



Swift Academies

Success will inspire future triumphs

**Finance & Resources Committee
4:30pm, Thursday 27 February 2020**

The Rydal Academy, Rydal Road, Darlington DL1 4BH

Present Keith Bernstone, Stuart Hargrove (Chair), Dean Judson (Chief Executive Officer)
Also, Present Glen Hart (Chief Finance Officer, Swift Academies)
Sarah Jones (Trust Business Manager, Swift Academies)
Tracey Curtis (Governance Partner, Avec Partnership)
Katie Turnbull, Deputy Head Teacher, The Rydal Academy

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
	<u>PART A: PROCEDURAL ITEMS</u>	
1	<p>Welcome, introductions and confirmation quorum present Directors were reminded that three Directors were required in order for decisions to be taken during this meeting of the Finance & Resources Committee of Swift Academies. Three directors were present.</p> <p>A round of introductions took place for the benefit of Katie Turnbull, Deputy Head Teacher, The Rydal Academy.</p>	
2	<p>Apologies for absence and their acceptance Directors were informed that apologies for absence had been received from Ian Black.</p> <p>Directors RESOLVED that the apologies for absence were accepted and noted the absence of Jim Marshall.</p> <p>The Chief Executive Officer reported that the Head Teacher (The Rydal Academy) and Heads of School (Hurworth School and Longfield Academy) would not be attending this meeting of the Finance and Resources Committee of Swift Academies, due to other commitments.</p>	

- 3 **Notification of items of urgent other business**
- items that the Finance & 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 at the end of the meeting.

- 4 **Declaration of personal and pecuniary interests**
- a) **complete / review the Register of Interests**
- Directors and those present were reminded that they should update the Register of Interest to declare any relevant business and pecuniary interest and close family relationships between members or directors and/or members or directors and employees.
- 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 interests in any matters arising from the agenda of the current meeting. No declarations of interest were received.

- 5 **Approval of minutes / review of actions / matters arising finance & resources committee of Swift Academies Thursday 21 November 2019**
- Draft minutes of the Finance & Resources Committee meeting of Swift Academies held on Thursday 21 November 2019 had been circulated prior to the meeting. A copy would be retained on file.

Directors RESOLVED that the circulated minutes of the Finance & Resources Committee meeting of Swift Academies held on Thursday 21 November 2019 were an accurate record of the meeting and should be signed by the Chair. Approved, signed minutes would be retained by the Trust Business Manager.

Chair / Trust
Business
Manager

- **Matters arising**
- There were no matters arising.

- 6 **PART B: BUSINESS ITEMS FOR DISCUSSION**
- Management accounts 2019-2020 update**
- The Chief Finance Officer reported that management accounts and a summary of the budget position, continued to be shared with Directors in accordance with the Academies Financial Handbook.
- The Management Accounts Report (December 2019) had been shared with Directors prior to the meeting. A copy would be retained on file.
- Directors were informed that, in summary, an income of £13,619M was forecast against a budget of £13,483M and expenditure was forecast to be £13,566m against a budget of £13,453m
- Employee Costs (E01 to E11)**
- The Chief Finance Officer reported that total employee costs for the period 1 September 2019 – 31 December 2019 totalled £3,602,451 against a budget of £3,560,272.

It was reported that long-term staff absence and some vacancies had caused the agency staff costs to rise until appointments could be made for Summer Term 2020.

The Chief Finance Officer confirmed that teaching staff absence insurance was being explored to identify a better for value provider. Whilst some insurance providers appear cheaper in the first year, costs are likely to increase in subsequent years. The first 10 days' teaching staff absence would not be covered by a staff absence insurance policy. Longfield Academy and The Rydal Academy were likely to have reduced costs with alternative providers. However, Hurworth School had not incurred any staff absence for longer than 10 days and were unlikely to benefit from an alternative provider.

The Trust Business Manager reported that the Staff Absence Policy had been reviewed to ensure a consistent approach across the Trust in respect of staff absence.

