

# Engage Finance & Personnel Meeting

## Minutes

Tuesday 26th September 2017 @ 1630

Drayton Old Lodge, Norwich NR8 6AN

Attendees
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Mark Winson-Pearce <b>(MWP)</b>	Des Reynolds <b>(DR)</b>	Barbara Johnson <b>(BJ)</b>
Phil Harris <b>(PH)</b>	Clive Evans <b>(CE)</b>	Gill Wardlow <b>(GW)</b>
Matthew Ivany <b>(MI)</b>		Andriana Sneddon - <b>TA/ Clerk</b>

**Meeting commenced at 1640**

No	Item	Action
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<b>1.0</b>	<b>Apologies and Absence</b>	
1.1	There were no Apologies nor absences.	
<b>2.0</b>	<b>Declarations of Interest</b>	
2.1	Standing declarations for PH and DR previously noted; no impact on agenda items.	
<b>3.0</b>	<b>Previous Minutes</b>	
3.1	The Minutes of Trust Audit, Risk and Personnel Committee meeting, 20/7/17 were accepted as a true and accurate record of the meeting and were signed off by Committee Chair	
3.2	Confidential Minutes of 20/7/17 were distributed to those present at previous meeting, accepted as a true and accurate record and signed off by Committee Chair	

<p><b>3.3</b></p>	<p>Update on previous actions as follows:</p> <ol style="list-style-type: none"> <li>1. No update CONFIDENTIAL MINUTE.</li> <li>2. CE to research Grants/Trust available for building works/improvements</li> <li>3. MWP queried expenditure plan of additional funds generated by Improvement Levy- DR advised Premises Development Plan available should funds become available</li> <li>4. Response received from Michael Bateman, attached, confirming both increase top up for SSSfN 350 places from September 2017 and confirming increase for Pinetree and Earthsea places. Request for Improvement Levy still in discussion. DR has sent further letter advising NCC estates review are condition of EFSA letter- see point 7.2</li> <li>5. Request for Cash flow summary table by month demonstrating predicted cash flow to actual position along with justification/ methods used to resolve issues as they arise for previous and current years in hand.</li> <li>6. MWP reported on meeting that had taken place prior to ARP to decide availability/ value of reports with agreement to; <ul style="list-style-type: none"> <li>• produce financial reports on quarterly basis including commentary of actual expenditure to planned and justification of anomalies</li> <li>• detailed review of Cash flow with comments</li> <li>• detailed budget 2017/18 with budgeting assumptions</li> <li>• note of any expenditure or income that is unexpected against budget plan</li> <li>• these quarterly reviews will be academic year quarters from Sept 2017- Dec 2017-March 2018-June 2018</li> <li>• interim ARP meetings will focus on Personnel issues- Ops mgr. to be invited if necessary</li> <li>• interim meetings will provide simple statements of notable expenditure/income in the month and a summary cash flow position</li> <li>• GW/TA to adjust year work planner</li> <li>• expectation that this level of auditing will satisfy EFSA requirements.</li> </ul> </li> <li>7. Request provision budgeted AP vs actual be provided to ARP from Sept 17 and comparative to LY; GW advised members that LY would not be a particularly good comparator because expectation positive affect of VLH TY; GW to action.</li> </ol>	<p>CE</p> <p>GW/MI</p> <p>GW/MI</p> <p>GW/MI</p> <p>GW/MI</p> <p>TA</p> <p>GW/MI</p> <p>GW/MI</p> <p>GW/TA</p>
<p><b>4.0</b></p>	<p><b>Election Committee Chair</b></p> <p><b>Election Committee Vice Chair</b></p>	
<p><b>4.1</b></p>	<p>Committee Chair: no previous nominations received.</p> <p>PH proposed, seconded by BJ that MWP be nominated as ARP Committee Chair for one year, unanimously approved and graciously accepted.</p>	
<p><b>4.2</b></p>	<p>Committee Vice Chair: no previous nominations received.</p> <p>CE proposed, seconded by DR that BJ be nominated as ARP Vice Chair for one year- unanimously approved and graciously accepted.</p>	

