

**MINUTES OF THE 95<sup>th</sup> FINANCE AND RESOURCES COMMITTEE MEETING  
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON  
THURSDAY 02 MAY 2019 AT 16.15**

**Present:** Dick Whitcutt (DW - Chair), Douglas Mitchell (DMI), Stewart Harris (SH), Tony Bothwell (TBO), Rachel Branagan (RB)

**Absent:** Angela Entwistle (AEE),

**In Attendance:** Richard Perry (RJP), Conor Hewitt (COH) – Minutes

**Meeting Started:** 16:15

**1. Apologies for Absence**

Apologies were passed on from AEE.

**2. Declaration of Interests**

No interests were declared.

**3. Minutes of Last Meeting (13/02/19)**

The minutes of the last meeting were agreed as an accurate record.

**4. Matters Arising**

No matters were raised.

**5. Capital Developments**

RJP updated the Committee on the ongoing plans to redevelop parts of the Academy in order to accommodate an additional form of entry. RJP and DMI had hoped that the project would be completed by the end of August 2020. However, some complications had arisen. RJP and DMI added that they had met with representatives from Wandsworth, the appointed design company, and the main contracting firm. Since the last meeting there had been a significant lack of communication between all parties, which ostensibly has been due to a key member of the design company (the named project manager) being medically signed-off for the foreseeable future.

After a more detailed feasibility and a subsequent meeting between Wandsworth and the main contractors, the proposed cost for the main contractor had risen from around £250,000 to £416,000. Wandsworth had asked the design company to reduce the overall cost; however, after a revision the price has hardly moved and remains significantly over initial estimate. RJP noted that the Academy's project was part of a package of work that included developments at 3 other Wandsworth Academies and the contractor had similarly overpriced on at least 2 of the other developments (the third is yet to be returned). If the financial aspect of the project cannot be agreed to, then the Academy and Wandsworth will look to separate the work from the large project to become a single project and work with smaller, local companies to achieve the rebuild.

The majority of the work had been proposed to take place over the next 2 summer holidays in order to avoid any disturbance in the Academy. RJP explained that a resolution to the issue of cost was required as soon as possible in order to maximise the amount of work that *could* be undertaken in summer 2019 and therefore reduce the pressure on summer 2020.

TBO asked who was running the overall project. RJP clarified that the project was being led by Wandsworth and that they therefore controlled the budget and contracts. The Committee expressed its frustration at the lack of progress.

RJP updated the committee on the refurbishment of the library area. Over Easter, the ceiling and lighting had been updated and the new laptops had arrived and were ready to use. The remainder of the works, including the flooring, additional library shelving, additional power points, chairs and tables, and the relocation and downsizing of the library office had been put out to tender. RJP explained that the project will most likely be separated into 3 smaller tenders. RJP may need to update the Committee in between meetings so that contracts can be agreed to and work can progress. RJP added that the additional government funds received would help to fund the project.

## **6. Revenue Funding (2018/19) & ESFA Budget Return**

RJP noted that the estimated outturn figures on the revenue comparison sheet would be very similar to last year's. There had been a slight increase in expenditure but no more than expected. To cover the higher than anticipated teacher pay increase last year, the Government had granted a separate Teacher Pay Grant to help schools cope with rising staffing costs. RJP remarked on the fact that the Government had not committed to this as a long-term fund and he could not therefore guarantee its inclusion in future budgets. DW noted that increases in staff pay have a significant effect on the Academy's finances because staff costs make up such a large percentage of the overall expenditure.

The increase in the employer pension contributions from 16.48% to 23.68% for teaching staff, which will take effect from this September, means that the Academy has had to commit another £300,000 per year but a separate grant would be provided to help meet this.

RB asked about future pay increases. RJP noted that there had been no confirmation released on this as of yet. RJP added that the Government top-up grants highlighted the fact that they know that Academies do not have the available funds to deal with these increases. He could not see any outcome other than for these grants to become permanent additions and to form part of the main grant allocation in later years.

RJP noted that although the Minimum Funding Guarantee (MFG) had been reduced to around £425k, the reduction was lower than expected (by under 5% in the year). RJP expressed his hope that the MFG would continue to be a part of school funding for longer than had been anticipated, whilst acknowledging that it will eventually disappear completely.

DW asked why the pupil premium number was shown as 0 in the future funding document. RJP explained that the figures would be included once they are released in June, adding that this figure is always provided later than the other categories. RJP noted that the changes in benefits such as universal credit and pupil premium had meant that the allocation had dropped in recent years, but those in receipt were now protected for the next two years, during which time the Government's Universal credit system will be revised.

## **7. 5 Year Revenue Budget**

RJP noted that, due to the increase in student numbers, the Academy should receive an increase in overall income in the 2020/21 academic year (funds are based on the prior year student numbers, so in effect it is paid in arrears). Any changes to income have to be submitted and clarified with the ESFA, and, as part of this process, RJP had produced a 5-year revenue budget to forecast the Academy's future funding. RJP explained that all of the figures were estimated figures because the Academy's government funding levels are becoming less predictable.

The 5-year revenue budget showed that the Academy will continue to operate at an incrementally increasing annual deficit. The deficit is projected to total around £2,000,000 over the next 5 years. RJP highlighted the fact that the Academy seeks to continue to provide for the costs of IB, the ICAS provision and ATA's longer working days, amongst other extra provisions that we feel benefit the Academy greatly. The Academy has funding reserves to meet the deficit for the next few years but these will gradually run down; however, funding nationally has pushed many schools to breaking point and RJP feels that the government will have to provide extra funding to schools at some point in the next 5 years in order to



avoid school closures. The Academy had previously planned to incur this increasing deficit and everything remains in place for the Academy to continue operating as it is does now.

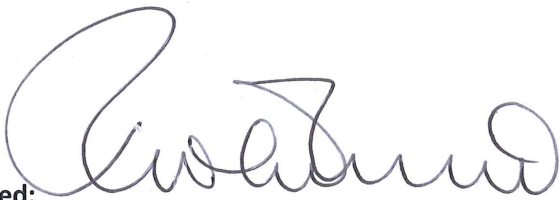
RJP circulated another budget forecast return document which has to be submitted to the Government later in the month. The document includes a regurgitation of last year's accounts, the accounts for the year so far and a projection for the remainder of the year. RJP noted that the formulae in the document still need to be recalculated by the ESFA as there were problems with some of them. This will be submitted on 21<sup>st</sup> May.

#### **8. Administrative & Staffing Matters**

RJP noted that lower income staff members such as cleaning and kitchen staff had received significant increases in pay over the past two years. These increases were in response to the national increases in minimum wage. Pay scales, including the Teaching & Learning Assistant's (TLA) pay scale, had also been reviewed in order to accommodate changes associated with this matter. DW asked for further information about the typical pools of recruitment for TLA's and RJP noted that the Academy often tends to recruit graduates who are thinking about entering the teaching profession but who wish to gain some experience first.

#### **9. Any Other Business**

No other issues were raised.



Signed: \_\_\_\_\_  
Richard Whitcutt  
Chair of Finance & Resources Committee

Date: 11 / July / 2019

