

**MEETING OF THE FINANCE & RESOURCES COMMITTEE**

**BOLTON IMPACT TRUST**

**TUESDAY 12 DECEMBER 2017 AT 2.15PM AT YOUTH CHALLENGE**

**Present:** Tony Grimshaw (TG) – Chair of Committee, M Powell (MP) - Chair of Trustees, Allan Slater (AS) and Paul Hodgkinson (PH) - Executive Principal

**In Attendance:** Melanie Bailey (MB) - Auditor, Haines Watts, David Smith (DS) - Finance Director, Jemma Stamford (JS) – Business Manager Lever Park and Emma Stoddard (ES) – Clerk

**TONY GRIMSHAW IN THE CHAIR**

**1. WELCOME AND APOLOGIES FOR ABSENCE**

Trustees were welcomed to the meeting. TG welcomed Melanie Bailey from Haines Watts and introductions were made.

No apologies for absence had been received as all Trustees were present.

**2. DECLARATION OF INTEREST**

No declarations of pecuniary interest were made.

**3. NOTIFICATION OF ANY OTHER BUSINESS**

One item of Any Other Business was reported pertaining to the Personal Learning Centre.

**4. MATTERS ARISING FROM THE MINUTES OF THE LAST MEETING**

There were no matters arising from the minutes of the last Finance & Resources Committee meeting held on 9 June 2017 and the joint Finance and Risk & Audit Committee meeting held on 11 September 2017, which were not included on today's agenda.

**5. STATUTORY ACCOUNTS 2016/17**

MB presented the Report to Trustees & Summary of Audit Findings and the Trustee's Report & Audited Accounts for the year ended 31 August 2017. MB directed Trustees to page 13 and confirmed that no irregularities had been found in the accounts presented; however, Trustees were cautioned that the Education Funding Agency (ESFA) could visit at any time to investigate the deficit budget. MB recommended that

all records of any correspondence with the Local Authority be retained to present to the ESFA if need be. DS reported that he had had regular contact with the ESFA, copies of correspondence and minutes of meetings had already been provided and they were fully aware of the financial position. The Chair asked if the ESFA had provided any guidance to the Trust regarding the financial position. DS stated that no guidance had been received but he would welcome further advice from the ESFA regarding the high needs funding and how this can be managed by academies. MP stated that this was new territory for the ESFA and a national problem and added that she did not feel the issue regarding high needs funding had been thoroughly thought through by the government.

In response to questions MB confirmed that internal controls were in place and only one area had been highlighted relating to invoices for purchases. DS reported that in some instances he could not raise an order and although this conflicted with the Financial Handbook, DS stated that it would be sensible to update the handbook rather than change the process, as this worked well. DS explained that many purchases were made via Amazon using a pre-paid card. All expenditure was approved by the Academy Lead prior to any credit being uploaded to the card, making the process very transparent. DS confirmed that paperwork was available for all transactions. The Chair asked why the Trust used Amazon for purchases. DS explained that resources were often purchased via Amazon as the prices were competitive with fast delivery.

MB directed Trustees to page 19 and reported that every Academy share of the pension fund had dropped so this did not relate only to BIT.

MB stated that the main priorities for Trustees would be to monitor the deficit and cash flow moving forward. MB asked if a cash flow report was provided to Trustees. PH reported that a Governance Cycle had been produced and this now included a cash flow report as a regular item to be presented to the committee. It was noted that management accounts were presented on a half termly basis. MB advised that the ESFA now required the accounts to be presented on an accrued basis. DS stated that the majority of the expenditure (approx. 80%) was spent on staff salaries. MB asked if staff were on fixed term contracts due to the unpredictability of pupil numbers. PH explained that staff had been taken over from the Local Authority on their existing terms and conditions.

MB stated that the ESFA were now placing more emphasis on the challenge presented from Trustees regarding the budget. PH confirmed that Trustees provided consistent and robust challenge to the Leadership team on all aspects of the Trust finances.

The Executive Principal asked if the ESFA would be satisfied that the Trust was predicting an in-year projected surplus in 2017/18. MB stated that although the ESFA would see the projected in-year surplus as a positive move forward their main focus

would still be on the deficit. The Executive Principal concluded by stating that he was happy to have a positive prediction moving forward and on-going dialogue with the ESFA.

