

MEETING OF THE FINANCE & RESOURCES COMMITTEE

BOLTON IMPACT TRUST

FRIDAY 15 NOVEMBER 2019 AT 1.00PM AT YOUTH CHALLENGE

Present: Tony Grimshaw (TG) – Chair of Committee, Bob Atkinson (BA) and Kristian Halliwell (KH)

In Attendance: Rebecca Leonard (Vice-Principal and Youth Challenge Academy Lead), David Smith (DS) - Finance Director and Emma Stoddard (ES) – Clerk

TONY GRIMSHAW IN THE CHAIR

1. WELCOME AND APOLOGIES FOR ABSENCE

Trustees were welcomed to the meeting.

An apology for absence had been received from Paul Hodgkinson (PH) - Executive Principal.

2. DECLARATION OF INTEREST

No declarations of pecuniary interest were made.

3. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business reported.

4. MINUTES OF THE LAST MEETING AND MATTERS ARISING

A copy of the minutes of the last committee meeting held on Thursday 13 June 2019 had been circulated with the agenda.

Matters Arising

Trust Purchase Cards (Minute Number 7)

DS reported that Haines Watts had been commissioned to conduct an internal thematic audit, which was in addition to the external audit. DS provided an overview of the internal audit process, which would take place on a termly basis. TG asked how long the audit would take; DS stated that the internal audit would be conducted over 2 days each term. The Internal Audit report would be presented to the Risk & Audit Committee at their next meeting. It was further proposed that members of the Risk & Audit Committee meet to discuss the report in more detail on Wednesday 27th November before the termly meeting on Friday 29th November.

Agreed: To approve the minutes of the Finance & Resources Committee meeting held on Thursday 13 June 2019

5. FINANCIAL MONITORING REPORT 2019/2020 – PERIOD 2

DS directed Trustees to the Financial Monitoring Report for Period 2 of the 2019/20 financial year, which outlined the final monitoring position (both revenue and capital), based upon transactions that had occurred in the period 1 September 2019 to 31 October 2019; the Trust's cashflow position as at 31 October 2019, including monthly cashflow predictions up to August 2021 and the Trust's balance sheet as at 31 October 2019.

Financial Outturn Position

DS reported that the Trust was anticipating a deficit of £276,000, which was £16,000 greater than originally budgeted. A Summary Monitor by Academy was provided to support this figure. DS reported that the information provided was based upon transactions during a 2-month period (September / October) but provided a projection for the full year. TG asked how accurate this projection was as transactions could tend to fluctuate throughout the year. DS stated that he had anticipated for certain expenditure i.e. the teacher pay award, which did not show in September and October but would be backdated from November. Detailed discussions were also held with Academy Leads to achieve the most accurate projection possible.

Capital Resources

The Trust had brought forward capital resources of £86,000 and anticipated receiving a further £26,000 of devolved formula capital funding for 2019/20. It was anticipated that available capital resources would total £112,000 for the year, which would assist the cashflow. A Trustee asked if there was any planned spend of the devolved capital funding. DS explained that some ICT equipment at Youth Challenge was becoming obsolete so may need to be replaced at a cost of around £15,000.

Summarised Balance Sheet

A copy of the Trust's summarised balance sheet had been provided to Trustees, which included details of the total fixed assets including Land & Buildings, Vehicles and Equipment. In response to questions DS reported that the Land and Buildings had been valued according to Bolton Council's original valuation plus any expenditure incurred. KH asked if the Trust owned the sites. DS explained that these were transferred on a 125-year lease. The Chair asked why these would be classed as an asset if the Trust did not actually own the buildings. DS reported that he was following advice from Haines Watts who had confirmed that the sites would be classed as an asset in accountancy terms. DS reported that the Youth Challenge site was a Council owned building and the Trust paid a proportion of the costs.

