

FINANCE AND HR COMMITTEE

MEETING TO BE HELD ON 19 NOVEMBER 2020 AT 3.00 PM
VIA ZOOM

PRESENT:

Gordon Pennington	Trustee (Chair)
Norman Jackson	Trustee
John Maclaren	Trustee
Paul Willerton	Trustee
Peter Winter	Trustee

IN ATTENDANCE:

Scott Gillon	Wylie Bisset
Lynsey Grace	Vice Principal
Lianne Seddon	Assistant Principal
Jayne Tallant	Chief Finance Officer
Marion Wood	Clerk to the Trust Board

Item	The Chair opened the meeting at 3.05pm and welcomed Scott Gillon from Wylie Bisset to the meeting.
1.	APOLOGIES FOR ABSENCE An apology had been received and accepted from Julie Powell.
2.	DECLARATIONS OF INTEREST/POTENTIAL CONFLICTS OF LOYALTY No declarations of interest or potential conflicts of loyalty had been reported.
3.	NOTIFICATION OF URGENT BUSINESS <ul style="list-style-type: none"> Cleaning and catering contracts update.
4.	MINUTES OF THE PREVIOUS MEETING HELD ON 8 OCTOBER 2020 FOR APPROVAL The minutes of the meeting held on the 8 October 2020 were approved as a true and correct record.
5.	MATTERS ARISING Agenda item 6 The school improvement grant bid was an agenda item. Agenda item 7 Recurrent surplus - the CFO reported that there was a revised forecast in the management accounts. Agenda item 10 The training for the fire safety e-learning module had still not yet been arranged.

Agenda item 19

The lease had not yet been signed as the issue of the pre-emption agreement was still outstanding.

Q. Had there been a meeting between the Council and the Chair of Trustees?

A. The discussion in the minutes, from the previous committee meeting, had been used to show that Trustees supported the Principals approach.

Q. What was the pre-emption agreement issue?

A. The Academy had the first option to buy the sports hall if the Council decided to sell

Agenda item 25

A working party had met to review the policies.

6.

PRESENTATION ON PUPIL NUMBERS FOR 2021 AND YEAR 7 RECRUITMENT STRATEGY

Lianne Seddon, KS3 Assistant Principal displayed a PowerPoint recruitment presentation and reported:

- During the past two years she had worked on the recruitment of Year 7 pupils
- In 2019/20 the published admission number (PAN) had been increased from 240 to 270 pupils
- Stronger links had been made with the seven partner primary schools and the headteachers.
- 3 to 5 programme and extended transition had been developed.
- All Year 6 pupils from the partner primary schools had been invited to attend an extended transition.
- SEND and Gold students had a bespoke programme.
- Students and parents were invited to open mornings with former students, from their primary school, being the tour guides.
- There were meetings in the calendar with primary heads.
- Additional strategies included my skills project in maths and English and developing languages in Eaves Primary School
- Members of the senior leadership team had become governors on the governing boards of the feeder primary schools.
- Marketing and media – Academy banners on partner primary school gates which were rotated termly.
- Impact on Year 7 pupil numbers
 - 213 in 2017
 - 206 in 2018
 - 274 in 2019
 - 270 in 2020
- Pupil forecast for September 2021.
 - 254 first choices
 - 87 second choices
 - 53 third choices
- Recruitment forecasting over the next six years.
 - September 2021 approximately 268 to 295 pupils
 - September 2022 approximately 276 to 301 pupils
 - September 2023 approximately 279 to 305 pupils
 - September 2024 approximately 244 to 269 pupils
 - September 2025 approximately 235 to 258 pupils
 - September 2026 approximately 245 to 272 pupils
- Next steps included re-start of the 3 to 5 programme

Q. Had there been a discussion with the headteacher at Sutton Oak Primary School about the reduction in the number of pupils who choose to join The Sutton Academy?

A. Pupils choose to attend St Cuthbert's High School because it was closer and they will not need to travel. The sibling effect has had a negative impact but that was changing for the positive, as the number of pupils with siblings joining the Academy was increasing.

