

MEETING OF THE FINANCE & RESOURCES COMMITTEE

BOLTON IMPACT TRUST

FRIDAY 11 NOVEMBER 2016 AT 2.30PM AT YOUTH CHALLENGE

Present: T Grimshaw (TG) – Chair of Committee, Paul Hodgkinson (PH) - Executive Principal, Mary Powell (MP) - Chair of Trustees

In Attendance: David Smith (DS) - Finance Director, Jemma Stamford (JS) – Business Manager Lever Park and Emma Stoddard (ES) – Clerk

1. WELCOME AND APOLOGIES FOR ABSENCE

Trustees were welcomed to the first meeting of the Finance & Resources Committee. No apologies for absence had been received as all members of the committee were present.

2. APPOINTMENT OF CHAIR

The Clerk asked Trustees to agree the procedure for the election of Chair to the Committee and to appoint a Chair to serve to the autumn term 2017.

Agreed: i) That written self-nominations be sought in advance of the meeting for future elections

ii) That T Grimshaw be appointed as Chair of the Finance & Resources Committee to serve until the autumn term 2017.

TONY GRIMSHAW IN THE CHAIR

At this stage governors gave consideration to the membership of this committee and agreed that it would be prudent to ask another Trustee to join the committee to balance out the number of Trustees against staff members. Trustees agreed that this should be a member of the Standards Committee rather than the Risk & Audit Committee.

Agreed: That a Trustee serving on the Standards Committee be invited to join the Finance & Resources Committee

3. DECLARATION OF INTEREST

3.1 Register of Business Interests

In accordance with the academies financial handbook entries in the Academy Trust's Register of Business Interests were to be reviewed annually. All Trust Members who hadn't already completed a form were asked to do so. Members of staff with financial responsibilities were also asked to complete the form.

Action: DS and JS complete the Register of Business Interests form

3.2 Declarations of Interest

The following declarations of pecuniary interest were made:

DS declared that TG was a close friend of his

TG declared that he has a sister who works at Lever Park School

Agreed: That the above declarations be noted

4. MEMBERSHIP / GOVERNANCE ISSUES

Trustees were directed to the committee's terms of reference. PH reported that in response to Trustee suggestions a checklist of the responsibilities of the committee had been produced. PH confirmed that only 4 out of the 14 items listed were not included on today's agenda but would be covered at future meetings.

Agreed: That the committee's terms of reference be approved and adopted

5. NOTIFICATION OF ANY OTHER BUSINESS

The following items of Any Other Business were reported:

- i) Appointment of permanent employees
- ii) Corporate Social Responsibility
- iii) Cost Savings

6. BOLTON IMPACT TRUST – FINAL OUTTURN REPORT APRIL 2016 TO AUGUST 2016

Trustees were directed to the Final Outturn Report for the period April 2016 to August 2016. The report outlined the final outturn position for the Trust as a whole and at an individual academy level, including an analysis of variances from the budget approved by the Trust Board at its meeting on the 20th July 2016.

DS reported that the net outturn position was £25,000 less than anticipated and the significant variances were reported to be due to:

- Setup costs - £55,000 cost saving. The setup costs were estimated to total £100,000 however the determinable costs had totalled £45,000 (legal fees). DS explained that a significant amount of time had been taken by key staff to

develop and implement the Trust but this had been included in normal staffing expenditure.

- Vacancies -£41,000 cost saving, mainly at Lever Park due to the substantive Head Teacher not commencing employment until September 2016
- Reduced income - £15,000 cost pressure
- Agency Costs - £92,000 cost pressure

Final Outturn Position Individual Academies

MP referred to the internal charge from individual academy budgets to fund the net position on the Central Services team and asked for further information regarding this. DS explained that the Central team totalled 10.75% of the overall expenditure, the method of top slicing from the academies had been discussed with the EFA and they had been satisfied with this.

MP requested that a further report be provided to Trustees at the next committee meeting and requested that this include all expenditure included within the 10.75% to enable this to be approved by Trustees.

Agreed: That a detailed report on the overall expenditure relating to the Central team be provided at the next meeting for approval

Action: DS (provide report)

Devolved Formula Capital

In response to questions DS explained the Devolved Formula Capital and reported that the £35,000 had not yet been spent and would be carried forward.

Pension Deficit

Trustees were directed to the Pension Fund Actual Variation. DS reported that the valuation had determined that the current pension assets totalled £1.248m and its current obligations totalled £3.24m resulting in a net deficit of £2m. Trustees agreed that this was a significant concern and should be closely monitored. DS reported that the Greater Manchester Pension Fund had not yet informed academies of the employer pension rates for 2017/18 so these may increase.

Statutory Accounts

DS reported that the statutory accounts would be audited w/c 14 November 2016 and presented to the Board for approval at its meeting on 12 December 2016. DS added that the External Auditor would also be invited to attend to discuss the accounts in more detail.

Agreed: That the Final Outturn Report for the period April 2016 to August 2016 be received and noted

7. FINANCIAL MONITORING 2016/17 FINANCIAL YEAR

DS presented the Budget Monitoring Report 2016/17.

