

**MINUTES OF THE 108th FINANCE AND RESOURCES COMMITTEE MEETING
OF ASHCROFT TECHNOLOGY ACADEMY ON
WEDNESDAY 14 DECEMBER 2022 AT 16.15
VIA TEAMS**

Present: Dick Whitcutt (DW) - Chair, Richard Perry (RJP), Douglas Mitchell (DMI), Angela Entwistle (AEE), Stewart Harris (SH), Kevin Chamberlain (KC)

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16:15

1. Apologies for absence

The only absentee was Tony Bothwell (TB)

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting held on Tuesday 11 October 2022

DW referred to item 4 on the previous minutes regarding the re-evaluation of costs for the work to be carried out on the lifts at ATA. RJP confirmed that the work, which is scheduled for Easter, will be going ahead as planned and as originally costed. The company appointed to carry out the works have agreed to do this at the original cost but the work scheduled for the other two lifts may be subject to change.

DW also referred to item 5 with regards to the management and usage of Openview and RJP confirmed to colleagues that this is making good progress.

DW referred to revenue funding and confirmed that this will be covered in RJP's report.

RJP confirmed the finalisation for the national pay awards for teaching staff which was (approx.) 5% across the board and was in line with the discussions that took place at the October meeting. The Associate Staff also received a pay award amounting to a flat rate across all pay points which was agreed by the FRC on October, albeit subject to a small increase for London uplift.

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

4. Matters Arising

There were no other matters arising.

5. Annual Report and Financial Statements 2022 - Academy

RJP spoke about the draft Annual Report and Financial Statements document. He asked the FRC to read through the document and, if there's anything that doesn't make sense or that they believe is incorrect, please let him know by 16th December. Comments received will be incorporated and an updated document will be issued to everybody prior to sign off.

This year ATA went back to a more typical audit process with the auditors on site in the Academy for part of the process. RJP told colleagues that the process had gone well and he is awaiting the post audit report.

RJP informed colleagues that there were two further documents relating to the audit process that he had included as attachments. The documents are part of the auditors' pre-audit checklist that required completion and were tested as part of the audit process. The documents are necessarily shared with Trustees and the FRC for both information and any questions that colleagues may have. The documents being a fraud prevention self-assessment and a regularity self-assessment.

DW asked who is responsible for sign off of the documents and RJP confirmed that both of the documents are prepared by RJP, the fraud prevention does not require sign off but the regularity self-assessment document has to be signed off by DMI as the Academy's Accounting Officer.

RJP spoke about the five-year revenue forecast from last year and advised the FRC that for 2021-2022 ATA had projected a larger deficit than previous years, projecting a shortfall in funding of over £800k. An actual deficit of £267k is a better outcome which has been achieved through additional Department for Education (DfE) funds made available in the year and the profits from the trading company being greater due to increased lettings.

RJP explained how the pension liabilities shown within the previous year's accounts had been reduced to zero in the year due largely to increased future gilt yields and changes in inflationary assessments.

Last year's account showed the total liability for the Trust's pension schemes to be £4.8 million which has had a knock-on effect into the bottom line balance sheet. The added cost of the liability in the year for the service interest and administrative costs which RJP referred to would have increased the liability to £5.563 million had there not been such a dramatic drop in liabilities for pension plans over the course of the last year.

The Academy's funds are categorised into three strands. The first are the restricted revenue funds that ATA receives from the DfE and the local authority. ATA has seen a reduction in the balance of those funds which were £483k in 2021 to £261k at the 2022 academic year end.

ATA has benefited from the provision of funding for a school-led tutoring grant, which is another support of funding from the DfE which enables young people in the UK to catch up for their loss of learning over the last two years during COVID. The government had made provision for schools directly to enable additional tutoring for those children that they feel have missed most during the lockdown processes. ATA received funding of £52,000 within the funds for last year which could only be spent on tutoring costs, and submitted a document to the DfE on which they are waiting to hear back if the funding is able to be fully utilised.

The second funding category is in relation to the Academy's fixed assets for which there was little investment in the year.

The non-public (unrestricted) funds that ATA has built up over the years have only decreased by £50k in the year and the balance is just under £3.5 million going forward.

RJP reminded the FRC that staff costs are the biggest element of expenditure for ATA each year. The total staff costs represented 85.4% of the total income for the year which was an improvement on the previous year when it was 86.7%.

RJP told colleagues that he will produce a supplementary accounting return that the DfE requires as part of their own accounting process. RJP will report more on that at the next FRC meeting in February.

DW referred to the reporting of the Executive Board and FRC attendances within the accounts and whether a clear distinction could be made of who are deemed to be members of the Executive Board permanently and others (some senior staff) who showed a low attendance in number of meetings attended, but were not expected to attend regularly. RJP confirmed that the auditors are happy that we reflect everybody who attends the Executive Board, inclusive of those for the senior staff at the Academy.

6. Responsible Officer Report 2022

RJP shared with the FRC the Responsible Officer Report that had been produced by SH. He had attended the Academy for two full day visits to produce his annual report. If anyone has any questions on the report they were asked to let RJP know. RJP thanked SH for his time for attending the Academy in order to produce the report.

7. Academy Trust 5-Year Financial Forecast

RJP told the FRC that the Five-Year Financial Forecast indicated a better future funding position than last year in terms of both the level of reserves and what ATA's projected outgoing costs will be. In 2021 the forecast total deficit across the five years was £3.1 million, while the same forecast for the five-year period from 2022 has dropped to £2.1 million. ATA is therefore in a better funding position with its existing reserves allowing ATA to continue at its current level of operation for a further three years beyond August 2027.

8. Academy Trust Risk Register

RJP told the FRC that the Trustees had agreed to some amendments to the Trust's Risk Register. RJP outlined the key changes and asked colleagues to let him know if they had any comments.

9. Revenue Funding for 2023

RJP informed the FRC that he will give more detail at the next FRC meeting in February with regards to the current year funding. ATA is showing a 9% higher funding level than it was at the same stage last year and these figures were taken to the end of October. The increases to income are due to the additional 30 students who have joined ATA in Year 7 as part of the expansion and also with ATA being full in all year groups.

10. Openview

RJP told Colleagues that the use of the Openview facilities is going well with primary usage from both The Spencer Club and Thomas's Independent School with the latter delighted with their first couple of months of usage. They would like to use the facility more going forward and are very keen to know whether or not they will be able to have use of the facility the following academic year.

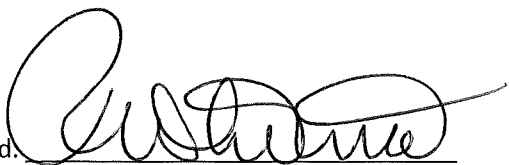
11. Any Other Business

DW recorded his thanks to RJP for the amount of work on financial returns and accounts that he looks after at this time of the year. It seemed very frustrating that in some cases the same information was required externally in different formats for different but interlinked "official recipients".

There was no other business.

DW thanked the FRC for their continued support.

Signed.



Richard Whitcutt

Chair of the Finance and Resources Committee

Date 28/10/2023