Trustees thanked Lianne Seddon for her hard work and for providing a comprehensive presentation.

Lianne Seddon left the meeting at 3.50pm

7. MANAGEMENT ACCOUNTS FOR LAST PERIOD

The following documents had been circulated to Trustees prior to the meeting:

- Appendix 1 – Income Analysis
- Appendix 2 – Executive Summary
- Appendix 3 – Keystats
- Appendix 4 – Balance Sheet and Cash Flow Summary
- Appendix 5 – Capital Report

The CFO presented the Management Accounts for the period ending 30 September 2020 which showed that:

- The total recurrent income for the cumulative actual year to date was £684,000 on the KPI Dashboard.
- Staff/Recurrent Income – cumulative forecast year to date was 79.2% with a cumulative actual year to date of 76.6%
- The budgeted year end reserved balance was £180k.
- The forecasted actual outturn was £205k, which represented an improvement of £25k.
- Grand total 2020/21 capital allocation was £464,148 which included CIF/other funding of £128,698.
- Hardware ICT replacement plan year 3 of 3 was £97,200 funded by the capital budget.

It was agreed: to **approve** the Management Accounts for the period ending 30 September 2020 and recommend to the Board for approval.

8. DRAFT ANNUAL REPORT AND FINANCIAL STATEMENT :31 AUGUST 2020

The Annual Report and Financial Statements Year ending 31 August 2020 had been circulated prior to the meeting and the CFO reported:

- The statement of financial activities for the year to 31 August 2020 showed unrestricted funds carried forward of £190,000.

Scott Gillon from Wylie Bisset, the external auditors of The Sutton Academy reported:

- The financial statements give a true and fair view of the state of the academy trust's affairs as of 31 August 2020.
- Audit tests had been carried out to corroborate the numbers in the statements of financial activities.
- Nothing had been uncovered during the audit work which would change any of the figures presented.

Q. Was the fact that the CFO was not an employee of the trust an issue?

A. The Trust had been transparent about the issue and a letter had been sent to the ESFA seeking approval. The Auditor would have no objection to the item being removed from the report as it had been well documented and there was an audit trail.

	<p>Trustees agreed that the information under 'matter 2' should remain in the report for clarity and openness.</p> <p>Q. What was the unadjusted error of £11,091.74? A. It was a debit balance on the purchase ledger and related to a credit note from a supplier.</p> <p>It was agreed: to approve the annual report and financial statement: 31 August 2020 and recommend to the Trust Board for approval.</p> <p><i>Trustees agreed to consider agenda item 14 at this point of the meeting.</i></p>
14.	<p>AUDIT HIGHLIGHTS MEMORANDUM AND MANAGEMENT LETTER: 31 AUGUST 2020</p> <p>The Annual Report to the Members of the Board of Trustees on the External Audit for the year ended 31 August 2020 had been circulated prior to the meeting and Scott Gillon reported:</p> <ul style="list-style-type: none"> • Regularity Assurance Opinion: there are no issues to report in relation to regularity opinion. • The auditors were satisfied that The Sutton Academy was a going concern. • It was rare to have no recommendations and it was a credit to the controls and procedures in place at The Sutton Academy • Wylie & Bisset (Audit) Limited was independent of The Sutton Academy • Fraud and irregularities - no areas of concern were found during normal audit procedures. • Six items were included in the identified audit risks. • The thorough audit was conducted remotely via secure portal. The process worked well due to the support and cooperation from The Sutton Academy Finance Team. <p>Mr Jackson thanked Jayne Tallant, on behalf of the Trustees, for her hard work and commitment.</p> <p>Mr Pennington thanked Scott Gillon for his feedback on agenda items 8 and 14.</p> <p><i>Trustees agreed to consider agenda items 10 and 13 at this point of the meeting.</i></p>
10.	<p>PAY PROGRESSION AWARDS (TEACHING STAFF)</p> <p>The Principal presented on screen an anonymised spreadsheet and reported:</p> <ul style="list-style-type: none"> • The pandemic had prevented teaching staff from meeting all the targets set during the 2019-20 year. • The appraisal process had been updated and data targets had been taken out • Every member of staff eligible to pay progression had applied. • Forty-one members of staff had received pay progression which had been budgeted for. <p>Q. Had teachers progressing from M6 to UPS1 been required to submit evidence? A. A form had been completed along with one year's teacher appraisal.</p> <p>It was agreed: to approve the pay progression recommendations and recommend to the Board for approval.</p>
13.	<p>RENEWAL OF GAS CONTRACT</p> <p>The gas contract renewal report had been circulated prior to the meeting and the CFO reported:</p>