The Chief Finance Officer confirmed that teaching staff absence insurance would be factored into the 2020-2021 budgets across Swift Academies. Teaching staff absence insurance could be claimed from the eleventh day of teaching staff absence.

It was reported that the full year projection of £10,683,812 against an original budget of £10,691,128 (- £7,361) was mainly due to staff leaving (mostly Longfield Academy) and taking advantage of resignations to review the staffing structure. Vacancies were not always filled, with like for like appointments.

Premises (E12 to E18)

It was reported that the total premises costs for the period 1 September 2019 to 31 December 2019 totalled £168,231 against a budget of £168,428. The full year projection is £503,858 against a budget of £505,289.

A three-year electricity contract had been agreed for all the schools within the Trust which will help with budget certainty.

Six bids have been submitted to the Condition Improvement Fund (CIF) for approximately £1,850M for replacement boilers at Hurworth School and Longfield Academy, replacement flat roof at The Rydal Academy and Hurworth School and replacement fire alarm and emergency lighting at The Rydal Academy and Longfield Academy. Results of the CIF applications would be received at the end of March 2020.

Curriculum (E19 to E20)

The Chief Finance Officer reported that the total curriculum cost for the period 1 September 2019 to 31 December 2019 totalled £346,798 against a budget of £214,526. Expenditure to date had mainly been for department capitation in ordering resources for the start of the academic year and the payment of annual software licences. The full year projection is £666,732 against a budget of £609,700. The expected increase of £57K does include for school trips which will be offset by income received from parents.

Establishment (E21 to E28)

The total establishment costs for the period 1 September 2019 to 31 December 2019 totalled £567,292 against a budget of £538,892 with a full year projection of £1,697,885 against a budget of £1,647,536.

Income (I01 to I13)

It was reported that the overall income for the period 1 September 2019 to 31 December 2019 is £4,544,872 against a budget of £4,519,946: an increase of £26K.

General Annual Grant (GAG) income received from the Education & Skills Funding Agency (ESFA) was in line with expectations: in addition income from Darlington Borough Council had been received for the Autumn Term 2019 top up funding for the resource base and mainstream SEN support.

An additional £52K had been forecast to be received in respect of the Teachers' Pay and Teachers' Pension Grant. The original budget did not include the grant for the additional 0.75% of the recent Teachers' pay award and the amount received for the increase in Teachers' Pension Contribution exceeds the budget.

Additional income in respect of the Pupil Premium Funding and Looked after Children was reported of £47K. In summary an income of £13,169M was forecast against a budget of £13,483M.

Reserves

The Chief Finance Officer reported that as at 31 August 2019, reserves were £234K, with the in-year surplus of £53K. The forecast reserves position for August 2020 was reported to be £287K.

Rolling Cash Flow Forecast

As at the end of December 2019, the cash balance was reported as £266,566.

Capital Expenditure

A total of £79K had been spent in respect of the introduction of lock-down systems, security doors, replacement of three servers and radiator replacement. The £79K had been funded through insurance claims, CIF bids or Devolved Formula Capital.

Directors sought clarification whether there was an alternative plan if the CIF grant applications were unsuccessful. It was reported that the boiler at Longfield Academy regularly breaks down and is of most concern. The most recent CIF applications had been adjusted based on feedback received in respect of recent applications. Directors were informed that whilst the Central Team were hopeful that the CIF grant funding applications would be successful, it was unlikely all six applications would be approved. It was reported that an emergency CIF fund could be applied to, to cover emergency situations.

Directors' attention was drawn to the Management Accounts Report (December 2019) for information in respect of Key Performance Indicators approved by the Directors. It was reported that the Key Performance Indicators were refreshed three times per annum. The ESFA would explore any areas in excess of 80%.

Directors RESOLVED that the content of the circulated Budget Update Report and Management Accounts were noted. The Chief Finance Officer would include budget figures with the Key Performance Indicators in future.

