

**Minutes of the Finance, Premises and Human
Resources committee meeting of The TBAP Trust
held at The Bridge AP Academy on
Tuesday 25th November 2014**

PRESENT: Mr Philip Rham (acting Chair); Mr Seamus Oates (Executive Headteacher);
Mr Paul Dix (via video link); Ms Anu Jain; Ms Marie Thomas.

In attendance: Mr Nathan Crawley-Lyons, Head of Business Development and Operations,
Ms Deepa Martin, Finance Consultant
Ms Tracey Young, Hayesmacintyre/ Auditor
Miss Carol Stock, clerk

1. APOLOGIES

- 1.1 There were no apologies all were present.
- 1.2 The committee noted that Mr Paul Dix was present via a video link and agreed that Mr Philip Rham would chair the meeting.
- 1.3 The meeting welcomed Ms Tracey Young; introductions were made.

2. PECUNIARY AND CONFLICT OF INTEREST DECLARATION

There were none declared.

3. APPROVAL OF 2013-14 ACCOUNTS

- 3.1 The committee noted in order to meet deadlines, at its last meeting the Executive Board had delegated approval of the 2013-14 accounts to the Finance committee. The Finance agenda had been issued with this in mind but in the interim, during the audit process it had become apparent that the accounts would not be fully available for this meeting.
- 3.2 Consequently an extraordinary Executive Board meeting of the TBAP Trust had been called for Monday 1st December at 8.00am with the intention of approving the accounts. The papers would be sent out to all Directors on Friday 28th November ahead of the meeting.
- 3.3 The TBAP Trust Annual Report and Financial Statement 1st March 2013 – 31st August 2014 had been sent separately and was tabled with the following caveat: data relating to the FR17 report (pensions information) from several boroughs was not at this time available.
- 3.4 Ms Tracey Young took the committee through the report highlighting the following:
- 3.5 **Statement on regularity, Propriety and Compliance**
- 3.6 As the Accounting Officer, Mr Seamus Oates was required to state that there were no irregularities, non-compliance and impropriety in terms of funding.
- 3.7 **Statement of Directors' Responsibilities**
- 3.8 This was a standard statement and would be signed by the Chair of Directors, Mr Paul Dix as approved by Directors at their meeting on 1st December.

- 3.9 **Independent Auditors' Report to the Board of Trustees**
- 3.10 This would be signed by Ms Young on behalf of Hayesmacintyre; Ms Young reported that to date there were no concerns but this would be reviewed once all transactions were available.
- 3.11 **Statement of Financial Activities** for period ending 31st August 2014
- 3.12 The committee noted that the report covered an 18 month period, from conversion until 31st August. Ms Young reiterated that due to the missing information most of the data was affected but this would be rectified in the reissue on Friday. Key things to note were:
- 3.13 Voluntary income Restricted Fixed Assets - £17 million. This was due to the 125 year leases attached to two sites (Octagon and Beachcroft) which represented the estimated value (capitalised value).
- 3.14 The committee clarified that The Courtyard was not included in this as sign off had occurred after 31st August and would therefore be included in next year's report (125 year lease). Childerley represented a 7 year lease. The committee discussed the continued distorting impact of any Academies that were taken on by the Trust. Ms Young clarified that any distortion was separated in the restricted fixed assets fund.
- 3.15 The committee queried how the amount of £17 million had been calculated and heard that 50 years was the standard period and that an independent evaluation had been commissioned based on existing use (not residential market value).
- 3.16 Resources Expended This detailed depreciation. Total income was detailed in Note 4.
- 3.17 **Balance Sheet**
- 3.18 Ms Young clarified that this specified the position at the end of the financial year and asked the committee to note the fixed assets.
- 3.19 **Note 12 Trustees' Remuneration and Expenses**
- 3.20 Ms Young explained that it was a requirement of Charity Law that all Trustee remuneration be disclosed in £5k bands. Ms Young clarified that this requirement included staff directors.
- 3.21 The committee agreed that the fact that this covered an 18 month period would be highlighted.
- 3.22 Ms Young reiterated that the full accounts would be available on Friday and her intention at this meeting was to highlight any key points that could in any way be considered controversial.
- 3.23 **Related party transactions**
- 3.24 The committee noted the training services provided by Pivotal Education Services. Mr Paul Dix queried the amount stating most of the fee had been for a third party provider and additionally the transaction had been made between a member of staff at the Bridge Academy and one of Pivotal's staff. Mr Seamus Oates confirmed that 10 staff members had received training for minimal cost. Ms Young agreed to review the amounts but clarified that full disclosure was a requirement
- 3.25 The committee noted that a statement re no profit was already included in the report.
- 3.26 The committee agreed that further review of the accounts at this meeting was not feasible given the missing data.
- 3.27 **Audit Findings Report**
- 3.28 The draft Audit Findings report had been sent separately and was tabled. Ms Young clarified that this report would also be sent to the EFA covering the same period and took the committee through the report as follows:
- 3.29 Section 3 Ms Young clarified that these were decisions made as part of preparing the accounts. Short term leases – the Trust had taken the decision to not recognise this a gift in

kind since it was not possible to quantify a reliable value of the rental. The committee noted there was no impact to the surplus.