	<ul style="list-style-type: none"> • The current gas supplier was Corona Energy and the contract was due for renewal in April 2021. • The contract had been re-tendered by St Helens Council using the YPO framework. • A summary of costs was included in the report. • A benchmarking exercise had concluded that the rate paid per kwh by the Academy (as of August 2020) was over 20% less than that of the education establishment it was compared against. <p>Q. Had the tender process been completed?</p> <p>A. The Local Authority had used the CFC framework for the tender process.</p> <p>It was agreed: to approve the renewal of the gas contract with Corona Energy for a further four years to March 2025. The renewal would be recommended to the Board for approval because in line with the scheme of delegation, good and services with a value greater than £50k should be approved by Trust Board.</p>
9.	<p>HR KEY PI REPORT</p> <p>The HR Information for Trustees report had been circulated prior to the meeting. The Principal reported:</p> <ul style="list-style-type: none"> • The number of staff COVID-19 self-isolating was 35 for teaching and 19 for non-teaching. • The number of days lost to COVID-19 self-isolating was 135 days for teachers and 75 days for non-teachers. • The impact of COVID-19 on staff absences had been shared with Ofsted during the recent visit. • There was one teaching and 2 non-teaching staff on long term absence. <p>Q. What was the reason for a member of staff not attending a welfare meeting?</p> <p>A. The member of staff had attended the first welfare meeting but was not well enough to attend the second meeting.</p> <p>Q. How long had the member of staff been absent and had there been a referral to occupational health?</p> <p>A. The member of staff had been off work since August 2020 and had been working with a counsellor from occupational health.</p> <p>The Principal continued:</p> <ul style="list-style-type: none"> • There had been teaching and non-teaching new appointments. • There was a good relationship with the trade union representatives who have praised the academy for its work on wellbeing. <p>Trustees noted the information in the HR key PI report.</p> <p><i>John Maclaren left the meeting at 4.33pm</i></p>
11.	<p>ANNUAL GIFTS AND HOSPITALITY REPORT</p> <p>The CFO reported that there were no entries in the gifts and hospitality register.</p>
12.	<p>RECRUITMENT AND THE IMPACT ON THE FINANCIAL POSITION OF THE ACADEMY</p> <p>The CFO reported:</p> <ul style="list-style-type: none"> • The pupil forecast for September 2021 had been included in Lianne Seddon's presentation • There were 144 students in the sixth form. • There was a capital allocation to increase the classroom capacity.

	<ul style="list-style-type: none"> • A meeting to discuss CIF bids had been scheduled for December 2020 with Lancaster Maloney <p>Trustees noted the information.</p>
15.	<p>IDENTIFIED ISSUES FOR GOVERNANCE SAR</p> <p>The Clerk agreed to circulate the skills audit questionnaire for Trustees to complete and collate the information once they have been completed.</p>
16.	<p>ANY OTHER BUSINESS</p> <ul style="list-style-type: none"> • Cleaning and catering contracts update. <p>The CFO reported:</p> <ul style="list-style-type: none"> • A letter had been issued from Churchill to the pension fund regarding the cleaning contract. • The current provider and trade unions had insisted that the staff remain Academy employees until admitted body status (ABS) was approved. • The staff would remain on the Academy payroll in the short term. <p>Q. How long would the cleaning staff remain on the Academy payroll?</p> <p>A. It would be short term for one or two months.</p> <ul style="list-style-type: none"> • Due diligence for TUPE was still outstanding for the catering contract. • Mellors had sent a letter to the pension fund to apply for admitted body status (ABS) • Mellors were reluctant to put a bond in place until a risk assessment had been completed. <p>Trustees noted the information and the CFO agreed to keep them updated.</p>
17.	<p>DATE AND TIME OF NEXT MEETING</p> <p>Trustees noted that the date of the next Finance & HR Committee had been scheduled for Thursday 11 March 2020 at 3.00pm.</p>

