



Engage Finance & Personnel Meeting

Minutes

Monday 31st October 2016 @ 1600

Drayton Old Lodge, Norwich NR8 6AN

Attendees

Roger Stephenson (RS)	Des Reynolds (DR)	Gill Wardlow (GW)
Phil Harris (PH)	Mark Winson-Pearce (MWP)	Clive Evans (CE)
		Andriana Sneddon - TA/ Clerk

Meeting commenced at 1600

No	Item	Action
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1.0	Apologies and Absence	
	<p>Clive Evans was welcomed back from sabbatical</p> <p>Apologies were received and accepted from Dennis Freeman; as DF Committee Chair decision was taken to delay re-election of position to next meeting. PH took the Chair for this meeting.</p> <p>TA advised possible recruitment of Director with specialist financial skills- meeting arranged with DR and GW</p>	
2.0	Declarations of Interest	
	Standing declarations for DR, PH and RS previously noted; no impact on agenda items.	
3.0	Previous Minutes	
3.1	<p>The Minutes of Trust Finance and Personnel meeting, 04/10/16 were accepted as a true and accurate record of the meeting and were signed off by the acting Chair.</p> <p>DR queried length of time since previous meeting and requested that 2017-18</p>	REQUEST

3.2	calendar include September F&P meeting	TA
4.0	Matters Arising	
4.1	<p>Update on previous actions as follows:</p> <ol style="list-style-type: none"> 1. RR Pinetree School queries raised as follows: <ul style="list-style-type: none"> • O01 Succession plan requested for long term absence HT • O03 Revise wording to Failure of Governance with Actions of: Replace LGB with internal IEB comprised experienced Directors. • Pinetree water costs; GW advised that water meter now located and Anglian Water have assured own use. GW to revert with confirmation 2. RR ET queries raised as follows; <ul style="list-style-type: none"> • O01 requested expansion of current position; GW advised that succession/cover for her role was improving with Trust Finance team relocation allowing for increased delegation of duties .DR advised that his position was improving with appointment of Exec Head and ongoing development of Heads of Schools, DR assured directors that day to day operation of academies and EES would continue but that development and expansion MAT work would be stalled. Directors requested that RR amended to show loss of DR/GW and that a written plan should be provided should either individual not attend work- DR will compile plan for GW and PH will compile plan for DR. • S05; Directors requested update to reflect implementation new ICT infrastructure during Summer 2016 • DR to re-check calculation formulae in response to query of different risk levels. 3. Letters to MP's re disparity of allocation Capital Allowance funding received 2 replies who advised that concerns had been forwarded to Minister and reply now received from Lord Nash to which DR has responded; PH advised that Clive Lewis would like to visit Locksley; to liaise with DR for suitable date. DR advised that Norman Lamb MP will visit DBS in November; PH to accompany 4. GW advised possible progress of availability of School Condition Allocation via DfE contact; to keep advised. 5. C/F Directors concerned re 50% budget overrun (P9) Professional Services and requested clarity as to what this constituted. GW advised ICT was included as a new cost and Legal was whole year cost but would revert with detail 6. Investigation of separate Payroll for Trust staff on hold due to cost implications 7. DR advised that Facilities Manager position has been filled by fixed term secondment which was working well; some consideration to now be given to filling role going forward. 	<p>DR TA</p> <p>GW</p> <p>TA</p> <p>DR/PH TA</p> <p>DR</p> <p>PH/DR PH</p> <p>GW</p> <p>GW</p> <p>GW DR</p>
5.0	Terms of Reference	
5.1	PH proposed acceptance of Terms of Reference for Committee, attached, seconded by RS and unanimously accepted. ToR to be filed in master F&P file.	TA

