

**MINUTES OF THE 93rd FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
WEDNESDAY 12 DECEMBER 2018 AT 16.00**

Present: Dick Whitcutt (DW - Chair), Douglas Mitchell (DMI), Angela Entwistle (AEE)

Absent: Tony Bothwell (TBO), Rachel Branagan (RB), Stewart Harris (SH)

In Attendance: Richard Perry (RJP), Conor Hewitt (COH) – Minutes

Meeting Started: 16:00

1. Apologies for Absence

Apologies were passed on from TBO, RB and SH.

2. Declaration of Interests

DW noted that the declaration of interest paperwork had been circulated. RJP asked for the outstanding forms to be completed to include all relevant directorships with any association to the Trust.

3. Minutes of Last Meeting (11/10/18)

The minutes of the last meeting were agreed as an accurate record. RJP highlighted one small error which was duly corrected.

4. Matters Arising

DW notified the committee that Kevin Chamberlain would be joining the Executive Board. RJP updated the FRC on the previously discussed capital developments, the CCTV upgrades have been completed and have been successful. The network improvements scheduled for the summer are also progressing, albeit slowly.

5. Annual Report and Financial Statements 2018 - Academy

RJP noted that the document contained a lot of information. The report details the way in which the Academy is performing financially, with a detailed Trustees Report preceding the financial statements which highlights the curriculum achievements as background together with financial and governance arrangements. As RJP had previously estimated, the Academy achieved a small surplus in funds after discounting the movement on fixed assets and pension liabilities. RJP added that the Academy will continue to undertake high levels of maintenance work in order to keep the building in good condition and avoid any large and costly repairs.

The Academy has managed to reduce its publicly funded balances. The GAG income carried forward is 8% which is well within the 12% limit. The Academy still has £1.6 million in unrestricted cash reserves (public funds), RJP has projected that over the next 3 years the Academy will incur a £1 million overspend on its Government funding, which would leave the Academy with £600,000 in unrestricted reserve funds. RJP added that the reserves policy will need to be updated next year. The Minimum Funding Guarantee continues to reduce and RJP expects this funding to be withdrawn over the next few years.

Staffing costs are the biggest factor in the Academy's expenditure. Excluding pension reserve service costs, this is around 77% of total expenditure, which compares well with other Academies in London and the South East. This is particularly good when considering we operate a longer day and employ our own cleaning and catering staff. This allows the Academy greater freedom to spend money in other areas. DW noted that RJP & DMI have done well to find efficiencies where possible and keep staff costs down. RJP explained that the increased pension costs, effective from September 2019, would have a negative effect on future reports and the continuing increases in the National Minimum Wage have inflated cleaning and catering staff costs above standard inflationary levels. The accounts will be signed and finalised next week.

RJP asked the trustees present to sign and return the more detailed version of the accounts, which was shared at the Trustees' meeting, once it has been finalised. It will then be shared with the auditors. SH is assisting with this.

DW noted that he is surprised that the ESFA have not pressed harder for the top salaries to be shared publicly, as these are again not disclosed within the accounts as a matter of policy. RJP added that they had spoken in the past about declaring the information when non-disclosure was first made and nothing since. The accounts are, however, qualified as a result of this, but the Trustees remain of the view that this information is withheld for business and sensitivity reasons.

The Academy is due to receive £90,000 from the trading company, which was slightly lower than last year's contribution of £97,500.

RJP asked the committee to look at the post audit management report. The Academy fully met the requirements of the regularity assurance audit, adding that the government is keen to ensure that all academies are compliant.

RJP discussed the outstanding items and confirmed that everything was in place. RJP expects that there will be no issue with finalising the audit. RJP to discuss related party transactions with the Audit Manager, particularly with reference to any costs paid over £2500 needing to be clarified.

6. Capital Developments

RJP said that the Academy is planning to re-configure and re-design the Learning Resources Centre (LRC). The project's aim will be to create a specialised space for Study Hall and catch up sessions because Study Hall is currently run in the Auditorium and in other spare classrooms around the Academy. RJP has received a number of quotes for a bank of 60 laptops, these devices would be permanently stored in the LRC and provide students with quality equipment to aid them in their studies. RJP added that he was happy to pursue the cheapest tender. DW queried the price of the laptops asking if such a high specification was needed. DMI ensured DW that the laptops need to be of a higher specification as they will be used for dual teaching in BTEC lessons. They also need to be a durable resource, as they will be used on a daily basis by a large number of students. DW was happy with the assurance given and the FRC agreed that they were happy to proceed.

The planned expansion in student numbers is also progressing. A feasibility study was conducted and the local authority, who are leading on this, are happy to proceed. Wandsworth have chosen a project provider and RJP and DMI met with the company and discussed the plans in further detail. As part of the project, a number of large classrooms will be re-configured in order to make better use of the space, and the SEN provision will be moved to F block, where the Autistic Resource Centre (ARC) currently resides. Wandsworth are covering the costs of the re-configuration. RJP added that the Academy will probably be expected to provide 5% of the costs, which is estimated to work out at around £25,000. RJP will share more information in the February meeting.

7. Revenue Funding 2018-19 update

This item was noted.

8. Three Year Financial Forecast

This had been discussed previously and the FRC was happy to proceed.

9. Benchmarking Report Card

RJP noted that he will comment on this more fully in the next meeting.

10. Annual Report and Financial Statements 2018 – Trading Subsidiary

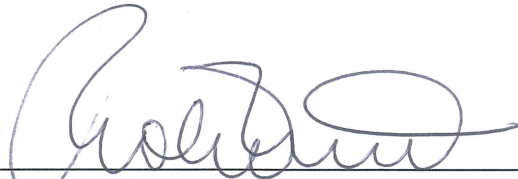
As noted earlier. The trading company had performed reasonably well and would be gift-aiding a sum of £90,000 back to the main Academy.

11. Any Other Business

No other issues were raised.

Meeting ended 17:10

Signed: _____



Date: 13 Feb /2019

Richard Whitcutt

Chair of Finance & Resources Committee

