



Swift Academies

Success will inspire future triumphs

**Finance & Resources Committee
4:30pm, Thursday 4 March 2021**

Present a virtual meeting held via Microsoft Teams

- **Directors**
Stuart Hargrove (Chair), Keith Bernstone,
Dean Judson, Michael Garmston, Geoff Liddle
- **also**
Glen Hart, Chief Finance Officer, Swift Academies
Sarah Jones Trust Business Manager, Swift Academies,
Bethany Wright, Swift Academies
Tracey Curtis (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 reminded that three Directors were required in order that decisions could be taken during this meeting of the Finance and Resources Committee of Swift Academies. Five (5) Directors were present.</p>	
2	<p>Apologies for absence and their acceptance Directors were informed that the Heads of School, Head Teacher and ICT Manager would not be attending this meeting of the Finance and Resources Committee of Swift Academies.</p> <p>Directors RESOLVED that the information was noted.</p>	

Swift Academies
Registered office address:
Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

- 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.

4 **Declaration of personal and pecuniary interests**

- a) complete / review the Register of Interest
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.

It was confirmed that all Members, Directors and Governors had completed the Register of Interest for the current academic year. A register should be completed annually and updated during each academic year where circumstances change.

Directors confirmed that their respective Register continued to be accurate and up to date.

- 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 made.
- c) Code of Conduct – Directors confirmed that they were acting in accordance.

5 **Approval of Minutes / review of agreed actions / matters arising**

- Finance & Resources Committee of Swift Academies June 2020
The draft minutes of the Finance and Resources Committee of Swift Academies held on Thursday 26 November 2020 had been shared with Directors prior to the meeting. A copy would be retained on file.

Directors RESOLVED that the circulated minutes were approved as an accurate record of the Finance and Resources Committee meeting of Swift Academies held on Thursday 26 November 2020 and should be signed by the Chair. The signed, approved minutes would be retained by the Trust Business Manager.

Trust
Business
Manager

Management Accounts 2020-2021 update**a) Key Performance Indicators****b) Cash flow forecast**

The Management Accounts Report (January 2021) and Management Accounts update had been circulated to Directors prior to this meeting. A copy would be retained on file.

The Chief Finance Officer discussed with Directors the content of the circulated Management Accounts (January 2021).

It was reported that the outturn report had been prepared at a time of uncertainty due to the coronavirus pandemic. The third national lockdown from January 2021 had raised issues around school transport which potentially could have had a negative impact on the finances of the Trust. However, the Chief Finance Officer confirmed that Darlington Borough Council were making supplier relief payments to the bus operators, as they did during the first national lockdown.

Directors were informed that a claim had been submitted to the Education & Skills Funding Agency for exceptional costs associated with Covid-19. £30k had been received.

The Chief Finance Officer reported that although a second claim window had been opened, it had not been possible for Swift Academies to make a claim at that time, as reserves in the 2019-2020 year had slightly increased.

Further guidance was awaited in respect of the Covid Workforce Fund, where it may be possible to claim for higher levels of staff absences in excess of a minimum threshold. During November 2020, Longfield Academy had a number of days where a number of supply staff had been engaged to cover staff absence.

Directors sought clarification of the financial impact in respect of Covid-19: the Chief Finance Officer explained that costs to date were circa £35k and contained in the circulated budget information. Additional costs had been incurred since, for instance screen displays at Hurworth School and Longfield Academy, additional cleaning materials and some set up costs for mass testing. It was hoped that going forward, the same level of additional expense would not be incurred.

Directors queried whether any foreseen risks had been identified, for instance staff sickness. The Chief Finance Officer confirmed that potentially staff absence may impact negatively on the budget position where supply staff are required to cover staff absence. The budget had provision built in for supply staff costs. Schools would reopen to all pupils from Monday 8 March 2020 and it was a possibility that some staff may decide not to return due to anxiety or concerns. During the

Swift Academies

Registered office address:

Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

partial closure of schools staff had supported a blended learning approach with some staff working in school and others from home.

Directors were advised that the monthly accounts shared with them would continue to reflect the projected year end position.

The Chair queried the information reported in respect of supplier relief payments to Enterprise Travel, the bus company engaged to provide school transport and whether the company had indicated they were content with the 50% payment being made to them. The Chief Finance Officer confirmed that he had been in contact with representatives of Enterprise Travel and that 50% of the daily rate had been identified and requested by the company as an appropriate payment to be made by Darlington Borough Council to cover costs.

The Chief Finance Officer reported that an analysis of the income and expenditure report had identified variances due to the pandemic for the period to January 2021. Directors' attention was drawn to the circulated Management Accounts Report for a detailed narrative.