5.2	MWP requested that duties as specified in ToR are diarised to ensure completion.	TA
6.0	Financial Handbook 2016 EfA mail ICO Registration	
6.1	GW presented The Academies Financial Handbook 2016 and The Engage Trust Finance Handbook Revision 2 September 2016 as codes of financial dealings within ET. DR requested that tendering limits are revised; GW to circulate via email. Subject to amendment above, CE proposed acceptance of this revised edition as the Finance Handbook for the Engage MAT, seconded by RS and unanimously voted for acceptance. GW advised draft copies distributed September 2016; staff will now be advised of approval.	REQU GW GW
6.2	DR advised receipt of email from EfA, attached and previously distributed, and offered points for Board consideration this year as follows; <ul style="list-style-type: none"> • Separation of Members and Directors to give greater segregation of duties and more distinct lines of accountability as well as reducing any possible concentration of power • Separation of CEO from Board as above • Review EES directors as could be interpreted as paying owned company for services; possibility of standalone EES directors recruited TA to C/F to Board for inclusion on TDP. MWP queried how the Board could be assured that policies are embedded across academies; DR advised that significant Governor monitoring takes place across both academies and would note policy implementation and that policies are updated to a rolling review cycle by TA. DR reminded directors of the seven principles of public life.	TA CHALLENGE
6.3	TA advised ET now registered with ICO and that this registration covers SSSfN, Pinetree, EES and ET; annual renewal due Oct 2017.	TA
7.0	P1 Monitoring-Sept 2016	
8.0	GaG Funding and Proposed Recovery Plan	
7.1	Papers for Sept 2016 (P1) were distributed to members ; GW advised Directors to note that all 15/16 accruals had not yet been processed (expected in P2) and so figures presented were not final as well as no longer including any forward commitments as recommended by both internal and external auditors. Directors were not inclined to accept non-inclusion of commitments and decided that commitments should be included excepting for AP where additional work for Finance team is often generated; GW to find alternative suitable method for	CHALLENGE GW