- 3.30 Upon conversion, a decision had been made not to recognise the fixtures and fittings based on the fact that none were of material value.
- 3.31 Recoverable VAT The committee noted that the entire amount was deemed recoverable (Of which £80k had already been recovered). **(Action: Ongoing)**
- 3.32 Accounting System Cut-off Issue The committee was reminded of the system fail in mid-August and the resultant processing which meant that accounts had not been finalised until the end of September. This had resulted in a number of audit journals.
- 3.33 Timetable The committee noted the timetable for period end reporting and heard that as a public document (once lodged at Companies House) the financial statement would need to be published on the Trust's website by 31st January.
- 3.34 **Detailed Control Points**
- 3.35 The committee was taken through all the detailed risks and noted that all were either completed or in hand.
- 3.36 **Emerging Issues**
- 3.37 The committee noted the amendments to the Academies Financial Handbook (Sept 2014)
- 3.38 The committee queried the number of recent changes to practice and queried if Ms Young aware of any instances where an academy had been penalised for practices that were compliant the previous year but were now deemed not to be compliant? Ms Young explained that generally academies were given notice far enough in time to introduce compliant practice.
- 3.39 The committee **confirmed** that Mr Nathan Crawley-Lyons was the designated Trust Data Protection Officer.
- 3.40 The committee thanked Ms Tracey Young.

Ms Tracey Young left the meeting

4. TBAP GOVERNANCE STATEMENT

- 4.1 The committee noted that the Directors' Report was submitted as part of the annual report.
- 4.2 The committee reviewed the Strategic Report and the Governance Statement and **agreed** that Mr Crawley-Lyons would send the draft to all Directors for further comment.

5. MINUTES OF MEETING HELD ON 23rd SEPTEMBER 2014

The minutes of the Finance committee meeting held on 23rd September 2014 were agreed as accurate; two copies were signed by the Chair.

6. MATTERS ARISING

- 6.1 Item 4.4 Asbestos Mr Crawley-Lyons reported that the asbestos report for The Bridge AP Academy had now been handed over (from LA) to the Trust. There was currently one asbestos issue but was already part of planned work as part of agreed works with H&F. **(Status: Completed)**
- 6.2 Item 4.12 Cost Different supply staff models **(Status: Ongoing)**
- 6.3 Item 4.16 Pensions Clarity Dealt with above **(Status: Ongoing)**

7. 2014-15 BUDGET REPORTING/MONITORING (incl ma Item 4.14 Confirm Devolved Capital funding)

- 7.1 The Period 2 Budget Monitoring Report (2014-15) had been sent separately. Ms Deepa Martin tabled a Consolidated Budget Monitoring Summary Report and took the committee through as follows:
- 7.2 Two new budget areas had been created this academic year: CSS and TBAP Only.
- 7.3 The provisional projected carry forward was £217k; this amounted to 2.2% of total funding with recommended levels in region of 5%. The committee queried why reserves were so low and were directed to the comments in the Directors' report (annual report) which referenced set up costs and the fact that as schools joined the Trust, they were transferred with zero budgets. This was an identified and known risk of taking on new academies.
- 7.4 Directors discussed the reserves and **agreed** that going forward, the aim would be to build reserves of £400k over a 3 year period.
- 7.5 The committee noted the income breakdown for each academy with total funding of £11,127,436. Ms Martin clarified that Pupil Premium (PP) funding was included in the EFA funding column. This included all PP funding for The Courtyard. (*ma item 4.6 Courtyard PP clarification*)
- 7.6 Mr Crawley-Lyons explained there was some still unconfirmed funding in "Other Income" due to managed move, SLAs etc and this was therefore at risk.
- 7.7 Ms Martin took the committee through the monitoring report explaining that the staffing overspend (£97k) was due to the educational support area (agency staff). The inconsistencies for Learning mentors and Pastoral Support were due to staff being listed under the incorrect budget – this was now correct as at November with 3BM's help. The committee noted that eventually Learning Mentors would be incorporated into a single category (LSP) for support staff.
- 7.8 The committee noted the cost centres assumed as fully spent and the staff bonus as agreed at the previous EB meeting. Ms Seamus Oates reported that 30% of staff had been awarded a bonus with a total cost of £30k to the Trust.
- 7.9 The committee heard that the bonus had been received positively by staff with no appeals to date. Heads of school had reported that they found bonuses a useful tool to manage staff.
- 7.10 The committee noted the year end prediction which when considered with the projected surplus indicated the Trust was at break-even point. The committee agreed that the budget would need to be rigorously monitored.
- 7.11 The committee **agreed** that the cash flow projections as recommended by Ms Tracey Young would need to be taken by the committee at each meeting. **(Action: NCL)**
- 7.12 Mr Nathan Crawley-Lyons reported that the budget monitoring report had been modified so that overhead costs could easily be extracted for individual schools.
- 7.13 Mr Seamus Oates reported potential income from the TAT project; it was agreed that Mr Crawley-Lyons and Ms Martin would follow this up. **(Action: NCL, DM)** Additionally Mr Oates reported ICT allocation from the LA as a result of contract claw-back; £30k had been allocated to Latimer but was essentially already allocated to rectify ICT issues.
- 7.14 Ms Martin and Mr Crawley-Lyons reported they had received confirmation from the LA of £80k due to the Trust (SEN places at Courtyard).
- 7.15 The committee discussed their concerns re the budget in relation to taking on any new academies and heard that current staffing restructures were designed to take advantage of economies of scale and create efficiencies across the Trust.

