



**Minutes of the meeting of Finance Committee
Sandye Place Academy held on
4th October 2017
at 7.00pm**

Present

Mr M Greener (Elected Chair of Finance Committee), Mrs K McCamley, Mrs S Kane, Mr T Rowland, Mr T Stonehouse and Mr B Sale and Mr M Riches and Mrs H Ranson

Meeting opened at 7.00pm and Mrs S Kane welcomed those present. Mr Greener chaired the first part of the meeting

Item	Action
<p>1. Apologies for Absence Apologies were accepted for Andy Fielding Mrs Ranson agreed to take notes of the meeting</p>	
<p>2. Agree Minutes of last Meeting 2.1. The minutes of the meeting held on 7 July 2017, copies of which had been previously distributed, and were confirmed as an accurate record of the meeting 2.2. The minutes, were agreed and accepted by those present, and have had full GB approval.</p>	
<p>3. Matters Arising 3.1. The budget was confirmed at the GB strategy planning day and had previously been agreed by email before 31/7/2017 upload to EFA. 3.2. Michael Greener was elected as chair of the Finance Sub Committee and took over the chairing of the meeting. 3.3. Andy Fielding was elected as the Vice-Chair. 3.4. Terms of Reference: Because this committee remains the same, there are no changes to note on the terms of reference. It was noted from the internal assurance report that we as a committee need to review our risk register at every meeting and bring that to Governors. This will be added to the TOR as point 9. The TOR were agreed and accepted by those present. 3.5. Discussion took place surrounding the Risk Register and we can't go through every point as it is a large document. For this meeting and in light of the risk factor following the potential change in structure of the three tier system the committee identified three sections for this meeting. It was felt that we should look at one section per meeting going forward and this demonstrates that the committee are reviewing those risks.</p>	
<p>4. Finance Report: 4.1. Meeting needs to clarify draft year end with our Audit on 11th to 13th October . 4.2. All documents were sent to Duncan and Toplis by 25th Sept Deadline. 4.3. There are a few minor adjustments but nothing major that hasn't been included. 4.4. YTD is everything up to 31st august. 4.5. Trading account surplus is not included in here. Have also taken this out of year end comparison so comparing like for like. 4.6. Original budget and forecasted budget was discussed. The reforecast to Q3 was what was reported to DfE in a process that is known as the BRFO, a new report that the government brought in which meant an earlier prediction, based on March spend. The performance reported is based against forecast return. 4.7. Income: to date is 99.9%. Trading surplus will see this at 101% but waiting on confirmation from D&T. The current prediction is £33k surplus.</p>	

Item**Action**

- 4.8. Funding check – where it is 100% is the funding check from the EFA. SK confirmed that all received as expected.
- 4.9. Rateable value went up and resulted in the claim being higher than predicted. Rates are paid then to the LA from this income stream.
- 4.10. **Expenditure:** is less than we our predictions. Having built a business case to join a MAT, it was clear that we needed to reduce our expenditure as much as we could. This will enable us to balance for 2 years.
- 4.11. The accounts include an accrual for honorarium payments for possible decisions by pay committee. This is included within other staff' which remains within budget with this accrual.
- 4.12. MG questioned the big increase in educational support staff.
- 4.13. SK stated that this was within plan for this year, agreed by finance in the budget of 1617. Staff increases up the scale additional recruitment of 2 TAs for statement restructured with some of support staff also supporting teaching and learning. Mrs Weldon had pay rise for taking on head of house. ICT apprentice was taken on and quickly passed so by January he became full time member of staff to support transition within the department. Food technician hours increased to support the teacher as new to post. Absence is covered through supply coded under line 61 – agency support staff. Will have reduction in teachers because have had some staff changes. MG asked for an analysis of the timetable.
- 4.14. Significantly more income received on supply teacher insurance (£35k), however spent £55k for supply agency staff, one reason is the music post is covered under this budget.
- 4.15. Whilst we see drop in teaching staff the expenditure is coded elsewhere.
- 4.16. It was noted that we are within budget on education support staff but as a comparison with 16/17 it is much higher.
- 4.17. We have tried to take advantage of natural waste. One TA left in July and not replaced but this department is struggling. The reason our Academy does well is meeting the needs of children. Unfortunately as numbers reduce we will need to see reduction in staffing.
- 4.18. MG – saw decrease in pupil premium income as well so would have assumed correlation with number of support staff.
- 4.19. BS – not necessarily, PP funding might not necessarily be through support staff.
- 4.20. SK – shows a reduction because fewer pupils are eligible, but it is also how they account for it within the government. Where we can identify 135 in an academic year, but because year falls differently for government this doesn't always match up exactly. Higher amounts were accrued for in past years so overall we balance. BS/SK undertook an exercise over summer to identify how PP is spent to make sure that no child is left behind. Discussion in relation to policy is required. We have identified pupils not eligible for funding but that require support to make expected progress.
- 4.21. Allocation for 2017/18 is in real terms lower than last year. SEN income has reduced because we have lost statement children however we have deployed teaching assistant to not only support one pupil but a number. If lost statement income, governors need to question if we reduce TAs and how this will impact on more pupils.
- 4.22. There are some difficult decisions coming up. Priority needs to be teachers in front of the class.
- 4.23. Increase in support staff – quite a big chunk is covered by significant increase for Sarah Weldon; taking on a key role has showed strong impact. SK has stated that she went on maternity leave in June 2017.
- 4.24. SEN office restructured – they went up but there was a reduction for the SENCO. This was required to prepare for these staff to step up.
- 4.25. MG asked to see hours for teaching and support staff to get a better view of where the resource is spread?