7

School Forum Funding 2020-2021

The Chief Finance Officer confirmed that GAG statements had recently been received for 2020-2021. Directors were reminded that schools forum had asked schools to vote on their preferred option. Option D, had subsequently been approved by Schools Forum. It was reported that this option provided additional income across Swift Academies as follows:

Longfield Academy £60K

The Rydal Academy £150K

and that Hurworth School would see a decrease in funding of £24K. Directors were reminded that GAG funding was based on pupil numbers.

The Chief Finance Officer reported that work had already commenced to explore the budgets for 2020-2021 based on the GAG statements received.

Directors were informed that a staffing restructure was proposed at The Rydal Academy based on the curriculum review from September 2020.

A staffing restructure would also be required at Hurworth School, in order to achieve a balanced budget.

Directors sought clarification whether the housing developments being created in the area adjacent to Hurworth School would have an impact on pupil numbers: it was reported that in-year applications were likely, but not significant. Directors were informed that an indicative figure of 140 pupils was predicted to be admitted to Year 7 in September 2020.

Directors discussed the provisions necessary in the 2020-2021 budget for staff performance management pay scale adjustments and annual increases recommended by the School Teachers Pay and Conditions Document. In addition, it had been suggested that newly qualified teachers would be appointed at £30,000 and the impact on teaching staff salaries this may have.

Directors were assured that it had been assumed that additional funding had been included in the 2020-2021 budget in respect of Teachers' Pay Grant, however it was unclear whether this funding would be received. The budget would be balanced and a healthy budget position retained.

Directors RESOLVED that the information was noted.

8

Gender Pay Gap – Action Plan & Report

The Gender Pay Gap, Action Plan and Report had been shared with Directors prior to the meeting. A copy would be retained on file.

Directors were informed that the content of the circulated Gender Pay Gap had been shared with them for information and provided a snapshot of staffing as at 31 March 2019. The report would be uploaded to the Trust website.

Directors discussed the content of the circulated Gender Pay Gap Report and the employment of staff across Swift Academies. **Directors queried whether the content of the report could be compared with a national picture. It was reported that national comparisons were not available for the education sector.**

Directors RESOLVED that the content of the circulated Gender Pay Gap, Action Plan, Report and information discussed were noted.

9 Autumn Term Internal Assurance Report

The Autumn Term 2019 Internal Assurance Report had been shared with Directors prior to the meeting. A copy would be retained on file.

Directors' attention was drawn to the content of the circulated Autumn Term internal assurance report for information in respect of recommendations. The audit had explored areas indicated by the Directors of Swift Academies, including GDPR, data protection, IT and insurance risk management.

Two recommendations were contained in the circulated Autumn Term 2019 Internal Assurance Report, both had been actioned.

Directors RESOLVED that the content of the circulated Autumn Term 2019 Internal Assurance Report was noted. The Board of Directors would be asked to consider the internal audit Summer Term programme during the meeting of the Directors to be held on Friday 20 March 2020.

10 Risk Registers

- a) Hurworth School
- b) Longfield School
- c) The Rydal Academy
- d) Swift Academies

Risk Registers, as listed above had been shared with Directors prior to the meeting. Copies would be retained on file.

Directors were informed that the respective Risk Registers had been shared with the Local Governing Body. The Risk Register for The Rydal Academy had been adjusted in respect of floor standards. The Risk Register for Hurworth School had been adjusted in respect of daily transport to school, which would be removed as transport arrangements had been agreed by the Local Authority for four years.

Directors RESOLVED that the content of the circulated Risk Registers and information reported was noted.

**11 Concluding items
Any urgent other business raised under item 3**

No items of urgent other business had been notified.

12

Approval of Documents for public Inspection

Directors RESOLVED that the agenda, supporting documents and approved minutes be made available for public inspection.

13

Dates, times and venue of future meetings

Directors RESOLVED that the next meeting of the Finance and Resources Committee of Swift Academies would be held from 4:30pm on Thursday 25 June 2020, at Hurworth School.

These minutes were approved by the Director members of the Finance & Resources Committee of Swift Academies with effect from Thursday 25 June 2020. The minutes were approved electronically via an e-mail communication with Director members of the Finance & Resources Committee of Swift Academies.

Approved