will be partly shared with the College. The agreement is based on a maximum of £150K thereby allowing capacity for a number of roles as required. In line with the Academies Financial Handbook all services are to be provided 'at cost' and it is also proposed that this SLA will apply from 29 March 2019 to 31 August 2020.

The Committee was made aware that a third SLA will be required for the provision of accommodation provided by the College to Abbeygate Sixth Form as part of the transitional arrangements prior to the completion of the new build. A separate approval process with the ESFA is required before an agreement can be drawn and the Trust Board give due consideration and/or its approval.

It terms of value for money, it was noted that all post holders will be recruited into either organisations at remuneration in line with sector rates and as employees, as opposed to bought in services, and thus they will have a vested interest in the success of both organisations. As required by the Academies Financial Handbook, all services are to be provided 'at cost' and associated pre-cost and post-cost certificates are to be issued as part of the SLA documentation and are subject to audit by the Trust's external auditors. The Committee agreed to put a recommendation to the Trust Board to **approve** the three SLAs (current CEO, CFO, Clerk and Company Secretary Services £64K; new proposed Support Services SLA £110K and new proposed Curriculum Provision SLA £150K) at the meeting to be held on 29 March 2019 subject to the decision of the group of Non Conflicted Trustees in this respect of these SLAs.

**8** **Estates Update**

Three large contracts for Hard FM Managed Service; ICT Managed Service and Soft FM Managed Service are approaching the end of their extended one year plus contract period. It is proposed that the contract specifications are reviewed with Abbeygate Sixth Form College in mind and their procurement needs of such services for September 2020.

The Academy has experienced an increase in energy bills (both electricity and gas). Analysis of consumption data has highlighted a high charging period (triad period) between the hours of 4.00pm and 7.00pm which attracts an additional 5.5p/kWh in addition to the unit rate. A possible solution is to add external lighting controls to the BMS (Building Management System) to provide more control over settings which should in turn reduce energy costs.

Further to the Condition Survey conducted by the DfE the report has graded the site as Good; performing as intended. Each of the elements of the report are being reviewed to ensure repair priority and remedial actions are aligned to the Property Strategy. Future capacity of the building is underway as student numbers are predicting to rise so accommodating this increase means that One will have to look at flexible ways of adapting the building to accommodate the demand.

**9** **Any other business**

A Trustee attended a performance of the issues and experiences of those involved with County Lines. The performance was powerful and informative.

**Date of next meeting**

Wednesday 15 May 2019 at 4.00pm. One Sixth Form College Board Room

The meeting closed at 6.40pm