



## MINUTES OF THE FEDERATION RESOURCES TRUST MEETING

Thursday 9 December 2021, 8.15am  
The Gallery

### Present

Ian Dodd, Emma Gautrey (Chair), Rob Guthrie, Andrew Holt, Guy Magrath, Clive Norgaard Morton, Martyn Rhowbotham, Stuart Williams (Executive Principal).

### In Attendance

John Harrison, Kelly Jackson, Natalie Ray, Sheryl Wilson (Clerk), Mark Jackson.

#### 1. Welcome introductions and apologies for absence

Emma Gautrey welcomed everyone to the meeting. Apologies were received and accepted from Sam Hearsh. Clive Norgaard Morton was introduced to everyone, this was his first meeting as a Trustee which had been formally ratified at the meeting on 14 October 2021. Mark Jackson was also welcomed to present the annual accounts on behalf of Azets.

#### 2. Declarations of Personal Interest and Pecuniary Interest

Sheryl Wilson and Natalie Ray declared an interest in agenda item 6 – the staff pay awards.

#### 3. Minutes of the meeting held on Thursday 14 October 2021

The minutes were signed as a true and accurate record.

#### 4. Matters arising from previous minutes

There were no matters arising.

#### 5. Presentation of annual accounts

Mark Jackson confirmed that the annual audit had gone smoothly and discussed in detail the figures which were displayed on the screen.

As at 31 August 2021, the net book value of fixed assets was £27,596,140. Movements in tangible fixed assets are shown in note 14 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust. The academy trust held fund balances at 31 August 2021 of £23,845,918 comprising £22,956,394 of restricted funds and £889,524 of unrestricted general funds. The Local Government Pension Scheme, in which the academy participates, showed a deficit of £5,789,000 at 31 August 2021 and is considered part of restricted funds. (This deficit has increased similar to other schools).

Mark Jackson noted that the total available funds is £1.3 million and the policy is to keep £750,000 in reserves. If this figure continues to rise, he would question what the money is being spent on. Trustees were reassured that with the College expansion project this is a very healthy financial situation.

The staffing cost is the main expenditure and this has increased by £300,000, although this is slightly lower than other secondary schools that the auditors act for, hence the reason for the surplus. There have not been any payments for supply staff or agency costs. Stuart Williams advised that a proposal for support staff pay was to be discussed later in the meeting.

**Question: When the Federation's accounts are benchmarked against other outstanding schools, what is in these set of accounts that makes them outstanding?**

Mark Jackson advised that it is the link between managing the curriculum in terms of staffing costs which needs to be carefully balanced in order to also deliver excellent results within the budgets.

**Question: The fixed asset register is not linked to the overall accounts, is a formula applied to the rate of depreciation?**

Yes, a rate is applied and this is calculated at the year end.

**Question: The most at-risk figure is the 2-year projections, is there enough resilience in the budgets?**

Mark Jackson advised that the anticipated deficit over 2 years is £200,000, however, in previous years, the budgets have been more prudent than reality and there are reserves that are there to be used.

The accounts have two points of note as follows:

- 1) The PAYE liabilities for July 2021 were paid after the deadline date of 22 August 2021.
- 2) The foreign currency held as cash was not revalued at the year-end date.

An unresolved issue from a previous year is as follows:

- 1) The fixed asset register is not maintained by the Trust and depreciation is not accounted for on a monthly basis.

The accounts also included the Trustees' report, governance statements, the salary costs of the senior team and notes on related party transactions. Mark Jackson advised that the ESFA has renamed the Academy Trust Handbook and it is recommended that academies undertake an external review of governance. The title of the clerk to governors has been renamed to governance professional. There is also an ESFA tool that can be used for benchmarking against other schools.

Mark Jackson left the meeting at 8.44am.

Andrew Holt remarked that the Resources committee and Trustees were delighted with the way in which the accounts have been managed and thanks should be given to Stuart Williams, Natalie Ray and the finance team. Well done to everyone involved.

## 6. Staff Pay Awards

### CONFIDENTIAL MINUTES\*

Please refer to Appendix 1 – this paper was issued to Trustees prior to the meeting. (Natalie Ray and Sheryl Wilson left the meeting whilst the paper was discussed).

## 7. Financial Reports

Natalie Ray advised that Trustees had been sent prior to the meeting the financial position up until 31 October and the accounts up until 30 November had also been issued. In future, the variance report will include a useful scorecard summary and if this is altered from the original budget, this will be highlighted in yellow which will then be easier to identify what has changed. At month 3 the accounts are encouraging with an in-year surplus.

A letter from the interim Chief Executive, John Edwards of the Education and Skills Funding Agency (ESFA) dated 22 September 2021 was shared with trustees. Key topics included; maintaining the integrity of ILR data, related party transactions, the effectiveness of audit committees, governance professionals and changing auditors.

A responsible officer audit has been completed and another one is scheduled for January, the papers from this scrutiny were also available on the Trustees' portal for review.

Natalie Ray advised that a close eye will be kept on catering, however everything else is running smoothly.

### Question: Are the issues with the Catering budget related to Covid, or is it a loss leader?

Other options need to be considered to ensure that the staffing costs in catering are covered. The selling of plastic water bottles has now stopped as one of the College's contributions to the COP26 conference and the use of single-use plastics. The views of the student council will also be considered.

### Transactions

There were no transactions on the CEO credit card or any payments to R & H Services Ltd. Emma Gautrey signed the BACS payments over £30,000.

## 8. Staffing update

John Harrison reported that there are currently vacancies for the following positions:

- Teacher of English
- Teacher of Science
- Senior Administrator
- Business Administration Apprentice

Recent appointments include;

- Senior Teaching Assistant (internal x2)
- Teaching Assistant (x4)
- Catering Assistant
- Client Services Advisor – Intervention
- Senior Assistant Principal – Head of Pastoral Support

- Teacher of Drama (maternity cover x2)
- Cleaner

#### 9. A.O.B

The advice from the auditors regarding the staff wellbeing fund is that as long as it does not breach the annual tax benefits of £150 per person and funds are not used to purchase alcohol then this is acceptable, as the events would benefit the Trust by boosting staff morale, engagement, retention and wellbeing.

Trustees agreed that it is preferable to hold meetings face-to-face as opposed to Teams for future meetings.

#### 10. Date of Next Meeting

Thursday 3 February 2022 8.15am

Audit & Risk Assurance Committee – Thursday 9 December 2021, 10.30am Cybersecurity