<b>5.0</b>	<b>Terms of Reference</b>	
5.1	<p>Previously distributed and attached.</p> <p>PH requested amendment at Personnel point 8 be removed.</p> <p>Subject to amendment, CE proposed ToR be accepted for 2017-18, seconded by MWP and unanimously approved.</p> <p>ToR to be adjusted and published on website.</p>	<p>TA</p> <p>TA</p>
<b>6.0</b>	<b>P11+P12 Figures</b>	
6.1	<p>GW advised final figures for 2016-17 still awaited from auditors, expectation end October, for presentation next ARP.</p> <p>DR gave summary that year ended very tight but that ongoing, this year looking brighter with early indications that measures to reduce use external AP working as well as use of supply agencies restricted. Cover procedure now in place to ensure use of EES Supply bank. BACs run significantly reduced.</p> <p>DR advised members of number of teaching staff vacancies across sites, which have had a negative impact on both staff morale and pupil provision. DR warned that the latter would be deleteriously noted by Ofsted. Directors queried whether Lodestar staff could be used to backfill vacancies- DR advised this not possible as these staff now managing own cohort pupils</p> <p>Members were concerned over ongoing impact on staff wellbeing and lack of pupil provision and queried why recruitment had not achieved term start dates; DR advised number of mitigating factors- late completion staff restructure, poor original field in response to adverts, need for -£100k reduction in staff cover to achieve budget. DR advised that if vacancies are covered by supply agencies, would equate to +£120k impact BAC's and as current monitoring by EFSA, wanted to present a financially solvent position.</p> <p>Whilst recognising the difficulty of managing the financial situation, Members remained concerned re quality of provision being offered and impact on pupils of lack of consistency and quality. PH noted that even using supply cover would not necessarily provide quality and consistency.</p> <p>Directors remained concerned re risk of staff wellbeing deteriorating due to stress and/or increased staff turnover as lack of staff complement and negative Ofsted outcome. DR advised that recruitment was taking place for January start and that it was usual for SSSfN to run with staff vacancies, although acknowledged not usually of this number. DR justified his decision in knowing that -£100k needed to be reduced in staff expenditure and that this could be achieved if restrictive in use external supply agencies. Within Ofsted cycle, i.e. monitoring visits over next 2 years before movement out of RI judgement, this was an acceptable and manageable risk as opposed to the more damning implications from EFSA of overspending with expectation then of Financial Notice to Improve which would remove all spending authority and decisions from the Trust.</p> <p>Members stated that they had been previously unaware that this significant risk would be generated by need to make savings in this area; DR advised that the late finalisation of staff restructure, itself driven by the need to make in year savings had the knock on effect on recruitment.</p> <p>Directors requested that current situation be clearly communicated to XLT</p> <p>Directors requested Staff Wellbeing survey be discussed at Board meeting</p>	<p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>REQUEST</p>

<p>November.</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p>	<p>Directors requested that Link Director for SSSfN report back to next ARP re staff wellbeing and impact of staff vacancies</p> <p>Directors requested ongoing that sufficient time is allowed to avoid both impact on staffing as well as for full prior disclosure to members to allow full consideration of risk and impact.</p> <p>GW advised cash flow, distributed at meeting and attached, shows a more positive picture 2017-18 and confirmed that to date there are no payments overdue; confident to maintain BACs estimate over year with some possible early November invoicing to support October figures.</p> <p>DR advised successful opening Vocational Learning Hub at Locksley with positive pupil response and reducing cost of AP. Some AP still being accessed in Kings Lynn cost @£2k signed off in September; GW confirmed that VLH leases costs included in BACs figure.</p> <p>Members queried current capacities at schools; DR advised virtually at capacity at SSSfN and will achieve during October; no impact felt from opening Wherry School locally.</p> <p>Pinetree; expectation at capacity by October half term. Currently fulfilling pre agreed contracts with NCC and SCC (to 27 places) and expectation remaining places (to 40) will be commissioned promptly.</p> <p>MWP queried existence bad debts and provision of reports to Committee; GW confirmed no material bad debts and DR write off authority to £20k in line with other authority levels</p>	<p>TA</p> <p>TA/SC</p> <p>REQUEST</p> <p>CHALLENGE</p> <p>CHALLENGE</p>
<p><b>7.0</b></p>	<p><b>Trust Development</b></p>	
<p>7.1</p> <p>7.2</p>	<p>Judicium; DR advised cancellation of HR, Payroll and H&amp;S services with Judicium and continuation existing services with NCC; ongoing contract to be revisited TY following approved tendering procedure.</p> <p>Members queried reasons for seeking new provider; DR advised many previous payroll issues with NCC and that external agencies generally provided and supported more robust contractual and HR processes, which could offer savings.</p> <p>Members requested an example of robust approach- DR advised combative stance re stress management. Members cautioned against this whilst staff currently under stress as point 6 above.</p> <p>EFSA Letter, attached; PH advised positive meeting with EFSA to discuss recovery plan and support to improve financial situation. Request to repay GAG advance (£250k) over 2 years from January 2018 was accepted but with conditions outlined p3 of letter.</p> <p>DR advised response to fulfill conditions as follows;</p> <ul style="list-style-type: none"> <li>• Condition 1 ; DR advised had explained unsuitability of template requirements to shifting cohort but had completed with explanatory narrative and submitted to deadline</li> <li>• Condition 2; see paper Review of Trust Recovery planning and Financial Controls, attached.</li> <li>• Condition 3; DR advised this does not suggest rationalisation of sites and</li> </ul>	<p>CHALLENGE</p> <p>DR</p>

