

**MINUTES OF THE 105th FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
WEDNESDAY 27 April 2022 AT 16.30**

Present: Dick Whitcutt (DW) - Chair, Richard Perry (RJP), Douglas Mitchell (DMI), Angela Entwistle (AEE) (DMI), Stewart Harris (SH), Tony Bothwell (TB)

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16:30

1. Apologies for absence

The only absentees were Rachel Brannagan (RB) and Kevin Chamberlain (KC).

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting

DW referred to one action in the minutes from the previous meeting, which related to his planned visit to the Academy to discuss the implications of the new Academy's Trust Handbook with DMI and RJP. This visit has taken place.

RJP referred to the discussion at the previous meeting on the IT storage facility and the fact that ATA may need to purchase more storage for the Network. Fortunately, this need has been avoided after some internal housekeeping work took place. This included clearing obsolete data from the servers and staff user areas, which has now created more storage space.

RJP updated the FRC about the RansomCare layer which was put in place to bolster the Academy's existing protection against virus threats. The live testing updates were undertaken and this programme is now performing well.

RJP gave colleagues an update on the Trading Company accounts, which still need to be signed off by the Auditors before filing. RJP will update further on this at the next meeting.

The previous minutes were agreed and signed as an accurate record.

4. Matters Arising

There were no matters arising other than covered by the agenda for the present meeting.

5. Capital Developments

ATA would have liked to have upgraded the on-site facilities for sport this year but that won't be possible until next summer. One of the 3 main lifts serving the Academy will be upgraded this summer and the other two will be upgraded in future years.

RJP told the FRC that there are some IT requirements that have an approximate value of £30k this year that may need to be addressed this summer. Other than this, it will be a quiet year for IT upgrades.

6. Revenue Funding 2021-2022 Update

RJP told colleagues that ATA has finally received the payroll costing reports from Wandsworth that are formatted to the main accounts' coding structures. Those figures are now in ATA's accounts.

RJP outlined the update on the income and expenditure for February and January salary costs. As at 31 March, ATA has spent 62% of its estimated annual income for the year, which is slightly above last year at this stage (61.5%), but is in line with what was projected for the year. RJP is anticipating that this year will be the Academy's most difficult year from a financial perspective, which is partly based on underfunded student numbers. He added that it will be a much better picture for the next academic year.

RJP told the FRC that the Easter revision sessions have run well this year and the same sessions will be operating in the May term break, which will increase staff costs as these had not run in the past two years because national exams were cancelled by the government.

RJP talked colleagues through the staff costs, which, as a proportion of total income, stand at 90%, which is rather high by comparison with average schools. Efficiencies are being implemented wherever possible to keep the costs down for this year and to try to keep within the 90% figure. Nevertheless, the reasons why ATA incurs a higher percentage than most have been detailed before, but remain crucial to its success. The latest benchmarking report from the Auditors has been received today and it is evident that more academies are spending around the 85% mark, and increasing, on staff costs.

DW asked if the staff costs for services often outsourced by schools (i.e., catering and cleaning staff) were removed, would this reduce the percentage of the Academy's income given to staff costs to a similar level to that which is achieved by other schools of a similar size to ATA. RJP updated colleagues after the meeting to confirm that if the cleaning and catering staff costs were treated as service costs rather than staff costs, this would have the effect of reducing the estimated 89.3% figure for staff costs for the current year to 84.9% of anticipated total income. The chairman felt this was reassuring and should always be pointed out to any "officials" studying school comparisons in this area.

RJP commented that ATA will continue to seek out staff cost efficiencies going forward where opportunities present themselves to save costs.

7. Revenue Funding 2022-23

RJP told the FRC that there is a much better picture for funding for 2022/2023. There will be an 8% increase in income received next year compared to this year, which will help to lower the deficit situation we have in the next academic year.

8. School Resource Management Self-Assessment Tool

There is not a great deal to update on the document from the EFSA. RJP explained that it is more of a document for compliance checking. This document has now been completed and sent back to the EFSA.

9. Administrative and Staffing Matters

RJP updated colleagues that ATA have now concluded the process of closing the Foundation Pension Plan to future pension accrual from 1 April 2022. The last four members have now left the scheme and alternative options have been put in place for each of them. The Plan still continues as a “mature” plan which will provide pensions to deferred and actual pensioners.

10. Openview Sports Ground

This item had been deferred from the previous meeting to allow detailed discussion amongst the FRC on the report produced.

DW commented that the options going forward had left a few unknowns and presented a few risks. He said the fundamental question was whether ATA wished to retain this facility for its own use instead of using or developing on-site facilities. If the ground was retained without this essential need than it would need to be run on a fully commercial basis (cost recovery plus margin) for other users and very occasional use by ATA. The FRC noted that the Academy was likely to make very little use of the ground for the foreseeable future but understood that other schools (including private schools) were looking to utilise this type of facility and for full, rather than part, days. From the paper prepared by RJP, the FRC also noted the estimated income and expenditure forecasts for the ground for the forthcoming academic year and commented that there was a need for a sizeable increase in letting income to both fully meet the full running costs and still provide a surplus for the Academy by way of a management fee. They wondered whether this would be achieved but accepted that it would need a reasonable trial period and fully commercial use would not occur overnight.

It was agreed for now that ATA will monitor the use of Openview closely to see if the income benchmarks and demand for usage can be achieved and to see this through for a full year to gauge its success, conscious of the need to provide a year’s notice should it wish to terminate the long-term lease provision. This should therefore be reviewed and reported on at a similar stage next year, when more discussions will need to take place before confirming whether the Academy will continue with this arrangement. In the interim, Prospect Education and Public Services Limited (which is the trading subsidiary which covenants its surpluses to ATA from rental of premises and uniform sales) would need to monitor where costs were falling, in preparation for a longer term fully-recovering financial position.

12. Any Other Business

There was no other business and DW thanked colleagues for attending and for their continued support.

Signed: 

Date: 5/7/22 /2022

Richard Whitcutt Chair of Finance and Resource Committee