



Swift Academies

Success will inspire future triumphs

Finance & Resources Committee
4.30pm, Thursday 27 June 2019

Hurworth School, Croft Road, Hurworth on Tees, Darlington,
DL2 2JG

Present Rita Rees, Keith Bernstone, Ian Black, Jim Marshall, Stuart Hargrove (Chair), Dean Judson (Chief Executive Officer)

Also, Present Glen Hart (Chief Finance Officer, Swift Academies)
John Armitage (Head Teacher, The Rydal Academy)
Sarah Jones (Trust Business Manager, Swift Academies)
Claire Mitchell (Governance Partner, Avec Partnership)

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
1	<p>Welcome, introductions and confirmation quorum present Directors were informed that a quorum was present. The Scheme of Delegation for Swift Academies documents that the quorum is three Directors in order for decisions to be taken during this meeting of the Finance and Resources Committee of Swift Academies. Six Directors were present.</p> <p>The meeting opened at 4:30pm.</p>	
2	<p>Apologies for absence and their acceptance The CFO reported that apologies for absence had been received from Nichola Peaker and Nick Lindsay.</p> <p>Directors RESOLVED that the apologies for absence be accepted.</p> <p>The CEO was not present at the start of the meeting and the CFO confirmed that the CEO will be joining the meeting later.</p>	All to note

3

Notification of items of urgent other business

- Items that the Finance and Resources Committee of Swift Academies regard are of sufficient urgency to warrant consideration at the end of the agenda

No items of urgent other business were notified for consideration.

4

Declaration of personal and pecuniary interests

a) complete the Register of Interests

Directors and those present were reminded that they should complete the register of interest to declare any relevant business or pecuniary interest and close family relationship between Members or Directors and/or Members or Directors and employees. A register should be completed annually and updated during each academic year where circumstances change.

Jim Marshall completed a declaration of interest form in the meeting and returned this to the CFO.

b) to declare any personal or pecuniary interests in any matters arising from the agenda of the current meeting

Directors and those present were reminded that they should declare any personal or pecuniary interest in any matters arising from the agenda of the current meeting.

No declarations of interest were received.

c) to complete Automatic Disqualification Declaration

Directors were informed that the Charity Commission automatic disqualification rules had changed with effect from 1 August 2018. New reasons for disqualification included being in contempt of court, being named under particular anti-terrorism legislation or being on the sex offenders register.

d) Code of conduct

Directors were informed that the board of directors had approved a Code of Conduct for Governors in March 2018. The Code of Conduct should be signed by Governors to confirm they will undertake to abide by the Code of Conduct for Governors across Swift Academies.

5

Approval of minutes / review of agreed actions / matters arising Finance and Resources Committee of Swift Academies Thursday 28 February 2019

Draft minutes of the Finance and Resources Committee meeting of Swift Academies held on Thursday 28 February 2019 had been circulated to Directors prior to the meeting. A copy would be retained on file.

The Chair reviewed the actions from the meeting minutes.

The TBM confirmed that individual school Business Continuity Plans are completed and have been approved by the individual LGB's. These have been utilised to prepare an overarching Trust Business Continuity Strategy and this will be available within the papers for the next full Board meeting.

Directors agreed that all other outstanding matters arising are included on the agenda of this meeting.

Directors RESOLVED that the circulated minutes of the Finance & Resources Committee meeting of Swift Academies held on Thursday 28 February 2019 were an accurate record of the meeting and are APPROVED and should be signed by the Chair. The minutes would be retained by the Trust Business Manager.

Chair / Trust
Business
Manager

6

Management accounts update 2018-2019

The Budget Monitoring Report dated 30 April 2019 had been shared with Directors prior to the meeting. A copy would be retained on file.

The CFO discussed with Directors the content of the circulated Budget Monitoring Report, with the following key points provided:

- The format of the report is a summary of the Trust management accounts;
- There was a 48K surplus budget set last academic year;
- The current in year surplus is at 149K and this is due to additional funding received;
- Page 3 includes tables to provide information relating to the increased income;
- Staffing has been reviewed and where possible resignations have not always been replaced like for like;
- There have been a number of long term absences which have had a negative impact on budget. Staff absence insurance is currently being reviewed.