The meeting closed at 4.50pm



**ANNUAL GENERAL MEETING OF THE SUTTON ACADEMY TRUST BOARD
HELD ON TUESDAY 15 DECEMBER 2020 AT 3.00PM VIA ZOOM**

Present:

Peter Winter (Chair)
Nick Gribben
Nicola Kearney
John Maclaren
Natalie Morley
Gordon Pennington
Julie Powell
Paul Willerton

In Attendance:

Lynsey Grace, Vice Principal
Jayne Tallant, Chief Financial Officer
Marion Wood, Clerk to the Trust Board

Minutes

	The meeting being quorate, the Chair opened the meeting at 3.05pm.
1.	DECLARATIONS OF INTEREST There were no declarations of interest notified.
2.	APOLOGIES FOR ABSENCE Apologies for absence had been received and accepted from Mark Doyle, Norman Jackson, and Jo Davies.
3.	NOTIFICATION OF URGENT BUSINESS No items of any urgent business had been reported.
4.	MINUTES OF THE PREVIOUS MEETING HELD ON 4 DECEMBER 2018 It was RESOLVED by the Trust Board that the minutes of the previous Annual General Meeting held on 17 December 2019 be agreed and signed as a correct record.
5.	MATTERS ARISING No matters arising had been reported.
6.	ANNUAL REPORT AND FINANCIAL STATEMENTS: 31 AUGUST 2020

	<p>The Annual Report and Financial Statements Year ending 31 August 2020 had been circulated prior to the meeting and the CFO summarised the key issues and reported:</p> <ul style="list-style-type: none"> • that the statements had been audited by Wylie and Bisset and presented at the Finance & HR Committee on 19 November 2020. • The results for the year show a net deficit of £66,000 which was broadly in line with management's approved forecasted expectations. • The net cash outflow from operating activities was £266,000. • the unrestricted funds carried forward were £190,000. • Staff costs had increased from £6,005.000 in 2019 to £6,472,000 in 2020. <p>Q. Why had staff costs increased by £467,000?</p> <p>A. There had been an increase in teachers' pension costs and an inflationary pay increase.</p> <p>Q. Had the Academy received funding to cover Covid-19 related costs?</p> <p>A. Catch-up funding of £90,000 had been received but it was unlikely that the Academy will meet the threshold to reclaim other costs.</p> <p>It was agreed: to approve the annual report and financial statement: 31 August 2020 and recommend to the Members.</p>
7.	<p>AUDIT HIGHLIGHTS MEMORANDUM AND MANAGEMENT LETTER:31 AUGUST 2020</p> <p>The Annual Report to the Members of the Board of Trustees on the External Audit for the year ended 31 August 2020 had been circulated prior to the meeting and the CFO summarised the key issues and reported:</p> <ul style="list-style-type: none"> • that the report had been audited by Wylie and Bisset and presented at the Finance & HR Committee on 19 November 2020. • The auditors were satisfied that The Sutton Academy was a going concern. • It was rare to have no recommendations and it was a credit to the controls and procedures in place at The Sutton Academy. <p>It was agreed: to approve the annual report and financial statement: 31 August 2020 and recommend to the Members.</p>
8.	<p>ANNUAL REAPPOINTMENT OF AUDITORS</p> <p>The CFO reported that:</p> <ul style="list-style-type: none"> • Wylie and Bisset had been the Auditors for the last three years. • Trustees had approved in 2019 the request to extend the external audit provision with Wylie and Bisset for a further two years. <p>It was agreed: to approve the annual reappointment of auditors.</p>
9.	<p>DATE AND TIME OF NEXT ANNUAL GENERAL MEETING</p> <p>December 2021 date TBC</p> <p>There being no further business, the meeting closed at 3.20pm</p>