DS directed Trustees to the Pension Deficit relating to non-teaching staff. This was re-evaluated every year and showed the amount payable if the Trust needed to pay all pensions. TG asked if BIT would be liable to pay this amount; DS explained that the ESFA would be liable for this should the Trust go into receivership at some point in the future. DS reported that the Trust currently paid 25.6% employee pension rate, and this would be re-assessed from April 2020. DS advised that the rate be added to the Risk Register as it could be classed as a potential risk following the April 2020 revaluation. TG asked whether the Trust could pay a different rate; DS stated that the Trust had to provide this pension scheme as a statutory requirement and changing this figure would likely impact on the calibre of staff that could be recruited. An option would be to set up a separate company, but this could not be education based. The Chair stated that this may be something to consider for the future growth of the MAT. BA stated that Trustees would need to be fully advised of the advantages and disadvantages of doing this. It was suggested that DS speak to Head Teachers who had already embarked on this successfully to get some further advice

Action: DS (speak to Head Teachers)

Three Year Forecast

DS referred Trustees to the Three-Year Forecast and in response to questions reported that the figures did not include any capital monies.

Cashflow Statement

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

Agreed: To receive and note the Financial Monitoring Report 2019/20 (Period 2) including the Summarised Balance Sheet

6. BOLTON IMPACT TRUST FINANCIAL HANDBOOK

A copy of the updated Trust Financial Handbook had been circulated with the agenda.

DS directed Trustees to page 13 of the Financial Handbook and provided an update regarding prepayment cards. Each month, Academy Leads would verify the transactions that had previously occurred in the previous month were appropriate through the reconciliation of transactions from the Fairfx System to receipts submitted by cardholders.

DS directed Trustees to page 12 and explained that the current process for the ordering of goods and services was that the Vice-Principal needed to sign off every order before an order could be placed. This was becoming very time consuming, so DS proposed that the Office Supervisors be given a spending limit to enable them to approve and order goods from suppliers. This would be in the most economically

appropriate manner upon request from academy staff, when satisfied that it was an appropriate request for goods and services and was affordable within the Academy's budget. TG asked if all orders were placed via an account. DS confirmed that orders were placed via accounts with approved suppliers such as BOSS stationery. KH suggested that a category spend system could be allowed and suppliers could be asked to also impose a limit on any orders received to further strengthen the procedure. After further discussion it was proposed that Office Supervisors be able to order supplies and services up to the value of £1,000 and any request above this value would be referred to the Trust's Leadership Team for authorisation. It was suggested that the Financial Handbook be amended to incorporate this limit, but this be discussed further at the extraordinary Trust meeting to be held on Wednesday 20 November and any further changes brought back to the next Finance & Resources Committee meeting.

Agreed: To approve the updated Trust Financial Handbook subject to Office Supervisors being able to order supplies and services up to the value of £1,000

Action: DS (update Financial Handbook)

RL offered her apologies and left the meeting at this point.

7. SCHOOL RESOURCE MANAGEMENT SELF-ASSESSMENT TOOL

A copy of the DfE School Resource Management Self-Assessment Tool Checklist and Self-Assessment Dashboard had been provided with the agenda papers. DS stated that it was very difficult to benchmark against other similar schools due to the nature of alternative provision. It was also difficult to benchmark the academies within the Trust as they all offered very different provisions. Trustees discussed the information contained within the dashboard and noted that categories such as spend on teaching staff would be very different when compared to other schools.

Agreed: To receive and note the School Resource Management Self-Assessment Tool Checklist and Self-Assessment Dashboard

8. DATES OF NEXT TRUSTEE COMMITTEE MEETINGS

Agreed: That the next meeting dates be as follows:

Friday 6 March 2020 at 1.00pm

Friday 12 June 2020 at 1.00pm

9. ANY OTHER URGENT BUSINESS

There were no items of Any Other Business.

10. CONFIDENTIALITY

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

Minute Number 5 (Cashflow Statement)

The meeting closed at 2.10 pm

SUMMATIVE ACTIONS:

Minute No.	Responsible	Action
5	DS	Speak to Head Teachers
6	DS	Update Financial Handbook

Signed as a correct record: _____

Date: _____

(Chair of Finance & Resources Committee)