	<p>will submit a document per site outlining cost issues, funding and deficit. DR has advised NCC of this condition.</p> <ul style="list-style-type: none"> <li>• Condition 4; an external review of governance will take place</li> <li>• Condition 5; information available for submission but , to date, no request received and no confirmation of information required</li> </ul> <p>Members expressed their concern re receipt of letter if understanding is to offer assistance. DR advised this standard procedure as Trust owes £250k of public money on long payback. DR advised that he is working to build a positive relationship with nominated EFSA liaison and to engender some understanding of ET specific issues.</p> <p>Members queried cost of Condition 2.GW advised this would be an additional cost to budget and likelihood £500-£1500 cost.</p> <p>Directors queried where appropriate benchmarks to seek recommendations to amend/improve Trust recovery plan would be found. DR advised this would be a difficulty due to differing funding streams, MAT structure and unavailability detailed information elsewhere.</p> <p>Directors queried suitability of awarding review to SBM services; DR advised decision made by EFSA as Justine Berkeley has worked with EFSA previously.</p> <p>Directors queried timeline for completion of review to achieve submission deadline; GW advised presentation of review December ARP meeting 18/12/17 to achieve submission deadline</p> <p>Directors requested additional details/ clarification of desired actions, costs and Terms of Reference for both Conditions 3 and 4 next ARP meeting</p> <p>DR sought approval for cost of contract with SBM Services only.</p> <p>CE proposed, seconded by PH that this be approved in this instance only. Unanimously approved.</p> <p>PH proposed that acceptance EFSA conditions via Review of Trust Recovery planning and Financial Controls actions, be approved, seconded by BJ and unanimously approved.</p> <p>Knights- no response following initial meeting.</p>	<p>DR GW/DR</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE/DR</p>
7.3	<p>Audit schedule; GW advised internal audit carried out in June; awaiting final report. Expectation no red flags but some concern re amount time GW hands on- now rectified with appointment Trust Acct.</p>	
7.4	<p>GW advised external auditors, Lovewell Blake completing audit and awaiting report. Unfortunately, temporary Trust Accountant had made many mistakes- complaint raised with agency and unlikely to pay invoice</p> <p>GW advised likelihood note of consideration of ET as a going concern.</p>	<p>GW</p>
8.0	<p><b>Risk Registers</b></p>	
8.1	<p>No additions required; risk St01 SSSfN deemed sufficient to cover current circumstances. Staff Wellbeing survey to be discussed next Board meeting Nov 2017.</p>	

9.0	Policies	
9.1	<p>Academies Financial Handbook 2017</p> <p>Proposed for acceptance as guideline for all financial transactions of ET by PH, seconded by CE and unanimously approved.</p>	
9.2	<p>ET Finance Handbook 2017</p> <p>Proposed for acceptance as practical guidelines for all financial transactions of ET by CE, seconded by MWP and unanimously approved.</p>	
9.3	<p>Staff Code of Conduct;</p> <p>TA advised addition of requirement of professional dress, self-disclosure criminal convictions through year, care in using IT and provision of medical certificates as obtained.</p> <p>Staff Code of Conduct proposed for ratification by PH, seconded by BJ and unanimously approved.</p> <p>TA to load to website and advise schools.</p>	TA
9.4	<p>DSE</p> <p>TA advised addition of inclusion Eye care scheme.</p> <p>GW queried whether entitled roles need alteration and advised no budget allowance for cost scheme. (@£17 per claim x 5 pa).Directors agreed to assume associated risk with these costs.</p> <p>DSE Policy Statement proposed for ratification by PH, seconded by MWP and unanimously approved</p> <p>TA to load to website and advise schools.</p>	TA
10.0	Personnel	
10.1	<p>Teachers increment ;DR advised not legally obliged, as an academy, to comply with conditions of STRB but that, on conversion, staff had been assured would abide by STRB guidelines on pay. GW confirmed that +1% has already been included in budget 2017-18.</p> <p>DR advised possible impact lifting public sector pay cap of larger pay rises for staff in future with possibility of no prior warning and subsequent negative impact on budget.</p>	
10.2	<p>Trust Perf. Mgt; proposal to Board that;</p> <ul style="list-style-type: none"> <li>• TA now managed by DR</li> <li>• GW and DR managed by DF and CE to be completed by end Dec 2017</li> </ul>	TA
11.0	Confidential Items	
11.1	No update on previous Minute	

12.0	AOB	
12.1	Request to remove Lodestar logo from ET policies	TA
<b>Next meeting: 30/10/17 at Locksley School- 4.30pm</b>		
<b>Meeting closed at 1845</b>		

Signed.....

Position.....

Date.....