Directors noted that staff absence is an increasing variance and recommended that a staff absence review of reasons be conducted.

The TBM confirmed that there is now one absence management policy across the Trust which was rolled out in September and this has supported a more consistent approach.

The CEO entered the meeting.

Directors queried if the improvement in staff morale has had a positive effect on staff absence?

The CFO confirmed that supply staff have been utilised this year not only for sickness absence but for other absences such as maternity leave.

The CFO continued with a summary of the Budget Monitoring Report:

- Page 4 includes the revenue savings details;
- ICT contracts are being reduced as ICT is well supported internally;
- The teachers' pay grant is being received to support the recent pay increase;
- Teachers' pension employer contributions will increase from 16.48% to 23.6% in September 2019 which is a total outlay of 380K across the Trust. This increase will continue to be government funded until August 2020;
- Details relating to risk and assumptions are included;
- 45K is received every June into capital income.

The TBM advised Directors that the CIF (Condition Improvement Fund) an application process currently open to the Trust on an annual basis; the two applications submitted were unsuccessful, as a result Trust funds have been used to replace parts of the boiler at Longfield School. A CEEF application to support energy efficiency has been submitted however funds are oversubscribed and therefore the application is on a list to receive funding when available.

Directors recommended ensuring that the quality of light fittings as provided when the funding is available should be reviewed with the potential for a trial in one classroom to ensure that the fittings are fit for purpose and have longevity.

The TBM confirmed that a pilot of light fittings could be supported during the office and corridor update in Hurworth School.

The CFO and TBM continued through the report confirming that all SLA's and contracts are being reviewed for value for money and savings are being made; an example of this is the ICT contracts with 22K saving this year. Utilities contracts are being reviewed and the Trust are utilising web based review tools to ensure access to the best prices.

Jim Marshall advised he will forward to the CFO & TBM details of current best prices to support this review.

Jim Marshall

The TBM advised that there is tender open for an updated gas supply contract to support two of the Trust schools and there will be a 4 hour window between 12 - 4pm on 8th July when any applications can be approved.

Directors queried the length of contracts available?

The CFO confirmed that there will be an option for 1,2 & 3 year contracts. The CEO advised an email will be sent to Directors during this timeframe and requested that Directors respond as a priority wherever possible.

Directors APPROVED Jim Marshall as designate to recommend the preferred contract choice on behalf of Directors.

All to note /
Jim Marshall

The CFO also advised that a broker has been approached for pricing benchmarks.

Directors commented that the cheapest quote isn't always the best and providers should be reviewed for quality of service also.

The CFO confirmed that end of year reserves are currently projected at 390K.

Directors RESOLVED that the content of the circulated Budget Update Report and information presented be received and noted.

All to note

2019-2020 proposed budget, including:

- **Appendix 1 – 2019-2020 budget and medium term financial plan**
- **Appendix 2 – 2019-2020 budget and medium term financial plan including Teacher’s pension grant**
- **Appendix 3 - Swift Benchmarking report**

The CFO discussed with Directors the content of the circulated 2019-2020 proposed budget, with the following key points provided:

- The front page provides context to support any assumptions still required;
- Financial stability for the Trust is paramount;
- The report includes a 3-year projection which includes a projection for both income and lack thereof relating to a government grant to continue to support the teachers’ pension increase.

Directors discussed whether the return to ESFA should include the estimated teachers’ pension grant.

- There are year on year comparisons included;
- Pupil numbers are included with October 2019 as estimates;

Directors commented that schools are almost at capacity therefore an increase in income from pupil numbers will be minimal.

Directors discussed the projected pupil numbers for the coming years.

The CEO confirmed that his report confirms the specific figures and this includes the current and potential building developments near to school areas.

- Lettings are included within the report;
- Staffing particulars are included with teachers pay increase assumptions included;
- LGPS contributions are included.

Directors queried why the LGPS deficit payment has increased? The CFO confirmed that a stepped approach has been utilised and therefore this is now at an increased rate.