**Agreed:** To accept the findings of the Audit and Statutory Accounts and recommended to the full Trust Board for approval

Mary Powell, Chair of the Trust signed the accounts.

DS thanked MB and the staff at Haines Watts for their support and MB left the meeting.

The Chair thanked DS for his hard work in producing the accounts and asked that an email also be sent to all staff involved to thank them also.

MP referred back to DS's report on staffing and stated that 80% staffing costs seemed to be particularly high. PH stated that staffing was an issue for all special schools due to the staff pupil ratio. PH added that the Trust was looking to upskill Support Staff moving forward. Trustees discussed staff absence and agreed that this presented a significant risk to the Trust. MP suggested that the Trust look at other academy HR policies and more emphasis be placed on responsibility and accountability.

## **6. FINANCIAL MONITORING REPORT – 2017/18 – AUTUMN TERM**

Trustees had received the Financial Monitoring Report Autumn Term 2017/18.

The report outlined the approved budget position for the Trust, the current projected outturn position for the year and proposed actions to address any variances identified.

The projected financial position based upon currently secured funding was a projected deficit of £67,000. Trustees were directed to the summary in Table One and the detailed report at Annexe B.

DS outlined the cost variances, including the significant increase in pupils at the Personal Learning Centre (PLC), which had required additional staffing resources. PH reported that he was currently working on a different costing structure for the Outreach Service and he would forward a full proposal to MP and TG by mid-January. MP asked regarding the exit strategy for PLC learners. PH reported that there would be a 10 week review and this would determine if longer term provision was needed. MP stated that if long term provision was needed then base funding of £10,000 per pupils would be required. The Trust had purchased a car and employed one of the former taxi drivers to reduce the taxi costs of transporting pupils to Park School. In response to questions DS reported that this was working well and should present a saving of around £25,000 this year. TG asked if the same service could be implemented at Lever Park to reduce transport costs. PH explained that the Local Authority was responsible for transport costs for Lever Park pupils. TG stated that the PLC had great

potential but this currently also presented a risk as the classrooms were overcrowded. Trustees agreed that alternative accommodation or satellites needed to be a priority.

DS reported that the original budget had been prepared based upon the assumption that top up funding would be received for the 57 primary places at Youth Challenge and the Forwards Centre regardless as to whether or not the places were filled. The LA had since notified the Trust that top up funding would be provided based upon actual places filled, resulting in a projected variance due to reduced income and this would have a significant impact. Trustees discussed this further and questioned if anything could be done regarding this matter. PH reported that he was meeting with TB the following week and would discuss this matter then.

DS reported that the financial impact of the mitigation shown under item 3.3 would improve the Trust's financial position in the 2017/18 financial year by £140,000, bringing the expected financial in year position to a £73,000 surplus. Trustees were informed that a £80,000 was needed to generate the money needed to make the £10,000 monthly repayments to the LA.

Trustees were directed to the External Funding Bid Monitor Report and informed that nine bids had been successful so far totalling £77,000. The Trust was hopeful that a £112,000 bid from Children in Need would also be successful. Trustees agreed that employing the services of a bid consultant had provided good value for money and the additional funds would significantly enhance the provision. MP suggested that the Trust give consideration to offering the Duke of Edinburgh Award Scheme.

**Agreed:** That the Financial Monitoring Report be received and the proposals to address the variances be approved

**Action:** PH (provide costing structure for Outreach service to MP and TG)

**7. DATES OF NEXT TRUSTEE COMMITTEE MEETINGS**

**Agreed:** That the date of the next meeting be:

Friday 9 March 2018 at 1.00pm

**8. CONSENT TO ABSENCE**

All Trustees were present at today's meeting.

**9. ANY OTHER URGENT BUSINESS**

It was noted that the PLC had already been discussed during the course of the meeting. TG stated that the base funding needed to reflect the demand for the service and suggested that pupil numbers could be increased on the SLA as this had not yet been signed and returned by the LA.

**10. CONFIDENTIALITY**

**Agreed:** That none of the matters discussed at this meeting be designated as confidential in accordance with the Academy's Memorandum and Articles of Association.

The meeting closed at 3.30pm

**SUMMATIVE ACTIONS:**

<b>Minute No.</b>	<b>Responsible</b>	<b>Action</b>
6	PH	Provide costings structure for Outreach service

Signed as a correct record: \_\_\_\_\_

Date: \_\_\_\_\_

(Chair of Finance & Resources Committee)