

MINUTES

First autumn term 2017 meeting of the Finance, HR and Operations Committee

Held at Priestley College (Room-P1:16) on Tuesday 11 October 2017 at 6pm

Present:

Linda Waterson - Chair
Matthew Grant
Howard Platt
Neil Pearson
Stuart Titchard
Stephen Whatmore

(LW)
(MG)
(HP)
(NP)
(ST)
(SW)

In attendance:

Anita Pailing (AP)
Tim Long (TL)
Graham Bratley (GB)
Damien McGuire (DMcG)
Kirsten Riley - Clerk

Part One – non confidential business

1. Welcome

MG welcomed everyone to the meeting.

2. Absence/Apologies

The clerk confirmed that apologies were received from J Monaghan.

There was no contact from S Titchard, G Bratley or T Macormac.

AGREED: Apologies from J Monaghan were accepted.

3. Election of chair

MG informed the committee that the Trust does not require a separate Audit and Risk Committee at this stage. When the Trust has a turnover of £50 Million there will then be a legal requirement for an Audit Committee. The Finance, HR and Operations Committee can carry out the functions of the audit committee in the meantime.

MG advised that Trustees are required to be majority members of the Audit and Risk Committee. At present LW serves as the only Trustee on the Audit and Risk Committee therefore she agreed to be chair.

It was understood previously that those Trustees on the Finance, HR and Operations Committee could not be members on the Audit and Risk Committee; this is not specified in the Academies financial handbook 2017.

The following recommendation from the Audit and Risk Committee will be submitted to the Trust Board:

The Audit and Risk Committee shall have a minimum of three members and a maximum of five members. A majority of the Committee members must be Trustees.

Further volunteers from local governing boards are welcome to attend the Audit and Risk Committee as an Observer.

HP felt that this agreement would be unfair for those volunteers who wish to be on the committee, only to find they are Observers.

MG confirmed that the committee members on the Audit and Risk Committee agreed with this recommendation.

Committee members **agreed** for LW to chair the Finance, HR and Operations Committee under the proviso that someone else will take the role of chair of the Audit and Risk Committee when more Trustees are added to the membership.

ST arrived at 6.10pm

ST **agreed** to be vice chair.

4. Declaration of personal interests

Committee members reminded of the requirement to declare any interests, pecuniary or otherwise pertaining to the meeting. No personal interests were declared.

5. Committee membership

The committee **recommended** that the Trust board agree the following membership structure:

The Finance, HR and Operations Committee shall have a minimum of three members and a maximum of ten members. A majority of the Committee members must be Trustees.

GB arrived at 6.13pm

The committee noted there are 8 Trustees within the committee at present.

6. Terms of Reference

Committee members were satisfied with the roles and responsibilities of the Finance, HR and Operations Committee.

7. Finance Report

i. Update on Operations since last meeting

DMcG provided a verbal update alongside the circulated finance report.

a) Accounting System

The accounting system is now fully installed. Staff training will be completed by 16 October 2017.

There have been major issues with Great Sankey Primary's database however with the help from the local authority it is believed that all issues are now resolved.

Priestley's Head of IT is reviewing the system to ensure each institution has its own designated email.

b) Payroll Transfer

Committee members were informed that Penketh High School is still outside the local authority payroll system. This will be transferred when the existing contract expires. The issue in respect of how Penketh's PAYE payment would be recognised has been clarified with HMRC.

There have been a number of errors during the transition for Beamont Collegiate Academy. The local authority has worked with the school to resolve these issues.

c) Banking

All schools will be fully operational with all banking facilities. There were some issues with Great Sankey Primary School however this has been resolved. There are now two users awaiting a login.

d) External Audit

The Audit and Risk Committee recommended that the Finance, HR and Operations Committee agree the appointment of Murray Smith as the external auditor.

LW informed the committee that Murray Smith had a good understanding of education and noted their willingness to work alongside an internal auditor. Murray Smith gave a personable presentation and also have a history of working with Priestley.

SW **asked** if A Lang has now received full training on the accounting system, including report writing. DMcG confirmed that she will have received full training by 16 October 2017.

DMcG outlined the positive features of the new system that will enable a more streamlined process.

The only outstanding element is to reconcile salaries.

DMcG informed the committee members that Priestley has paid the full insurance premium for TCAT. A breakdown has been requested in order to split this fairly per institution.

HP **asked** how much the external auditor has quoted. DMcG confirmed the quote from Murray Smith as £23,000; this includes the account audit, the regularity audit and the teachers' pension audit.

NP **asked** if everything was in place with regards to the staffing hours consultation at Great Sankey Primary School. DMcG confirmed that a document has been prepared.

ii. **Financial Position at 31 August 2017**

a) Opening Positions

DMcG reported that there are still outstanding closing balances from some schools. Some of this is due to the awaited FR17 Pension reports (from academies and independent schools), this was followed up the morning of 11 October 2017.

The local authority has now supplied the final account balances; there have been some disputes with regards to the figures supplied by the local authority for Sir Thomas Boteler; all balances will be scrutinised.

The closing statement for Beamont Collegiate Academy is outstanding from the Warrington Collegiate Education Trust; this is an ongoing issue and is being addressed.

b) Performance against Forecast

DMcG presented the actual cash results for the period from 1 May 2017 to 31 August 2017, subject to minor adjustments.

After taking account of the insurance, the Trust is operating a net surplus of £264,000. Overall each institution generally maintained expenditure within its forecast.