Item

- 4.26. KM stated that we do this already. Careful planning of the usage of our TAs, whilst they support child with statements they also help out in rest of class. Behavioural issues can indicate a need for a TA next to be placed with a child etc.
- 4.27. A restructure of the mid-day supervisors has reduced and a number of contracts have been merged, i./e cleaners doing MDS also under one contract. We restructured all multi-contracts with the exception of one cleaner who undertakes work in Maple Tree.
- 4.28. The budget report last year produced an affordability rate for teachers. MG will look at previous minutes.
- 4.29. It would be useful to do a further analyse of the timetable to make sure we are utilising staff effectively.
- 4.30. KM confirmed that the timetable will not be approved until satisfied this has been met and work has been undertaken in this regard.
- 4.31. A report is to be produced to show teacher hours and support staff hours
- 4.32. This year we do have NQTs and unqualified teachers which require 20% of the timetable to not teach limiting how much we can use them. There also is a need to consider leadership time.
- 4.33. KM reported that we have been stung over the last 5 years on recruitment. We are not getting the quality of staff which has meant growing in order to attain higher standards.
- 4.34. Budget should be 80% on staffing but we are over this, as a result in rising costs.
- 4.35. SK reported on the high absence in 16/17. We have managed it and dealt with it swiftly. There is a member of staff on long term sick, cited as stress, partly work related. This staff member is now on half pay, covered by insurance. An acting head of the department has been taken on as can't afford to drop standards in this area.
- 4.36. A member of staff was dismissed in July 2017 and we had a resignation early due to ill health. There has also been a high staff absence – even this month (September) is higher than what we would expect.
- 4.37. SK confirmed that staff absence insurance is to cover teaching staff. MR asked about past sickness: SK – depends on past history this is why we had to stick with SAS because if we went out to tender we would have paid a higher premium. Had looked at self-insure as we had been doing well in this area until the last year.
- 4.38. The Academy is insured for maternity but Sarah is not covered because she was not a teacher. The work has been spread over the SLT.
- 4.39. 4 other staff are insured – SK, 3x HLTAs. These are roles where would be more costly if they were off.
- 4.40. Within insurance there is access to counselling, physio etc, this helps get back to work quicker.
- 4.41. A 5% tolerance has been achieved and we are not anticipating any major accruals not included. The Accountants will confirm this with us.
- 4.42. SK warned that there is an in year deficit of £108k. Once trading gets included this will reduce by circa £33k. When we originally set the budget we were forecasting £193K and this result was welcomed but noted that an in year deficit cannot be sustained.
- 4.43. TS asked why we haven't spent all money on educational supplies. SK explained that a cut off is in place to get yearend processed and noted term time working. This money is carried forward.
- 4.44. Other areas of high expenditure include absence cost. The roofing project is supported with £12k revenue funding.
- 4.45. There is one re-code problem; leasing looks lower, on further inspection it is noted that this is a coding error and SK will ask audit to adjust this.