Directors were informed of additional expenditure in respect of the curriculum budget (E19-E20) for the period 1 September 2020 to 31 January 2021: £348,179 against a budget of £258,702. It was reported that the additional expenditure to date was incurred for department capitation in ordering resources, the payment of annual software licences, school transport and additional IT equipment for remote learning, which will be funded via the Covid catch up grant.

However, establishment costs for the same period totalled £762,293 against a budget of £814,418 with a full year projection of £1,891,586 against a budget of £2,005,381. The reduction in expenditure was explained due mainly to purchasing less canteen supplies due to the majority of students undertaking remote learning and a reduction in exam fees following the cancellation of Summer 2021 examinations.

The Chief Finance Officer reported that income for the period 1 September 2020 to 31 January 2021 was £6,121,090 compared to a budget of £6,079,33. General Annual Grant Funding (GAG) received from the Education & Skills Funding Agency was reported to be in line with expectations. 'Top up' funding for the Resource Base and mainstream SEN support, had been received from Darlington Borough Council.

In summary, a forecast income of £14,484,662 against a budget of £14,553,583 was projected at this time. The reduction in income was due mostly to reduced catering sales and school transport arrangements for Hurworth School.

Swift Academies

Registered office address:

Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

Page 4 of 8

denotes support and challenge provided by Governors

Reserves at 31 August 2020 were £319k with anticipated reserves at August 2021 of £339k. The level of reserves had been confirmed by Clive Owen LLP to be at a reasonable level.

Directors were advised that the Chief Finance Officer and Chief Executive Officer had met with the Head Teacher and Heads of School to review the respective budget positions and conduct discussions around the 2021-2022 budget.

Some funds were expected into the Trust to support the secondary schools with the set up costs for mass testing: it was reported that the funding was based on a formula. Longfield Academy would receive in the region of £14k and Hurworth School £12k.

Directors commented positively on the information contained in the circulated documents and the work of the Chief Finance Officer and Trust Business Manager in exceptional times, with numerous costs to account for. The monthly information shared with Directors was helpful to understand the financial position across the Trust.

Directors were reminded that a recent staffing reduction exercise had been completed at Hurworth School, which had incurred redundancy costs in the region of £40k, and additional expenditure in respect of IT, and that the position was currently showing a loss, but this would be addressed when funding was received.

The Chair commented on the key risk areas reported by the Chief Finance Officer, for instance transport costs had been addressed and examination fees which would have been a large expenditure, will not be fully required in Summer 2021. Although supply staff costs may incur costs unknown at this stage, it was likely that the delivery model would be explored where supply staff costs escalated.

Cash Flow forecast January 2021 – December 2021

The Cash Flow forecast had been shared with Directors prior to this meeting. A copy would be retained on file.

It was reported that at the end of January 2021, the cash balance was £753k: the circulated cash flow forecast details the cash balance over the next twelve months.

Directors sought clarification regarding the cash flow position in August 2021 which appeared lower than other points in the year: it was reported that income reduced at this point in the year, whilst expenditure continued. The Chief Finance Officer confirmed he was aware of balances on bank accounts and associated expenditure in order to ensure that accounts were not permitted to become overdrawn. The Chief Finance Officer would take action to mitigate any potential overdraft position.

Swift Academies

Registered office address:
Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

Directors RESOLVED that the content of the circulated Management Accounts Report, Management Accounts Update, Key Performance Indicators and Cash Flow forecast were noted.

7

School Resource Management Self-Assessment Tool

The School Resource Management Assessment (SRMA) dashboard had been circulated to Directors prior to the meeting. A copy would be retained on file.

The Chief Finance Officer reported that the SRMA tool was completed annually; it was reported that the SRMA explores the 2019-2020 accounts and asks a series of questions in respect of effective governance and financial controls across the Trust.

The SRMA would be presented to the Board of Directors of Swift Academies for approval before submission to the Education & Skills Funding Agency.

The Chair commented that the content of the SRMA appeared to be standard information, seeking clarification of areas across the Trust and identify where this can be evidenced.

The Chief Finance Officer shared with Directors the SRMA dashboard and reported that the auditors complete an Academy Accounts Return, with much of the form pre-populated with formulae. Directors' attention was drawn to the green areas of the SRMA dashboard which indicated a positive position for the Trust. The overall position was favourable for Swift Academies.

The Chair commented positively on the content of the SRMA dashboard and sought clarity around the average cost of teaching staff at The Rydal Academy. The Chief Finance Officer responded by stating that The Rydal Academy teaching structure contained a number of experienced teaching staff.

