

**MINUTES OF THE 99th FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
TUESDAY 23 FEBRUARY 2021 AT 16.15**

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

Absent:

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16.15

1. Apologies for absence

No absences

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting

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

DW agreed to sign the previous minutes and send to JKD

4. Matters Arising

ATA still has outstanding works to be completed on the replacement fire panels which should have been finished last week. The works have not been able to be signed off yet due to unforeseen circumstances, so the works have been deferred and pushed back to the Easter break. The existing fire protection panels are fully functional and will be fully supported until replaced.

RJP advised the Committee that he hasn't obtained all of the financial and lease details for ATA's Openview facility but will have them available for the next meeting with a much more complete picture for the review of its ongoing use. They will also include some costing regarding future replacement of the AstroTurf facility.

RJP said that he is still waiting to hear back from lawyers about whether ATA is required to give one year's notice on the lease, which RJP believes is correct. The Curriculum Manager for PE has also been asked to provide an educational analysis on the matter.

5. Annual Report and Financial Statements 2020

These were completed and submitted on time. The FRC noted that an extra month for sign-off had been provided due to the Covid situation. As the audit was completed remotely, sending the files and supporting documentation had been quite time consuming and so the extra month was necessary. RJP had sent the final draft to the Trustees and the FRC on 22 January and thanked colleagues for the input provided. The accounts were signed and filed on 28th January along with the auditor's Post-Audit Report and the Responsible Officer's Report, which was produced by SH.

ATA has uploaded the financial statements to the website and a hard copy can be sent to Committee members, should they wish one.

The Academy is also required to submit an Annual Accounts Return as a subsequent exercise, required by the Education Skills and Funding Agency (ESFA), which shows the accounts in a different format - as is needed for separate central government returns. The deadline for completed returns was 23 February 2021 and the Academy submitted theirs on 18 February.

The auditors produced a Post-Audit Management report which outlines how they feel the audit process went and how ATA is performing from a financial context. This includes how well the Academy is doing in terms of protection against fraud and any deficiencies on internal controls. The Committee noted the auditor's comment for a more comprehensive fixed asset register record to be put in place. Otherwise there was nothing of any significance or concern.

The Post Audit Report shows a number of financial comparisons against other Academies for previous years. In further explanation of these comparisons, RJP had summarised within his own report to the Committee, that on operational margins, ATA made a slight surplus in cash terms -which was better than expected as we had achieved a reduction in some costs in the year due to Covid.

DW questioned this as he had heard that many other schools had claimed that they suffered increased costs because of their Coronavirus actions and it would be interesting to know other academies' experience of this. RJP explained that whilst Trading Company surpluses would be reduced, the Academy's saving on areas to do with exams, caretaker overtime and certain maintenance and staffing costs outweighed the drop in Trading Company profits.

In terms of payroll, when compared to other academies, ATA's costs are considerably higher than many but the reasons for this are well known. The key reasons include being within Inner London, operating a longer school day, considerably higher numbers of non-teaching mentoring staff and employing its own cleaning and catering personnel (as opposed to contracting out these services which then do not appear in other schools as staff salaries).

Answering a separate question from DW on realistic manpower-related cost comparisons with other academies, whether permanent, temporary or contracted, RJP responded that this was difficult to estimate as different academies record staffing costs in various ways and therefore the information can be inconsistent. The fact that ATA records higher staff costs is important to know and the reason behind it equally so, but this doesn't mean the Academy needs to do anything different.

In terms of reserves, the Academy compares very favourably against other academies both with regards to its restricted funds and unrestricted funds (the latter are less prescribed as to how the Trustees agree to utilise them). The level of reserves has been consistent for a number of years but this will change in the future. Total reserves currently stand at £4.5m, but in 5 years will reduce to around £1.7m according to financial forecasts. Whilst there is no major alarm, ATA needs to bear this in mind. The reserves remain in good order and allows ATA to operate as fully as it currently does for the immediate future.

The final comparator was in respect of pension liability. This does not impact on the cash position, but ATA is required to report this in the accounts as it is an entry on the balance sheet. The DFE have previously stated that they would pick up any cost liability remaining in respect of the local government pension scheme, should the Academy ever cease to exist. The total pension liability this year has increased from £2.5m to just over £4m.

RJP has questioned why ATA's liability has increased more than other similar schools and awaits a reply from Wandsworth; however, the overall total liability is more comparable to other schools. RJP will provide more information to update the Committee in the next report, but it is not something ATA has to worry about in the near future.

6. Capital Developments

ATA has ordered the 40 laptops as previously discussed in December. In addition, ATA were sent a further 138 laptops from the Government and is just about to order another 53. These have been gifted to the Academy to assist students with their online learning during lockdown. It has been really positive and helpful to provide these to the students for their learning and not many students have had an issue with them. Few students have struggled with internet access, but, where they have, the Academy has been able to also offer WIFI devices which JKD has organised.