- There are details of the apprenticeship levy payments included;
- The Trust is a member of the RPA and those payments are included;
- The final paragraph on page 6 provides recommendations for growth;
- Key risks are included and the Trust has been prudent wherever possible.

Directors queried the benchmarking details?

The CFO confirmed that the averages come from the Avec benchmarking report.

The Chair commented that priority action should be taken should the government confirm that the increased pension contributions will not be funded for 20/21.

Directors discussed that the Trust is being financially vigilant.

- The Swift Benchmarking report has been provided by Avec with benchmarks including the holistic range of Avec clients and also the ESFA benchmark recommendations.

The CFO confirmed that in October 2019 there will be SRMA review funded by the DfE.

Directors RESOLVED that the information be received and noted and recommend the proposed budget (appendix 2) for approval by the Trust Board. All to note

8 Hurworth School Benchmarking Report 2017/18

Hurworth School Benchmarking Report 2017/18 had been shared with Directors prior to the meeting. A copy would be retained on file.

Directors RESOLVED that the content of the circulated Hurworth School Benchmarking Report 2017/18 be received and noted. All to note

9 Internal Audit

• Autumn Term 2018

The Autumn Term Internal Audit Report had been circulated to Directors prior to the meeting. A copy would be retained on file.

Directors commented that the report includes a lot of 'green' which is positive with some minor recommendations.

The CFO confirmed that the Spring Term Audit Report is awaited.

Directors RESOLVED that the content of the Autumn Term Internal Audit Report 2018 be received and noted and commended the Finance team for such a clean audit. All to note

10 Risk Registers

- a) Longfield School
- b) Hurworth School
- c) The Rydal Academy

The CFO confirmed that all high risks as identified within LGBs are now included in the overarching Trust risk register.

Directors recommended including the boiler risk at Longfield School within the Trust Risk Register as should the boilers fail this would impact as a high cost and require Trust financial support.

Directors queried if there is a Trust procedure that confirms the actions to be taken under any press presence and commented that this should go through the CEO?

The CEO confirmed that yes, this is present and is utilised by leaders of the Trust schools. All to note

	Directors RESOLVED that the information be received and noted.	
11	<p>Letter from Lord Agnew</p> <p><i>Ian Black left the meeting.</i></p> <p>Directors RESOLVED that the letter dated 30 April 2019 addressed to the audit colleague as circulated by Lord Agnew be received and noted.</p>	All to note
12	<p>ESFA Fraud update</p> <p>The CFO confirmed to Directors the context of the fraud investigation request made by the ESFA. The CFO & CEO completed a return to provide the ESFA with the information as requested.</p> <p>The CFO confirmed that there are robust procedures in place to manage any change of bank detail requests.</p> <p>Directors RESOLVED that the ESFA Academy Fraud update relating to Longfield School be received and noted.</p>	All to note
13	<p>Chief Executive Officer (for information only)</p> <p>a) CEO report to LGB b) Scheme of Delegation c) Trust Development Plan</p> <p>The CEO's report, Scheme of Delegation and Trust Development Plan had been shared with Directors prior to the meeting. Copies would be retained on file.</p> <p>Directors RESOLVED that the information be received and noted.</p>	All to note
14	<p>Concluding items</p> <p>Any urgent other business raised under item 3</p> <p>No items of urgent other had been notified for consideration.</p>	
15	<p>Approval of documents for inspection</p> <p>Directors RESOLVED that the agenda, approved minutes and supporting documents be made available for public inspection with the exception of information concerning identifiable pupils and/or teachers and the ESFA fraud update report.</p>	TBM
16	<p>Dates, times and venue of future meetings</p> <p>Directors referred to the pre-circulated Trust meeting schedule for the academic year 2019-20 and confirmed their approval.</p> <p>The CEO reminded Directors of the MAT Development Session for Members, Directors and Governors on Thursday 4th July 2019.</p> <p>Stuart Hargrove and Keith Bernstone provided their apologies for the next Board meeting.</p>	Governance Partner

The meeting closed at 5:50pm.

Approved by the Finance and Resources Committee of Swift Academies on: 21/11/19 (date)

signature (chair): 

name: STUART HARWOOD

Approved