KM/SK/KJ

Item	Action
5. Capital report.	
5.1. Capital grant in 15/16, accrued for in full of £424K with only a small amount spent because works were not completed. This is now spent in full following the completion of the roofing project.	
5.2. The bid for extra roofing works was unsuccessful but we will put in again in Dec 2017. It was felt the reason this was not achieved is because of uncertainty about structure of schools.	SK
5.3. Asset register includes ICT, fixtures and furniture's and vehicles. As per our policy we do not capitalise anything under £1k unless part of a suite.	
5.4. Currently our net book asset for buildings is £2227k for land and buildings with additions to be added. This figure relates to the improvements we have made to Academy. Today we got land registry through – leasehold for 125 years. A land and building evaluation was undertaken a while ago with a valuation of £3.3m for the buildings and £700k for the land. The land will not be depreciate however we do depreciate the buildings which haven't been included in the net book figure as D&T will need to confirm that we can now add these to our accounts.	
5.5. The two liabilities are the salix loan; we can use this for budget purpose as we pay back £6.6K per year over 8 years, for 2017/18 it stands at £39K.	
5.6. The Local Government Pension has decreased this year and an adjustment to the accounts will be required.	
5.7. Currently we are in a healthy position but could be a different picture next year.	
6. Kitchen Cashflow:	
6.1. SK alerted governors to the fact that catering supplies has increased by 10k this year in comparison to last. Further in-depth analysis is required to ensure that the explanation from Helen is sound.	SK
6.2. MG asked SK to check meal numbers against takings which SK confirmed she had. SK stated that we try to ensure we can get as much online payments as possible – this is getting better. Have put message out that we want all trips to be paid online but have kept cash available for meals. Have spent £10k more on supply with fewer meals, income is slightly lower.	
6.3. SK will provide a comparison on last year to see where we are down on numbers.	
6.4. A few years ago we asked Helen to ensure she kept costs low but this resulted in the quality of food and the quantity on a plate going down. KM instructed Helen to increase quantity and quality of food and as a result costs have understandably risen.	
6.5. DG and SK have done a thorough check of invoices. Helen was able to give explanations. Difficult to track month on month because of when the school is open and the lag between invoices.	
6.6. SK to meet with HB to discuss further and look at where improvements can be made. Stock to be rechecked, SK will also meet HB on a quarterly basis to discuss figures. SK to meet with cashier and confirm separation of duties.	
6.7. Confirmed the increase in quality and amount per plate. Lower schools were also complaining that the meals were boring. Grab bags have increased and these cost more to produce than the cooked meal. From these explanations and from what SK can see to date this seems reasonable.	
6.8. Increase is approximately £52 per day. Quality and quantity is better – need to build that reputation up again to bring those numbers up. MG – thinks we need to do some sort of spot checks and searches. Look at how much cash came in, where extra meals came from, where that cash is. If there is anything going on will spot early. How do they record it, does this match what it looks like for one lunchtime.	
6.9. The control is that Helen and team serves the dinner. They count the plates and compare that against money which Marian deals with.	
6.10. Potentially Breakfast club is an area of risk – always get rounded income, SK will meet with HB in this regard	

Item

Action

- 6.11. KM – happy with spot checks but not with staff searches as she does not distrust staff. She can see how the supplies have increased but does feel that spot checks are good practice.
- 6.12. MR questioned if the supply chain be corrupted? Have checked invoices and they are audited. One supplier brought the business from his Dad so wanted cheques paid to him, but have held these back and checked this out before paying. HB doesn't process or pay the invoices; they come through the accounts department.
- 6.13. It was suggested that the auditor could give us guidance for ways to keep a check on this. SK will explore this with them at time of Audit.
- 6.14. Kitchen has surplus of £16.5k compared to £26k last year
- 6.15. St Swithuns has a much lower uptake than last year, SK has met with the Head in this regard and HB has produced new menus to accommodate the requests in order to try and increase uptake.
- 6.16. KM has a concern about the wastage of the grab bags – KM would like eco team on school council to look at this. SK and KM to meet HB to discuss further. An option to explore biodegradable plastic was considered.

7. Trading

- 7.1. The report for trading was presented and has met the expectations of income to within £500. A surplus of £33k is likely to be gifted back to the Academy once we have the audit undertaken.