The Chief Executive Officer reported that a "stable" staff would naturally progress through thresholds and therefore attract higher salaries and that a "unstable" staff would potentially impact on the budget in terms of lower salary bands; it was preferable to have a "stable" staff in order to provide consistent support for pupils.

Directors RESOLVED that the content of the circulated SRMA was noted. The SRMA would be included on the agenda for the Board of Directors' meeting planned to take place on Friday 26 March 2021.

8

Gender Pay Gap

Gender Pay Gap Reporting – Snapshot date of 31 March 2020 had been shared with Directors prior to this meeting. A copy would be retained on file.

Swift Academies

Registered office address:

Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

Page 6 of 8

denotes support and challenge provided by Governors

The Chief Finance Officer reported that the Gender Pay Gap Reporting had been shared with Directors for information. The Report would be uploaded to the Trust website.

Directors RESOLVED that the content of the Gender Pay Gap Report was noted.

9

Capital Works update

The Trust Business Manager reported to Directors that 2020-2021 Condition Improvement Fund (CIF) projects had commenced in three areas. Successful applications had attracted funding of £1.9m across the Trust.

The roofing project at Hurworth School was progressing well and it was not anticipated that the budget would be exceeded on this project.

The boiler project at Longfield Academy was reported to be almost complete. Small final works were required, including the linking of the boiler to the online control system which would allow back up arrangements, not previously available. This project had identified efficiencies and therefore the local contribution to the project could reduce.

It was reported that a roofing project at The Rydal Academy had commenced in January. Although some structural issues had been identified as part of this project, it was still anticipated that the budget would be aligned.

The two remaining projects at Longfield Academy and The Rydal Academy from the 2020-2021 CIF applications had not commenced due to contractors needing to be in every classroom as they involved the replacement of the fire alarm sensors and additional emergency lighting. Both projects were currently out to tender until midday on Friday 12 March 2021. The Chair would participate in a virtual meeting with the Trust Business Manager and Chief Finance Officer to identify the successful contractor and work would take place during the Easter 2021 break with 80% - 90% of the work being completed during this time.

Five applications to the CIF 2021-2022 had been submitted: results were anticipated in early April 2021. Two bids had been submitted for Hurworth School involving the boiler. Further applications had been made for all three schools to compartmentalise the ceiling space to prevent the spread of fire and replacement of fire doors which would see them close automatically in the event of fire and support disability access around the schools. The fifth bid for The Rydal Academy had been submitted to replace piping and heating, issues had been identified with underfloor piping unable to cope with the new efficient boiler system.

Swift Academies

Registered office address:

Croft Road, Hurworth on Tees, Darlington, County Durham DL2 2JG

Company Registration Number 07533271

Page 7 of 8

denotes support and challenge provided by Governors

The Chair sought clarification that the projects would all be achieved on budget: the Trust Business Manager confirmed that all current projects would be achieved within the budget.

Directors RESOLVED that the information reported in respect of CIF applications and projects was noted.

10

Risk Registers

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

The Risk Registers for Hurworth School, Longfield School, The Rydal Academy and Swift Academies had been shared with Directors prior to this meeting. Copies would be retained on file.

Directors were informed that the Risk Registers had been circulated as part of the Local Governing Body meetings during Spring Term 2021.

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

11

Any urgent other business raised under item 3

No items of urgent other business had been raised.

12

Approval of documents for 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 (from 4:30pm)

- Thursday 1 July 2021

These Minutes were approved by the Finance & Resources Committee of Swift Academies as follows:

Jul 20, 2021 _____ (date)

signature (chair):  _____
Stuart Hargrove (Jul 20, 2021 13:30 GMT+1)

name: _____


Minutes of Finance & Resources Committee 4 March 2021

Final Audit Report


2021-07-20

Created:	2021-07-19
By:	Sophie Bainbridge (sophie.bainbridge@avec-partnership.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAu6u1D5yCMUtS4HvG5-cvtoGom6VqUqn0

"Minutes of Finance & Resources Committee 4 March 2021" History

 Document created by Sophie Bainbridge (sophie.bainbridge@avec-partnership.com)

2021-07-19 - 14:49:19 GMT - IP address: 80.2.187.53

 Document emailed to Stuart Hargrove (she@swiftacademies.org.uk) for signature

2021-07-19 - 14:50:00 GMT

 Email viewed by Stuart Hargrove (she@swiftacademies.org.uk)

2021-07-20 - 14:27:49 GMT - IP address: 82.16.141.126

 Document e-signed by Stuart Hargrove (she@swiftacademies.org.uk)

Signature Date: 2021-07-20 - 14:30:28 GMT - Time Source: server- IP address: 82.16.141.126

 Agreement completed.

2021-07-20 - 14:30:28 GMT