

**MINUTES OF THE 104th FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
THURSDAY 24 FEBRUARY 2022 AT 16.15**

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

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16:15

1. Apologies for absence

The only absentees were Angela Entwistle (AEE), Kevin Chamberlain (KC), and Tony Bothwell (TB).

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting

DW mentioned the Ransomware update and RJP confirmed this would be included in his report.

DW commented that he had not been able to attend the Academy to discuss the possible implications for ATA in the context of the revised guidance from the Education and Skills Funding Agency (ESFA) with RJP and DMI. DW told colleagues that the Academies' Financial Handbook is now called the Academy Trust Handbook and it is key to note that it is not just financial control and delegations contained in this handbook, but also the governance, safeguarding, health and safety and estate management. DW confirmed that he intended to visit the Academy shortly.

DW asked about the updated Risk Register and the inclusion of the new risks associated with payroll payments to staff now being made by a third party. RJP confirmed these were included in his report.

The previous minutes were agreed and signed as an accurate record.

4. Matters Arising

There were no matters arising

5. Annual Report and Financial Statements 2021 – Academy

RJP confirmed that the Annual Report and Financial Statements were signed-off prior to Christmas and that the final version was circulated to Trustees on 22 December 2021. RJP was conscious that they hadn't been sent to all FRC members. Consequently, he included them as appendix one in the paperwork for this meeting. They have been placed on the website as well, which ATA is required to do.

The draft accounts were discussed at the December meeting and there were only minor changes made to the final accounts. ATA incurred an operational deficit, which had been anticipated, of just under £500K for the year. This deficit is larger than ATA had experienced previously and it has reduced ATA's reserves from £4.5M to just over £4M.

ATA's five-year forecast indicates that this balance will decrease further, without additional income or cost reducing measures.

RJP informed colleagues about the Post Audit Management Report (PAMR) which he was unable to present in December. The main purpose of the report is for the auditors to identify, formally and in writing, any issues (major or minor) encountered during the course of their audit.

ATA was advised at the end of last year's audit that the fixed asset register should be a much more comprehensive document than the version presented and that it should record all depreciated assets that were still in use.

ATA has updated the fixed asset register. This is more comprehensive now and covers all of the information the auditors require. The auditors were happy with the updated document and the arrangements implemented since the previous year and had not identified anything to bring to the Academy's attention for this year.

RJP talked the FRC through the comparison benchmarking ratios provided in the PAMR, which were fewer than in previous years but still provoked reflection and useful discussion.

DW asked RJP about the comparison data relating to catering and cleaning staff costs that RJP was looking into and asked if he had an update on this. RJP confirmed that this analysis was in hand and that he would include figures in his report for the next meeting.

6. Annual Accounts Return 2021

RJP reminded the FRC that ATA has to also complete and submit an additional Annual Accounts Return beyond the standard set of accounts, which the DfE require for their own accounting purposes. This was completed before the 25th January deadline. RJP provided colleagues with a detailed spreadsheet, which outlined all of the information, albeit in a very user-unfriendly format.

7. Capital Developments

RJP confirmed to colleagues that ATA will be commencing with the lift upgrade programme this summer with the three main lifts serving the Academy to be upgraded over the next three years. The first lift to be completed will be in Zone D and this will take place over the summer.

RJP mentioned the in-house computer storage arrangements. ATA invested in a new, much smaller server for internal storage needs two-years ago. This was to move the majority of the Academy's network storage onto the cloud-based platform. This move would mean that storage requirements on site would not be as large as they have been in the past. . ATA has however encountered a few issues with student saved work and that Microsoft TEAMS has generated a huge amount of data, which is currently stored.

RW asked RJP if the cached storage is being regularly cleared and whether regular housekeeping would free-up sufficient space. RJP said that further discussion with the network staff over internal housekeeping would take place before looking to purchase additional storage.

8. Revenue Funding 2021-2022 Update

ATA experienced some teething issues with the transfer of payroll processing to Wandsworth, but it is working better and it is proving to be more efficient.

The month-end reporting had presented the most significant issues, and much time has been spent looking at ways in which to synchronise Wandsworth's method of reporting with the Academy's accounting systems. As a result, the routine income and expenditure figures for the month-end, along with the variance cover sheet on which there are comparison year-to-date figures, will be reintroduced from the end of February.

RJP reported that as at 31 January ATA has spent approximately £4.6M compared to £4.5M at the same time last year. That represents 45.2% of the income ATA is due for the year, which is above the 44.4% at the same stage last year. In line with the five-year budget forecast, ATA is anticipating a larger deficit this year than last year.

ATA is due to receive the indicative budget figures for next year. ATA is hopeful that there is a reasonably generous per capita uplift this year in the region of 5% per student. ATA has suffered in funding terms this year because of the student numbers recorded on the autumn census return in 2020. However ATA expects there to be a much better picture this year.

9. Openview Sports Ground

DW asked if the discussion about Openview could be deferred to the next meeting. RJP advised colleagues that the main decision required is whether ATA returns to using the sports facility as it had done pre-pandemic. DW asked to wait for more of a discussion with all FRC members present.

10. Trading Company

RJP updated the Committee on last year's accounts for the subsidiary company. RJP had recently spoken with the auditors about signing-off the accounts for the Trading Company and they have asked for five invoices as part of their fieldwork. The final processes should be straightforward because these accounts reflect a similar picture to the year before for the Trading Company. Nevertheless, the decision taken in relation to Openview may well change that picture in the future. The auditors had been unable to complete this work in their usual timeframe, possibly because staff were absent with COVID. As a result, this report had been left to conclude after Christmas when timescales were less constrained.

11. Administrative and Staffing Matters

RJP reported on the latest position regarding the Foundation Pension Plan and that discussions are still taking place with the four remaining active members of the Plan, with a view to closing the Plan to future pension accrual from April. Three members are Academy staff and one works for Crimestoppers. The latter will be offered the chance to join the pension arrangement now in place for staff at Crimestoppers, while those at the Academy still have the right to join the Local Government Pension Scheme (LGPS) or take a salary enhancement instead. The pensions they have accrued within the Foundation Pension Plan will then become payable in the future when each member decides to access their pension

12. Any Other Business

DW mentioned that the Academy will be looking to replace two parent member positions on the Executive Board as two current members are due to finish at the end of the Academic year, when their children will be due to leave the Academy.

Signed: _____

Richard Whitcutt

Chair of Finance and Resource Committee

Date: 27 Apr /2022