



Present: Tracy Penfold (Chair)
Phil Grundy (Principal)
Alan Benton (Trustee)
Dave Brown (Trustee)
Richard Palmer (Trustee)

Also present: Tom Capewell (Deputy Principal)
Jacob Adeshina (Temporary Chief Finance Officer)
Tim Morris (Company Secretary/Secretary to the Board)

Action summary:

2.2.7	School to obtain more detail on Teachers' pay and pension grants and establish a figure to include in the budget.
2.2.10	School to confirm the salary increases for teaching staff.
2.2.15	Breakdown of all capital income, expenditure and school contribution from the reserves to be included on the budget report.
2.2.16	Accounts to be structured to accumulative from years 1, 2 and 3.

1. Welcome and Apologies

- 1.1 Trustees were welcomed to the meeting.
- 1.2 There were no apologies for absence, as all members were present.
- 1.3 The meeting was confirmed as quorate with four Trustees and the Principal present.

2. Budget 2020-2021

Trustees were in receipt of the draft budget 2020-2021.

- 2.1 The following were approved via email (in place of the meeting that should have taken place in June 2020) prior to the meeting:

- Juniper Education appointed as the internal auditors for 2020-21.
- The letter from the ESFA Accounting Officers.
- The proposed update to the scheduler delegation.
- The six suggested areas for use for benchmarking.
- Internal scope of works 2020-2021
- Brewer approved and the letter from the ESFA accounting officers dated 21-4-2020.

2.2 Budget 2020-2021

- 2.2.1 The Principal stated that this meeting gave an opportunity to recap on points that were made and to check with all members that they were in receipt of his summary, which was put together around different figures. There were still more questions to ask around the figures that were included. The budget was not in the position that the school hoped to be in. The budget had to be submitted by 29-9-2020.

- 2.2.2 The school has had to deal with other factors since the spring term which had made it difficult to construct a budget, with the closure due to Covid 19 and partial re-opening of the school, student assessment grades, health and safety issues to get the school ready for September 2020.
- 2.2.3 Reference was made to the Word document starting on page 2 GAG funding. There had been further discussions with the Chair that might help to clarify the thinking on the figures. Looking at the revised budget version 2, the GAG funding was currently £7,900,000. Other income sources came from the ESFA figure reflected in Summaya Aziz' budget (£6,700,00).
- 2.2.4 The calculator would help schools to get a figure of what the GAG funding would be when the national funding formula was fully implemented. This was due to come into effect at the end of the financial year April 2021. However, this would fall part way through the academy financial year, which started in September. It was thought that this might be the case, but clarity was needed on the calculated figure. The new model also included the teachers' pay and pension grants. It was everyone's understanding that the school would potentially need to retain 7/12th of the grant for the first part of the year and receive the 5/12th of the balance.
- Q1: The academy financial year did not align with the DfE. Did the school always have problem to fit two financial years into one year?**
- A: The maintained schools' financial year ran from April to March, so was aligned with the DfE. The academies was from September to August. Schools' Forum discussed the budget in February. Maintained school received their budget in April and academies in September.
- Q2: Do you know what the second half would look like?**
- A: It should be known once Schools' Forum have met. The Teachers' pay and pension grant starts later, so it could be seen that they have lost six months of money. From the end of March to September, the school would not have that money in yet.
- 2.2.5 It was noted that the budget document sent to Trustees had since been revised. Jacob Adeshina was continuing to amend and update the commentary and figures. The Principal stated that the next step was to confirm validity of the DfE calculator figure or ESFA statement and what proportion of the year either one covered. It was believed that the ESFA statement should cover from September to March and the DfE from April to August. The GAG figure will cover from September to August £6million was the actual budget figure excluding teachers' pay and pension grants.
- 2.2.6 When the figures were calculated for maintained schools in February, in April the pay and pension grants will be subtracted and added to the GAG funding. If the calculation from February was used, approximately £300,000 would be used towards the pay and pension grants, until the full funding was received.

Q1: The revised budget was for when?

A: £7million for 2021-2022.

Q2: The school would receive £6.7 million in 2020-2021?

A: It should do/ The paperwork was not clear and gave the impression that funding was only available from March 2021.

Q3: How long was the £330,000 for?

A: Estimated to be for the whole year. It was thought that the school could receive 7/12th of that. There was talk about the pension and pay grants being removed as separate sources of income and included in the GAG funding. It

was unclear when that would take place for academies. This would leave a big gap in the budget, potentially five months.

- 2.2.7 The Principal projected that there would be a shortfall during the year, but as more funding was received it would balance up. As already discussed earlier in the meeting there were a huge amounts of unknowns i.e. where the £6.7million came from. It was suggested that it was calculated at £265 per head per student, which would cover both the teachers' pay and pension grants under the national funding formula. Clarity will be sought on the GAG funding.

Q: Until the school received confirmation there would be a potential gap of five months. This amount was supposedly built into the GAG funding. as it guaranteed that the seven months worth of other grants will be received?

