

**MINUTES OF THE 100th FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
TUESDAY 27 APRIL 2021 AT 16.15**

Present: Dick Whitcutt (DW) - Chair, Richard Perry (RJP), Douglas Mitchell (DMI), Stewart Harris (SH),
Angela Entwistle (AEE), Rachel Brannagan (RB)

Absent:

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16.15

1. Apologies for absence

The only absences were Tony Bothwell (TB) due to travel commitments and Kevin Chamberlain (KC) due to work commitments.

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting

DW noted that several updates from the previous meeting were included in RJP's report.

DW asked RJP about the Staff Exit Returns. It was noted that this had been discussed in the February meeting of the FRC, but that RJP would circulate the staff questionnaire document and summary of responses at the next meeting.

The minutes of the last meeting were agreed as a true and accurate record.

4. Matters Arising

The replacement fire panel works are virtually completed and all that is outstanding is a new panel bezel to the new panel facing in the main reception area.

The new panels are now in place, were tested upon completion and were tested again on Friday in the Academy's weekly fire test, which takes place after school when the students have left.

RJP advised the Committee that he had received an update regarding ATA's Openview facility from Wandsworth's Legal Department; however, Wandsworth are waiting for a further response from their parks service to assess whether ATA relinquishing the lease early places added burden on Wandsworth in managing the facility sooner than anticipated.

RJP advised the Committee that ATA have requested three quotes for upgrading two of the main hard play areas in the Academy's playgrounds. One area that is used by Year 10 and Year 11 students and the larger of the two hard play areas is used by Year 8 and Year 9 students.

ATA has received three quotations, all at similar prices, with the cheapest being £118k for the large area and £86k for the smaller area. The company also offered a 2% reduction if ATA have both areas completed at the same time.

They would also be able to install flood light infrastructure at a cost of £8,500, although the cost of the actual floodlighting would be in addition to this.

RJP advised the Committee that if the flood lighting was allowed, it would enhance the letting opportunities on the West Hill site, which would make up for some of the lost letting by relinquishing the Openview facility.

The actual net costs of using Openview are an annual cost of around £30k per year, which when adding for the replacement of the Astro pitch every eight to ten years and also the replacement of the large bus, required for transporting the students to and from the site, every few years increases the cost increases on average by another £20k per year.

RJP advised the Committee that these are just early indications for ATA to consider because there is no definite decision, this is still in discussion and colleagues will receive further details at the next meeting.

RJP updated the Committee with the response that ATA had received from Wandsworth on the pension liability that ATA have to include within its annual accounts. The larger than average increase in liability within the Academy accounts reflected an increased number of members now part of the Local Government Pension Scheme (LGPS), following their transfer from the Foundation Pension Plan. In benchmarking against others, it looked as if ATA's liability had jumped up significantly more than other academies on a pro rata basis. The increase in membership is seen as a one-off and therefore future comparisons with other academies should be more in line.

5. Capital Developments

RJP advised the Committee that Wandsworth still haven't produced the Final Account for the expansion programme that took place last summer. The only outstanding issue appeared to be finalisation of the legal paperwork. RJP advised the Committee that the person in the lead role at Wandsworth had now left, so ATA was now pursuing closure with his replacement and would update on this next time.

RJP advised of some IT upgrades that ATA have been advised to consider this year and will bring some costings on those items to the next meeting.

DW asked RJP why the Academy is looking at replacing the current telephone system. RJP advised the Committee that the current phone system is an analogue based system and is deemed to be reaching the end of its useful life and ATA would like to move everything onto a cloud based technology.

Some colleagues expressed caution with this based on experiences and DW asked RJP to provide some more details and costings before any final decision is made. RJP confirmed he will have these for the next meeting.

6. Revenue Funding 2020/21 Update

At the end of March 2021, ATA had spent £6.27m of the current year's anticipated income of £10.3m. This is 60.8% of expected income (ATA spent £5.97m at that same point last year (60.4% of expected income)). This is broadly in line with predictions although is expected to increase a little as the period to date has included three months of lockdown.

RJP mentioned staff cost savings as a contributing factor towards this reported cost saving and also maintenance costs, which are down on the same stage as last year. However, the Academy was in a different stage of lockdown when compared with last year. This time last year, ATA had only just completed a month of lockdown, whereas this year, ATA has just completed over three months of lockdown.

ATA anticipate a 4% overspend at the end of the year, but there are certain areas like exam fees, which are still unknowns at present. It is therefore difficult to gauge the credit we will receive for the expenditure that ATA has already committed, together with the amount the Academy will receive from some additional COVID-related

funding streams set up by the government to help schools fund costs associated with testing and recovery programmes.

7. Revenue Funding 2021/2022

RJP advised the Committee the ATA has received the figures for next year, although there are some lines of income that will come through at a later stage.

ATA has not secured its full allocation of funding due to the fact that student numbers were a little lower than the maximum funded number on census day. This will affect funding for next year. The reason for this was partly the result of Covid and partly the result of technical issues with Wandsworth Pupil Services (the service did not adapt well to home working and staff changes over the summer break), which meant that the Academy started the year considerably under number in Year 7 and a few students under in Year 8. This issue was the same in all secondary schools in Wandsworth.

ATA had a limited period of time to fill the vacant places from children on the waiting list and unfortunately were unable to fill every place by the time ATA had to submit the Census Return figures in October.

DW understood that this issue was due to failings at Wandsworth and that, as a result of these, ATA could not properly communicate with students who were on the waiting list, which RJP confirmed. It took a couple of weeks for ATA to confirm that the students who had not appeared in the first week of the academic year were not going to arrive at all and then a similar amount of time to obtain the contact details for students who were at the top of the waiting list and who wanted to join. These delays left ATA approximately £67,000 out of pocket this year, despite now being full in all years except in Year 11 and in the Sixth Form. In the Sixth Form, ATA were 15 students short last year, despite the number of applications for sixth form places being considerably higher. This is always the case and it is difficult to have any certainty over the number that will actually join. ATA also believes that due to the Covid situation, more students felt it was more of a risk to leave the school they have attended for Year 11 and therefore decided to continue their education at the same school. Nevertheless, there has been a benefit to ATA by keeping more internal students that ATA might otherwise have retained.

ATA is 26 students short of 250 in the 6th Form, which is the largest shortfall for a number of years. By not filling all of the places in the 6th Form, ATA has lost £200,000 worth of funding for next year. ATA will look to ensure that this does not happen again this year.

Despite the above, there is still a 1.5% increase in funding on the previous year, but this is lower than the 2.5% ATA built into the five-year budget profile on the basis that the student numbers on roll were closer to the maximum permitted.

8. School Resource Management Self-Assessment Tool

RJP informed the FRC of another return that ATA has to submit to the Education and Skills Funding Agency which is referred to as the School Resource Management Self-Assessment Tool. This looks primarily at governance and financial controls, and identifies where there are potential gaps. It is therefore a useful self-check mechanism. The responses to the questions in the self-assessment were outlined within Appendix III of the papers. The figures that ATA return to ESFA is the School Resource Management Self-Assessment dashboard which RJP showed as Appendix 4.

RJP advised that he would send the latest update of the Academies Financial Handbook with the papers for the next meeting.

RJP highlighted two focus areas.

The main was the spend for educational support staff and he explained that ATA do have higher numbers of educational support staff compared to most schools and, as such, shows ATA to be in the highest 10% of similar schools. ATA does have a team of mentoring staff over and above teaching and learning assistants, a team which is

unlikely to be found in many other schools. ATA has 15.1% of total expenditure spend on educational support staff which only just tips it into the higher bracket (which is set at 15% or above).

ATA has roughly 30/40% more TLA's as well, because of the fact that ATA operates a separate 16 place autistic resource facility on top of the provision for those with an EHCP for mainstream SEN.

In answer to a query from DW, RJP confirmed that if the Academy took the latter out of the equation, it would be more closely aligned with most other schools.

The other benchmark to pick out was a lower than average spend on educational resources. RJP advised the Committee that the Academy still maintains a policy of centralized purchasing for a number of items across the Academy, which includes furniture, books, stationary purchases, and that clearly helps keep costs down because those responsible for placing orders will ensure value for money is achieved.

9. Trading Company

RJP advised the Committee that the Trading Company should achieve a similar level of performance to how it performed last year (which had been down on the year before due to Covid).

ATA is hoping that lettings activities will be able to normalise for the remainder of the year.

10. Administrative and Staffing Matters

RJP advised the Committee that there had been a minor update to the Charging and Remissions Policy (previously circulated) and asked if anybody had any comments to let him know by the next meeting.

RJP advised the Committee that the Foundation Pension Plan had finalised its actuarial valuation (which takes place every three years) and essentially takes a look at past performance since the previous valuation, agrees a set of financial assumptions going forward and determines whether the assets of the Plan are sufficient to meet its accrued liabilities as well as setting funding levels to meet future liabilities.

At the previous valuation, there was an £111k deficit, split between ATA and the Crimestoppers Trust (who also have members within the plan) and it had been agreed that that deficit would be payable over a six-year period with the approximate split being 70/30 between the Academy and Crimestoppers. This exercise has been undertaken again for this year but it has highlighted a larger deficit position of over £500k which will result in the requirement for higher employer deficit contributions.

At the actual valuation date of 1st March 2020, this was the worst possible time in terms of financial market responses to the COVID situation that a valuation could have taken place. The Plan would have been looking at a deficit of £1.8m at that time. However, the Pensions Regulator does allow schemes to consider the use of alternative dates where the actual date is considered to have revealed an unrepresentative extreme, but the valuation has to be signed off within 15 months of the original date for that valuation.

As things stood at the end of March 2021, the position had recovered very significantly from a £1.8m deficit in the Plan to a £500k deficit and the actuaries have recalculated deficit recovery figures on this revision. The recommendation is for a deficit recovery to be put in place and for it to be repaid over a seven-year period, extending from what was a six-year period on the previous recovery term. This would cost the Academy around £54k per year.

Crimestoppers have taken this to their trustees and that has been accepted as a way forward. The FRC were happy to provide the same agreement on behalf of the ATA trustees.

RJP advised the Committee that ATA's HR and Payroll Manager will be leaving at the end of this Academic Year and that this was deemed to be the appropriate time to consider outsourcing payroll processing. A number of factors

had contributed to this decision, in particular the increased complexity with pension arrangements and that too much responsibility sits with one individual, should that person be ill for a period of time or required to isolate. The role has also grown too big to be undertaken by one person, based on current task requirements. RJP was considering Wandsworth's payroll service for actual payroll and pensions processing, with a lower level role still in place at the Academy to produce the monthly payroll input but also to provide a more extensive HR role than the post provides for at present.

11. Any Other Business

There being no other business, DW thanked RJP for his report and for members' participation in the meeting.

Signed: _____



Richard Whitcutt

Chair of Finance and Resources Committee

Date: 14 / 07 / 2021