The projection was reported to be -£197,000 and the significant variances were reported to be as follows:

- Employed employees - £80,000 cost pressure
- Agency staff - £47,000 cost pressure
- Reduced Income - £100,000 cost pressure
- Savings programme - £80,000 cost pressure
- Other supplies and services - £70,000
- Reduced premises costs - £123,000 cost saving

MP questioned why less income was anticipated if the Academies within the Trust were at full capacity. DS explained that the Trust had been working on an average throughout the year. The Trust was also currently accommodating 30 pupils who required specific support, this was putting pressure on the academies as they were required to provide the time and resources required to support these pupils. In response to questions DS explained that the Local Authority funded an average of 80 places over the year but this fluctuated and places had peaked at 120 last year. MP suggested that the LA be notified when the average figure was exceeded and a table of cost also be provided.

PH reported that Academies in the Trust operated as 'carousel' schools but were now having to provide long term provision as Lever Park was at full capacity. Trustees stated that discussions may need to take place with schools regarding a traded service.

In response to questions, DS explained that the Trust had not yet signed an agreement with the LA and a meeting would be required to discuss funding. The Chair stated that a contract was needed based on the Academy needs and consideration needed to be given to what number would be considered as full and what price needed to be charged. Trustees agreed that an additional meeting would need to be convened prior to February as business critical discussions needed to take place before then. The Chair stated that the Trust would also need to explore other funding streams.

MP referred to the expenditure on agency staff and questioned if the Academy had sickness insurance in place. DS reported that sickness insurance was not currently in place and agreed to present quotes at the next meeting.

- Agreed:**
- i) That the Budget Monitoring Report 2016/17 be received and noted
 - ii) That recommendations to the LA and other schools be discussed at the next meeting
 - iii) That sickness insurance quotes be obtained

Action: DS (provide quotes for sickness insurance)

8. SAVINGS & EFFICIENCIES REPORT – LEVER PARK

The Board of Trustees, having designated details of the discussion that followed as being confidential in accordance with Article 125 of the Articles of Association, this information is excluded from these minutes.

9. EFA – FEEDBACK FROM FINANCIAL MANAGEMENT AUDIT

Trustees had received the feedback report from the EFA Audit on 31 October and 1 November 2016. DS reported the visit to be very positive, the auditors had acknowledged that the Trust was still very young but had been pleased with the systems already in place.

MP requested that an update on the recommendations within the report be provided at the next committee meeting.

In response to questions DS reported that the EFA required a response within 20 days of the visit and work on the actions was already underway.

Action: DS (provide update at next meeting)

10. ANY OTHER URGENT BUSINESS

Three items of Any Other Business had been notified at the start of the meeting:

10.1 Appointment of Permanent Employees (Lever Park)

DS circulated a report to seek Trustees approval to appoint to established vacant posts at Lever Park. The Trust currently had 40 vacant posts which were currently being covered by agency staff. MP asked whether this would be financially beneficial to the Trust, DS explained that this was likely however Trustees would need to be aware of pension costs.

After further consideration it was:

Agreed: To approve the proposals to recruit to vacant posts at Lever Park where it is deemed appropriate to fill them on a permanent basis

10.2 Corporate Social Responsibility (CSR)

The Chair requested that CSR be added to the next agenda for further discussion.

Agreed: That CSR be discussed at the additional committee meeting on Monday 12 December

10.3 Cost Savings

The Chair requested that more time be designated to discussions around cost savings and opportunities available to the Trust outside of the local area.

Agreed: That cost savings be discussed at the additional committee meeting on Monday 12 December

11. DATES OF NEXT TRUSTEE COMMITTEE MEETINGS

Agreed: That the next Finance & Resource Committee meetings be held as follows:

Monday 12 December at 1.30pm (*additional meeting to be clerked by J Stamford*)

Friday 10 March 2017 at 2.30pm

Friday 9 June 2017 at 2.30pm

Trustees required that more time be allocated to future meetings.

12. CONSENT TO ABSENCE

All Trustees were present at today's meeting.

13. CONFIDENTIALITY

Agreed: i) That the following matter discussed at this meeting be designated as confidential in accordance with the Academy's Memorandum and Articles of Association:

- Minute Number 8 - Savings & Efficiencies (Lever Park)

ii) That the full minutes be presented to the Risk & Audit Committee at their next meeting on Friday 25 November

The meeting closed at 3.30pm

SUMMATIVE ACTIONS:

Minute No.	Responsible	Action
3.1	DS & JS	Complete Register of Business Interest Forms
6	DS	Provide report on overall expenditure
7	DS	Obtain sickness insurance quotes

9

DS

Provide update of EFA report actions

ITEMS FOR NEXT AGENDA:

Additional meeting to be held Monday 12 December 2016

Recommendations to the LA and other schools / Income

Future of the Trust / Cost Savings

EFA

CSR

Termly meeting to be held on Friday 10 March 2017

Report on the overall expenditure relating to the Central Team

Sickness Insurance Quotes

Signed as a correct record: _____ Anthony Grimshaw _____

Date: _____ 12th December 2016 _____

(Chair of Finance & Resources Committee)