DMcG advised that it is too soon to report for Period 1.

HP **asked** if there was a timescale for Penketh South Primary School joining the Trust. The committee were informed that 1 November 2017 was the target however there has been a delay with the Regional Schools Commissioner's Office. It is unlikely that Penketh South will join before Christmas 2017.

DMcG confirmed that all functions are in place for when Penketh South convert; this should be a smooth transition.

MG reported that there was an outstanding land issue between Penketh South and the local authority. The un-adopted access road to Penketh South is shared by a care home, and St Vincents Catholic Primary School. The local authority was insistent that the Trust agree to pay the full cost to service the access road. A meeting has taken place and the local authority have agreed to split this equally between Penketh South, St Vincents and the care home.

There is a dispute with regards to a flooded piece of land at Penketh South. A suggestion has been made for the local authority to clear this before handing the land over to the Trust. This is ongoing.

8. Financial Procedures

Committee members were informed that the financial regulations have been adopted however the procedures within will need to be reviewed following the implementation of the ordering system.

9. Health & Safety

There were no items to report.

10. Pay

a) School Teachers pay award update and recommendations

As there is not yet a trust wide 'Pay Policy' each local governing body will set the pay for their schools.

The Central Executive Team has made a recommendation that all Trust employees on the school teachers' conditions of service receive a pay award of 1% across the board with the exception of M1 where 2% is recommended.

Committee members **endorsed** the recommendation.

ACTION: Recommendation of the pay award to be communicated to all school Local Governing Bodies.

It was noted that if further funding becomes available this may be revisited however as two schools are operating a deficit within the budget it would be unwise to recommend more than what has been proposed.

HP **asked** why only those on M1 would receive the 2%. TL explained the Teacher's Pay Review body's recommendation. It was noted that there is a national issue with recruiting teachers.

b) Sixth Form College Teachers pay award update

There has not yet been a settlement with regards to the sixth form college teachers pay award. Priestley have budgeted 1% overall.

HP **asked** if the Finance, HR and Operations committee have a representative from each institution. MG advised that all institutions have had the opportunity to put representatives forward. This position would be difficult to sustain as the Trust expands.

ACTION: Trust to discuss the possibility of all institutions being represented at each committee meeting.

11. Policies

a) Operations Report

The committee noted the update on progress in developing Trust wide policies as outlined in the Operations Report.

The report outlines the timeline for the policy development for the critical areas.

b) Pensions Discretions and Statements Policy

The committee were asked to approve the Pensions Discretions and Statements Policy for consultation with Trade Unions and staff.

HP **asked** for an explanation on the 50/50 contribution section. The committee were informed that employees can pay 50% towards their contributions however the employer will continue to pay 100%.

DMcG advised that Priestley were previously paying slightly lower employer contribution; it has been recommended that Priestley now pay half a percent higher, and other institutions pay half percent lower.

AGREED: The committee approved the Pensions Discretions and Statements Policy for consultation with Trade Unions and staff.

c) Disciplinary Policy

The committee were asked to approve the Disciplinary Policy for consultation with Trade Unions and staff.

The committee noted that the majority of the responsibilities will sit at individual local governing body level.

HP **asked** if this policy will apply to all Trust employees. MG confirmed that the policy will be Trust wide and applies to all employees.

HP **asked** if there will be policies applied across the Trust. MG confirmed that a number of HR policies will be applied across the Trust.

AGREED: The committee approved the Disciplinary Policy for consultation with Trade Unions and staff.

NP **asked** if the make-up of disciplinary committees within the local governing body will change. MG confirmed that these responsibilities will not change and will run in the same way. MG advised that the Trust wish for the local governing body to undertake this role.

d) Whistleblowing Policy

The committee were asked to approve the Whistleblowing Policy.

MG advised that each institution has its own Whistleblowing policy. A policy is also required for the Trust; though this will be an interim policy. It is likely that all institutions will eventually adopt a Trust wide Whistleblowing Policy, however this will take time.

The audit committee recommended that an introductory paragraph be inserted to explain the interim arrangement and that the policy is subject to revision.

AGREED: Subject to recommended changes, the committee agreed to adopt the Whistleblowing policy.

e) Financial Management and Governance Self-Assessment (FMGS)

The committee was asked to note and approve the completed Financial Management and Governance Self-Assessment.

MG advised that the FMGS report has been amended to include Bridgewater High School, Beamont Collegiate Academy and Penketh High School.

The committee noted the FMGS action plan; MG reported that the target dates were set in line with the meetings of the Trust Board for approval.

AGREED: The committee approved the completed Financial Management and Governance Self-Assessment and agreed the proposed action plan.

12. Any other business

There were no other items for discussion.

13. Proposed future meeting dates

Autumn 2018 (2): Wednesday 6 December 2017, 6pm

Spring 2018: Wednesday 7 February 2018, 6pm

Summer 2018: Wednesday 20 June 2018, 6pm

HP requested that the list of committee members be updated.

ACTION: Clerk to request an updated list of committee members.

MG requested that the Clerk provide all committee members with a copy of the new Academies financial handbook 2017.

ACTION: Clerk to circulate a copy of the Academies financial handbook 2017 to committee members.

N Pearson informed the committee that T Macormac had contacted him during the meeting to send his apologies.

AGREED: Apologies from T Macormac were accepted.

The meeting closed at 7.04pm