8. School fund.

- 8.1. Most trips have made a surplus with exception of last year's French trip because we had to give a refund to a pupil due to poor behaviour. Overall lost £61, however we had put in an element of a cost for cover which ended up being Sharon which kept the loss to a minimum.
- 8.2. MR stated that our charging policy shows that the Academy should not be making a profit and could SK explain why some appear to have. SK explained that it is not for profit but that we have made a surplus. Trips are costed on an estimate and need to include cover supervision. Sometimes we don't use that but need to cost in to make sure we don't make a loss.
- 8.3. Finance committee have agreed that we can build a +£5 per child, over which the child will get a refund. This surplus is then donated to revenue accounts and the kids can choose how to spend this. No trip has made more than £5 per child so nothing needed to be refunded. The surplus money paid into our revenue accounts allows the children to decide how they want to spend that to benefit the kids – e.g. getting poets in, buying playground and music equipment.
- 8.4. The Surplus stands at over £11k. As previously agreed the committee agreed to retain £5k surplus
- 8.5. The committee agreed to donate £6k to revenue and to ask children how they want to spend it. £2k has come from performance and governors would recommend this for lights/sound for the production. The school council will decide but it was felt that the committee could make a recommendation for this to go back to the production.
- 8.6. Trustees for next year include Sharon Kane, Kim McCamley, Hannah Ranson and Michael Greener. SK will make the necessary changes in our charity return once the accounts are independently checked.
- 8.7. The Revenue, Kitchen, Trading and School fund **accounts and associated reports were agreed and accepted by those present.**

Item	Action
9. Policies	
9.1. A review of the policies, Charging and Remissions, Anti-Fraud, Whistleblowing and Pupil Premium was undertaken.	
9.2. Charging and remissions – policy doesn't change. MR's question has been addressed about surplus being reinvested or refunded if +£5.	
9.3. Anti-fraud. Change Assistant Principal will ensure... as may be done by another member of the team.	
9.4. Whistleblowing procedure. Generally for finance but does give options for other issues. Have checked all other bodies are relevant.	
9.5. Pupil Premium includes recognition that some pupils will be disadvantaged but not eligible for free school meals. The policy says governors reserve right to spend money on pupils seen as socially disadvantaged. Was concerned about whether we were allowed to spend the money in this way but it was agreed that we could state this so this will remain in the policy. The Government are changing how we report on PP to a strategy and BS is currently working on it. This will be published with details of what we are doing throughout the years.	
9.6. The above policies, subject to the minor changes were agreed and accepted by those present	SK
10. Risk Register	
10.1. Following our interim audit recommendations the risk register was reviewed by the finance committee. This was scheduled for review in Jan 2018.	
10.2. A number of risks have been identified as changed	
10.3. It was felt that there was a need to look at strategic, reputational and governors sections at this meeting as we need to focus where major risk is.	
10.4. Governors: it was felt that we meet all of these tasks and they are levelled appropriately.	
10.5. Strategic and Reputational: Competition is key area of concern, the role of finance committee is to flag to the main governing body. The likelihood has increased and our solutions have since changed. As a result an EGB has been to address this.	
10.6. Long term demand risk also needs to change. Need to review and make recommendation to full board before changing. Would suggest the likelihood has changed in this area.	
10.7. MG suggested adding outstanding action column to risk register to log what needs to be addressed for the next FGB.	SK
10.8. Suggest we have a working party that once a year reviews in full but that finance undertakes a quarterly review of certain sections.	
10.9. SK to see advice on this from D&T	
11. AOB	
11.1. MR asked if the free staff school meals have any impact on benefit in kind for staff. SK stated that there are a number of things you can spend on staff that don't count as benefit in kind. As long as they are supervising children they are allowed a lunch. For kitchen cash flow is £2.65 but we cost this as £1 per plate. Also supply uniform for PE department; we had an order from the PE department. SK stopped the order as did not recognise the supplier and not on approved supplier list. Some of the PE team wanted Nike stuff which Price and Buckland don't do. TS has agreed that we are going to get this supply from Price and Buckland – any leggings/trousers/trainers, the team need to buy themselves as they are without a logo. SK has dispensation from HMRC. Mobile phones, so long as this is agreed by governors for school use, i.e. camp phone and cover phone then this is acceptable. One mobile device is allowed and SLT have Ipads supplied by the Academy.	
12. Date of next meeting is 8th January 2018 at 7pm in the Green Room.	