7. Revenue Funding 2020/21 Update

RJP discussed the revenue funding. As at 31 January 2021, ATA had spent £4.5m which represented 44% of anticipated income, compared to £4.3m (44 %) the previous year. Staff costs are higher than last year but below the estimate for the year- as, again, Covid has brought some savings on some staff costs, including the areas of supply staff and the delayed replacement of staff leaving just before the latest lockdown.

8. Trading Company

The Trading Company accounts have been signed off, as with the main Academy. It achieved a surplus of £90k which provides extra funds for the Academy and these have been achieved largely through the lettings programme.

9. Staff Exit returns 2020

RJP mentioned in his December report that he would bring this item to the next meeting. He reminded the FRC that staff members who leave the Academy are sent an exit questionnaire, which they are encouraged to complete, giving their reasons for leaving the Academy and to provide comments on their experience whilst employed at ATA. Lockdown also impacted on this and only 19 returns were provided for the last academic year. It was interesting to note the reasons for leaving, as it is usual for more than half to move for promoted posts. This year, changes in career and staff relocating were as common as people moving to promoted positions. One particularly negative response was from an individual who had believed they could achieve a quick promotion at the Academy feeling this had been indicated to them when joining. There were some comments referencing a lack of positive feedback and recognition, but the vast majority of comments have been both positive on people's experiences and supportive of the Academy.

On staff relocations, DW asked if those leaving gave the required notice? RJP confirmed this to be the case; however, several staff members were released early, which benefitted the individual returning home and the Academy on saving staffing costs.

10. Administrative and Staffing Matters

No additional comments had been received on the policies circulated at the previous meeting aside from the Anti-Fraud policy which has been updated with comments received from Committee members. The Committee agreed for the revised policies to be updated on the staff intranet.

11. Any Other Business

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

Signed: _____

Date: ____/____/2021

Richard Whitcutt

Chair of Finance and Resources Committee

ATA has ordered the 40 laptops as previously discussed in December. In addition, ATA were sent a further 138 laptops from the Government and is just about to order another 53. These have been gifted to the Academy to assist students with their online learning during lockdown. It has been really positive and helpful to provide these to the students for their learning and not many students have had an issue with them. Few students have struggled with internet access, but, where they have, the Academy has been able to also offer WIFI devices which JKD has organised.

7. Revenue Funding 2020/21 Update

RJP discussed the revenue funding. As at 31 January 2021, ATA had spent £4.5m which represented 44% of anticipated income, compared to £4.3m (44 %) the previous year. Staff costs are higher than last year but below the estimate for the year- as, again, Covid has brought some savings on some staff costs, including the areas of supply staff and the delayed replacement of staff leaving just before the latest lockdown.

8. Trading Company

The Trading Company accounts have been signed off, as with the main Academy. It achieved a surplus of £90k which provides extra funds for the Academy and these have been achieved largely through the lettings programme.

9. Staff Exit returns 2020

RJP mentioned in his December report that he would bring this item to the next meeting. He reminded the FRC that staff members who leave the Academy are sent an exit questionnaire, which they are encouraged to complete, giving their reasons for leaving the Academy and to provide comments on their experience whilst employed at ATA. Lockdown also impacted on this and only 19 returns were provided for the last academic year. It was interesting to note the reasons for leaving, as it is usual for more than half to move for promoted posts. This year, changes in career and staff relocating were as common as people moving to promoted positions. One particularly negative response was from an individual who had believed they could achieve a quick promotion at the Academy feeling this had been indicated to them when joining. There were some comments referencing a lack of positive feedback and recognition, but the vast majority of comments have been both positive on people's experiences and supportive of the Academy.

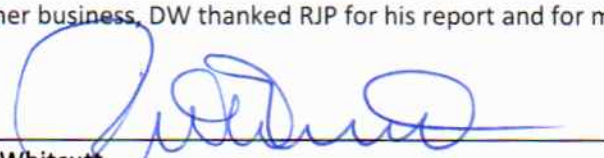
On staff relocations, DW asked if those leaving gave the required notice? RJP confirmed this to be the case; however, several staff members were released early, which benefitted the individual returning home and the Academy on saving staffing costs.

10. Administrative and Staffing Matters

No additional comments had been received on the policies circulated at the previous meeting aside from the Anti-Fraud policy which has been updated with comments received from Committee members. The Committee agreed for the revised policies to be updated on the staff intranet.

11. Any Other Business

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

Signed: 
Richard Whitcutt

Date: 27 / 04 / 2021

Chair of Finance and Resources Committee