8.1	<p>reporting AP without incurring additional staff workload.</p> <p>FMR; deferred this month as figures presented pending year end accruals; defer to P2</p> <p>Directors queried poor ET cash flow position and queried how this had arisen; DR advised that in main this had been caused by excessive pupil NOR LY resulting in significant overspend at AP and subsequent substantial deficit audit outcome report. CE queried why so much AP had been used; DR advised that AP used for those pupils who struggle with classroom environments as well as providing skills and activities for those pupils who will not engage. GW added that previously once Y11 pupils had left after exams AP costs had reduced but that this year AP had continued for additional numbers of younger pupils</p> <p>DR advised short term actions/ plan to ameliorate this as follows;</p> <ul style="list-style-type: none"> • Maintenance of pupil commissioned places TY 2016-17 despite knowledge of 20 pupils to date without education provision • Potential reduced use of AP with movement of higher requirement pupils out and less demanding pupils in • Application for advance of GaG funding £400K from DfE; GW advised this had arisen due to inability to pay invoices through September until other income received but was now approved over 11/2 months after application in 2 stages £250k Nov and £150k Dec. PH queried payback terms; GW advised payback to commence January 2017 to achieve clearance in same financial year. RS queried resultant reputational damage; DR advised some damage with AP providers • Invoice for £435k submitted to LA September 2016; MWP queried why invoice submission figure so low compared to actual cost @£1.6m; DR advised that LA would be unlikely to pay increased amount due to considerable current overspend HNB budget but was expectant of payment as placing of pupils had taken place with LA knowledge (clear evidence of this available) and subsequent assumption of obligation, although payment possibly in staged amounts. Invoice had been submitted with 60 days payment terms MWP queried outcome for ET if not paid; GW advised cash flow problem would recur January/February 2017 and potential to reapply to EfA for additional advance but that any further advance would be provided under stringent conditions. CE queried possible sale of land; GW advised that all land leased from various Authorities, Diocese and Trusts. • Possible utilisation of RSC/media to exert pressure on LA to pay invoice. PH advised unwanted negative impact on County Council elections in May 2017 • Attendance at Members task group to discuss PEX in Norfolk and resolution for pupils without provision <p>And longer term actions/plan as follows;</p> <ul style="list-style-type: none"> • Recoup £435k from LA • Increase fees per pupil place from £15350 to £15850 from September 2017 • Staff restructure at SSSfN to save @£300k; planned from Sept 2017 but some from Easter 2017- this would include review of quantity of leadership posts and would result in some staff reductions. Restructure would also tie in with planned Secondary Curriculum restructure which will see merging of Core and Engagement pupils working to individualised timetables; VS to present plans by Christmas 2016 with plan to bring significant AP in house thus reducing AP cost ongoing. Some early restrictions identified e.g. physical space but resolutions being sought. PH queried possible impact on pupils of reduced staffing numbers; DR advised that still currently working with staffing levels to 500 pupils so very generous cover and this was 	<p>TA</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p>
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8.2 8.3	<p>showing some benefit of reduced use of Supply staff as managed in house but that reduced staffing numbers would not impact pupils provision.</p> <ul style="list-style-type: none"> • Saving @£250k by introducing pool of zero hours contracts staff to cover Medical Needs team <p>DR advised Directors that it was likely that a deficit budget would be submitted for 2017-18 which would result in receipt of Notice of Financial Improvement from EfA; Directors were concerned for resultant negative damage despite advice that these notices almost commonplace. DR reminded Directors of security of income from both approved 3yr contract with LA and 5yr Compass contracts.</p> <p>PH proposed approval of both short and long term recovery plans, seconded by MWP with review of progress at November meeting and unanimously approved.</p> <p>Noted that both DR and GW did not vote on this matter.</p> <p>*** ADDITIONAL CONFIDENTIAL ITEMS AT POINT 13***</p> <p>GW presented final costs of ICT Refresh and Infrastructure replacement project carried out during summer 2016.</p> <p>MWP queried how contract had been awarded; DR advised that 3 quotes had been sought from CompuLease. Northbridge and In Touch and that InTouch had been most competitive, and as were current providers had been able to collaborate more effectively with internet costs. PH queried implementation; DR reported that new system delivered great hardware and software improvement whilst offering improved virus protection.</p> <p>CE queried approval of cost; GW advised previously approved by F&P Committee July 2016 within Budget 2016-17 under Other Support Costs. DR advised that as cost of lease repayment equated to £5k per month, his designated sign off authority was adequate.</p>	<p>CHALLENGE</p> <p>CHALLENGE</p> <p>CHALLENGE</p>
9.0	Risk Registers	
9.1	<p>DR to review calculation formulae</p> <p>Additions requested as follows;</p> <p>ET;</p> <ul style="list-style-type: none"> • Risk of insolvency with detailed mitigations as at point 8 above • O01 Written plans for long term absence of CEO and Business Director • S05 Adjust to: Failure of new ICT Infrastructure <p>Directors requested provision of RR's; TA to provide copies</p>	<p>DR</p> <p>TA DR/PH TA TA</p>
10.0	Audit overview	
10.1	<p>GW advised overall good result at internal audit conducted by sbm services.</p> <p>MWP queried the use of external audit company for this purpose; GW advised that as small MAT there were not currently enough trust staff to fulfil this role with sufficient segregation of duties.</p>	<p>CHALLENGE</p>
11.0	Policies	
11.0	<p>For ratification, previously distributed and attached:</p>	

	<ul style="list-style-type: none"> Confidentiality : Proposed for acceptance by RS, Seconded by CE and unanimously accepted Data Protection; Proposed for acceptance by PH, Seconded by DR and unanimously accepted Esafety; Proposed for acceptance with adjustment that automatic password saving should not be used by PH, seconded by GW and unanimously accepted. Lettings; Proposed for acceptance by MWP, Seconded by CE and unanimously accepted Staff Discipline and Conduct; Proposed for acceptance by CE, Seconded by RS and unanimously accepted. Leave and Time Off; Proposed for acceptance by PH, Seconded by MWP and unanimously accepted. <p>TA to adjust and upload to website. Noted that DR and GW did not participate in vote.</p>	TA TA
12.0	Personnel	
12.1	Drayton Staff Forum; following request for establishment Directors felt that due to small numbers staff at DOL and open door policy of senior management, this was not necessary.	
12.2	Drayton staff training; DR advised that this should be addressed through Performance Management objectives	
13.0	Confidential items	
13.1	SEE CONFIDENTIAL MINUTE	
14.0	AOB	
14.1	There was none	
	Next meeting: 21/11/16 4.30pm at Drayton Office	
	Meeting closed at 1855	

Signed.....

Position.....

Date.....