8. EXPENSE CLAIMS (SEP-NOV)

- 8.1 The expenses and petty cash reimbursements for the period September – November 2014 were tabled and noted by the committee.
- 8.2 The committee noted that all claims were signed off by line managers with payment made via BACS wherever possible.
- 8.3 The committee queried travel reimbursements and heard that a number of staff travelled across sites but long term plans included timetabling staff on one site per day where possible.

9. RISK REGISTER

Matter arising item 10.3 Review risk register with owner and SLT to review risk register Mr Nathan Crawley-Lyons reported that the process was still ongoing with the Heads of Schools (HofS) asked at the last meeting by SLT to review the operational elements of the register; they were due to report back at the next meeting (**Status: Ongoing**)

10. STAFFING: HARMONISATION

- 10.1 Mr Nathan Crawley-Lyons reported that he was in the final stages of issuing contracts to staff; delays had been caused by numerous complications while confirming contract details.
- 10.2 Mr Crawley-Lyons now had copies of contracts ready for distribution to all but 2 individuals.
- 10.3 The committee heard that some individual staff members had and were querying the proposed job titles; the Trust Lawyers, Stone King had advised that the implication of staff refusing to sign the new contracts was that their contracts would need to be terminated and then restarted under a new contract. The risk was that they might claim unfair dismissal which could accrue legal costs for the Trust.
- 10.4 Mr Seamus Oates reported that the consultation process had been rigorously followed and that the union in question had not raised any objections; in any case, Union agreement was not necessary to the process as advised by Stone King.
- 10.5 The committee agreed that Mr Crawley-Lyons would continue with the process and distribute the contracts as soon as possible via the Heads of School at the next SLT team meeting. Mr Crawley-Lyons would contact individual staff members as appropriate. (**Action: Ongoing**)

11. BONUS PAYMENTS (*this had already been addressed under item 7*)

12. TBAP ADMIN RESTRUCTURE

- 12.1 The TBAP Business Support Hub proposal had been sent with the agenda.
- 12.2 The committee was reminded that the Executive Board had delegated approval of the consultation process to Mr Paul Dix at it last meeting. Mr Nathan Crawley-Lyons reported that all questions by staff and unions had been answered.
- 12.3 The committee queried staff reactions and heard there was some anxiety relating to the proposed reduction to front of house at individual schools and queries around how staff would apply for other roles. The committee heard that any changes to roles would mainly affect agency staff.
- 12.4 The committee heard that a HR consultant had been engaged to act as interim HR manager and facilitate assimilation which would begin next week.
- 12.5 The committee queried the original proposal to achieve efficiency savings yet the report outlined a net increase in support staff services. Mr Crawley-Lyons explained that the purpose of the restructure was to deliver services as a Trust with the capacity to support at least 2 more academies. It was agreed that this would be clarified in the proposal.

12.6 The committee heard that the restructure timetable was on target; the consultation period had been for 2 weeks on advice from Stone King.

13. STAFFING

13.1 Mr Seamus Oates reported that the following resignations had been received:

- Access and Inclusion Director at Beachcroft (promotion)
- *something-or-rather* leader at The Bridge (promotion)
- HR manger (new job)
- Associate head at The Bridge (retirement)
- Head of School at Beachcroft
- Deputy Head at Octagon

13.2 Recruitment was underway; additionally Beachcroft already had a number of seconded staff from the Trust in place.

14. PREMISES

14.1 Mr Nathan Crawley-Lyons tabled the list of ongoing works across the Trust for information.

14.2 The committee noted the following:

- BCAPA – quotes for FOBS were currently being sought. The committee agreed that the aim should be to standardise FOBS across the Trust
- LEC – Kitchen being updated in response to H&S concerns
- LEC – Site Mgr House, Wall and pillar - H&S concerns - looking to take these out of Trust's scope

14.3 Damage by Students The committee queried whether students were invoiced for damages and heard this was indeed happening at all sites. Mr Paul Dix reported that at a school he had recently visited, the science lab labelled the cost of equipment with notable success in student awareness and ownership.

15. AOB

There was no urgent business.

16. DATE OF NEXT MEETING

16.1 The next committee meeting was scheduled for Tuesday 10th March 2015 at 5.00pm

The meeting ended at 18.50

SUMMARY OF AGREED ACTIONS

Item 3.31	Recoverable VAT	DM
Item 6.2	Cost different supply models, Ongoing	NCL
Item 6.4	Pensions Clarity (<i>Risk E7</i>), Ongoing	NCL
Item 7.11	Cash Flow projections	NCL
Item 9	Risk register review, Ongoing	NCL
Item 10.5	Staffing Harmonisation	NCL

Signed..... Date.....
Chair of committee