A: Maybe, the school should be able to receive this. Clarification was needed before the budget could be approved.

ACTION: School to obtain more detail on the Teachers' pay and pension grants and establish a figure to include in the budget.

- 2.2.8 It was noted that confirmation had been received that High Needs funding will cease (approximately £46,000). This was a special resources provision, the local authority gave them money for each filled place. The school should have 15 students with EHCPs from September 2020. Line 4 (Free School Meals) flagged that there was repetition similar to the pay and pension grants.

Q1: The provision of free school meals to sit in the GAG funding. Does this take place at the same time as the teachers' pay and pension grants?

A: Within the GAG funding, the school would receive a certain amount to pay for free school meals. The format had changed recently to cover those families claiming universal credit. An additional £10,000 was given to provide free school meals. This will be added to the commentary.

Q2: Line 5 comments around the Covid 19 catch up money. Was this an estimation? Could the school receive up to £96,000, presumably available to all students from Years 7 to 13?

A: This was up to Year 11 and was approximately £80 per student. The school would need to wait for the pupil census figures in October. There were no details of this funding stream until September. This could go into contingency.

Q3: What was the contingency amount?

A: This was not on the income side.

Q4: Row 52, was this the Covid 19 expenses?

A: This covered 2019-2020. It was miscellaneous income. It was £40,000 for the next year instead of the predicted £80,000, which was predicted for this year. If there was additional Government funding, it would need to be built into the budget. It was noted that Winchmore Tutors could provide cover during the working week.

- 2.2.9 It was noted that Jacob Adeshina had done a lot of work with Cally Hawkes re the pupil premium funding (lines 10,11 and 13).

Q: Was there a reduced number of LAC students for the new financial year?

A: There was a reduction, however student numbers changed all the time.

- 2.2.10 It was noted that the teaching salary (line 28) one issue was out to consultation and would not be approved until 17-9-2020. The government was keen to approve pay recommendations in full, this would affect the teaching salary pension. NQTs will receive 5%, mainscale will be sliding of 2.75%.

ACTION: Jacob Adeshina to confirm.

- 2.2.11 Teachers pension contributions (line 30), in previous years colleagues had opted out of the pension scheme and this reflected savings in contribution costs. This year everyone has had to be re-enrolled into the scheme and staff can choose to opt out.

Q1: What was the indication of opting out?

A: Five teachers and four support staff. They were allowed to change their minds within three months.

Q2: Had they previously opted out?

A: It was assumed that they will opt out again, though some were choosing to opt back in.

- 2.2.12 Previously the school had not made allowances for anyone opting out. It was noted that the unions had been encouraging members not to opt out, stressing the benefits of staying in.

- 2.2.13 Line 31 (Support staff salary), the additional cost was being mapped out. One of the reasons for the increase was highlighted

Q: Was additional payment received to fund this?

A: No additional funds were received. Support staff will receive 2.75% increase (unconfirmed).

- 2.2.14 There was an issue regarding capital expenditure and clarity on the balance of reserves. Jacob Adeshina stated that there was a plan to spend £1.1million. It was stated that capital expenditure should be sponsored or funded through reserves and depreciation due to the value of the building. Depreciation was £550,000 and this would need to come out of the reserves rather than revenue. If depreciation was included, it would skew the figures. It was agreed to remove the depreciation value from next year's budget (£1.2million will be reduced by £550,000).

- 2.2.15 There was a desire to get clarity on any capital expenditure and the impact for the school. It was noted that the CIF, DFC contributions will offset against the income coming in.

Q: Was there a need for another line for the school's contribution to the CIF fund?

A: Possibly, this could sit outside of the annual process. It was the capital income line that came out of the reserves and was not a cost line. This linked into line 61. It was agreed to add an additional line (school contribution) to the budget sheet. It was noted that there could be a breakdown on all capital income, expenditure and school contribution from the reserves on the budget sheet.

ACTION: Jacob Adeshina.

Q: Was the balance of reserves now reflected in this £1.4million?

A: At the end of the report there was a summary that stated unrestricted reserves brought forward and deficit for the year, including contributions towards capital projects and estimated reserves at the end of the year. Trustees supported this.

2.2.16 Jacob Adeshina will structure the accounts which would be accumulative from years 1, 2 and 3.

ACTION: Jacob Adeshina.

2.2.17 It was noted that Agency cost had been revised. It was originally £3,000 and had increased to £120,000. This was a rogue interpretation. Line 28 showed a massive difference from last year. Jacob Adeshina will update the columns on the budget sheet and produce a separate budget version from the one originally produced by Summaya Aziz.

2.2.18 It was suggested that another meeting be held to agree the final version of the budget before it was submitted. The meeting would be succinct as it would just be to present answers to queries raised and some points of discussion to share. The new budget would need to be entered onto the system. The final budget will be submitted to EFSA by the end of September 2020 (to be approved by the Trust Board at least five days before submission).

The Chair thanked Jacob Adeshina and the school for their work on the budget.

The meeting closed at 7.15pm.

Chair: (print)

..... (sign)

Date: