

MINUTES

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

Held at Penketh High School on Wednesday 6 December 2017, 6pm

Present:

Anita Pailing
Graham Bratley
Howard Platt
John Monaghan
Linda Waterson – Chair
Matthew Grant - CEO
Neil Pearson
Stephen Whatmore
Stuart Titchard
Toby Macormac

In attendance:

AP Bev Scott-Herron BSH
GB Damian McGuire DMc
HP Tim Long TL
JM Kirsten Riley - Clerk KR
LW
MG
NP
SW
ST
TM

Part One – non confidential business

1. Welcome

MG welcomed everyone to the meeting.

2. Absence/Apologies

The clerk did not receive any apologies.

The committee were informed that BSH and ST may arrive late.

3. Minutes

a) Matters Arising

Consideration was given to the minutes from the meeting on 11 October 2017.

A committee member asked if the changes to the pay award have caused any issues with the Trade Unions. MG advised that no formal issues have been raised. If there are concerns, they will be addressed at individual school level. The committee will be informed if there are any updates.

BSH and ST arrived at 6.05pm

4. Declaration of personal interests

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

5. Finance Report

DMc informed the committee that the property valuation documentation that was submitted to the Education and Skills Funding Agency in October 2017 has not yet been returned. DMc confirmed that the Auditors have advised that the past valuations are used.

TM arrived at 6.10pm

a) Statement of Financial Activities

DMc gave an overview of the Statement of Financial Activities from 1 May 2017 to 31 August 2017. The statement provides an overall position of the Trust; this will change when the property valuations are included and the opening positions have been agreed.

These activities are separated into three funds:

- Unrestricted Funds
- Restricted General Funds
- Restricted Fixed Asset Funds

The committee were informed that the accounts will be available for the Trust Board Meeting on 13 December 2017.

DMc advised that most schools are operating within their income and expenditure. DMc explained that the statement does not provide much information about the operation of the trust given the unusual time period.

TL arrived at 6.18pm

A committee member asked if DMc could confirm the current fixed assets balance. DMc advised that the £74,133,000 is mainly tied up in two school properties that carry a lot of value. The varying value that has been transferred across from the existing academy will be compared against the ESFA report that will be available in January 2018. Adjustments may be required.

The committee discussed the potential factors the property values could be based on. DMc understood that the valuations are based on the transfer from the previous standalone organisations. For example, Priestley College's valuation will be based on the revaluation that took place in 1992, Beamont

Collegiate Academy and Great Sankey Primary School will be based on their re-build.

DMc outlined that an option would be to wait for the ESFA report. If the valuation is lower, a prior year adjustment would be put through to reduce the value of the buildings to match the ESFA. Another option would be to use a chartered surveyor to value all the properties and provide a report in time for the Trust Board Meeting on 13 December 2017 however this would come at a cost.

A committee member asked if an adjustment would be made if the ESFA valuation is higher than previous. DMc advised it would not be in the Trust's best interest to lift the value.

A committee member expressed concern about the information being in the public domain, and felt a unified explanation is required.

A committee member asked if the External Auditors are happy with the way this is being dealt with. DMc confirmed that as long as it is clearly recorded that TCAT are awaiting reports and will consider valuations based on ESFA valuation reports, there should not be an issue.

A committee member asked if the External Auditors will be in attendance at the Trust Board Meeting on 13 December 2017. DMc confirmed that the External Auditors have been invited.

A committee member asked if the valuations were reduced, would it make any difference. Committee members were informed that the valuations are not a cost, and the confirmed amount is not one that can be spent or borrowed against.

DMc informed the committee that Priestley's building is owned by the Trust, all other academies are on long lease hold for 125 years (£1 per year) and belong to the local authority.

A committee member asked if the Trust is insured at the building value amount. DMc confirmed that the Trust is insured based on the rebuild values.

Committee members were reassured with the External Auditors advice.

DMc confirmed that the accounts must be signed by 31 December 2017.

A committee member noted that if parents were to have sight of the accounts, they could come to an incorrect conclusion. **A committee member asked** if the Trust is complying with the usual practice. DMc confirmed that practice is being followed.

b) Banking System

DMc advised that the banking system has been working well though there have been some issues. Lloyds have not yet resolved all the problems. The next stage is to introduce an ordering system that will make processes easier for all staff going forward.

A committee member asked if all training is now complete. DMc confirmed that further training with regards to getting the best use from reports is due to take place in the New Year; DMc would like the staff to use the system before they attend training.

A committee member asked why the audit and risk committee have not been involved in the discussions around the set of accounts. MG advised that normally the audit committee would have sight of the accounts however the meeting of the committee took place in October.

A Member questioned whether the audit and risk committee should have sight of the accounts before they are signed. MG advised that it is the Trust Board that approves the final accounts. **A Member recommended** that the audit and risk committee members be invited to the Trust Board meeting in order to safeguard the agreement. A Member suggested that the accounts be discussed as the first item on the agenda.

The committee **agreed** to the recommendation.

Action: Clerk to invite the Audit and Risk Committee to the Trust Board Meeting on 13 December 2017.

A committee member expressed concern about the timescales for the accounts, and questioned whether this would happen again next year. MG acknowledged that it has been a slow process and advised that there have been factors that have contributed to this:

- New accounting system
- Addressing issues arising from the new system
- Waiting for opening balances
- Acquiring information from each academy for the External Auditors

MG advised that the External Auditors will complete transactional work in June/July so there will be more time and meaningful statements.

Committee members acknowledged how much work has been completed to ensure the accounts are ready.

6. Financial Procedures

The committee were informed that the Financial Procedures document is in draft format and will be available in the New Year.

7. ESFA Land and Buildings Valuations and Audit Matters

The committee were asked to note the email sent from ESFA outlining the land and building valuations. This was discussed in detail during item 5a.

8. Pay

MG advised that he had been notified of a pay settlement for business support staff at Priestley College. The NJC made a recommendation for 2% consolidation at the bottom end of the scale.

TL provided an update on the pay recommendations. TL advised that a risk the committee should be aware of is that as TCAT is a new collaboration, the Trust could be targeted by Trade Unions with regards to differences in pay across the academies. TL informed the committee if Bridgewater were to agree 2% uplift for the bottom and the top of the scale it would be a minimal impact financially however it was not felt appropriate to grant some 2% and not others.

The committee thanked TL for the update.

9. Personnel

There were no personnel items to report.

10. Health and Safety

There were no health and safety issues to report. The draft Health and Safety Policy will be discussed at the next Finance, HR and Operations Committee on 7 February 2018.

Action: Clerk to add draft Health and Safety Policy to spring term meeting agenda.

11. Policies

MG informed the committee that he is in the process of creating a template that will outline all policies across the organisation, and at what level they are at (Trust policies or school policies). There are quite a high number of policies to review, and MG has a plan to condense the amount of policies.

12. Any other business

A committee member noted that the number of Trustees agreed to have a maximum of 5 Trustees on the membership for the Audit and Risk

Committee. It does not state this within the committee membership document.

Action: Clerk to make amendment to the membership document.

13. Proposed future meeting dates

Spring 2018: Wednesday 7 February 2018, 6pm

Summer 2018: Wednesday 20 June 2018, 6pm