



Diocese of Chelmsford Vine Schools Trust

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Registered in England No 8709542. Registered Office 53, New Street Chelmsford CM1 1AT

## **Finance and Audit Committee Meeting Minutes**

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**DATE AND TIME:** Friday, 10<sup>th</sup> February, 2017 at 10.20pm

**VENUE:** Chelmsford Diocesan Offices

**MEMBERSHIP:**

<b>JCo</b>	<b>Joan Costello+</b>	<b>Director</b>
<b>CH</b>	<b>Caroline Haynes*</b>	<b>Director, Chair arr: 10.55am</b>
<b>BL</b>	<b>Bryan Lester*</b>	<b>Director, Company Secretary, Finance Director</b>
<b>PP</b>	<b>Philip Preston*</b>	<b>Director</b>
<b>TW</b>	<b>Terri Wood*</b>	<b>Director</b>

**IN ATTENDANCE:**

<b>JCr</b>	<b>John Crane*</b>	<b>CEO</b>
<b>SP</b>	<b>Sharon Porter*</b>	<b>VT Finance Manager (on behalf of BI, COO)</b>
	<b>Jill Haines*</b>	<b>Clerk</b>

\* indicates attendance + indicates absence

**VINE TRUST SCHOOLS:**

<b>BUL</b>	<b>Bulphan CE Primary School, Bulphan</b>
<b>GRE</b>	<b>Great Clacton CE Junior School, Clacton</b>
<b>HOW</b>	<b>Howbridge CE Junior School, Witham</b>
<b>JCO</b>	<b>St James CE Primary School, Colchester</b>
<b>LAT</b>	<b>Latchingdon CE Primary School, Latchingdon</b>
<b>MBG</b>	<b>St Margaret's, Bowers Gifford</b>
<b>MIS</b>	<b>Mistley Norman CE Primary School, Manningtree</b>
<b>ROL</b>	<b>Rolph CE Primary School, Thorpe le Soken</b>
<b>SAA</b>	<b>St Andrews CE Primary School, Weeley</b>
<b>SJH</b>	<b>St James CE Primary School, Harlow</b>
<b>SMI</b>	<b>Southminster CE Primary School</b>
<b>STC</b>	<b>St Cedd's CE Primary School, Bradwell</b>

1/17 **WELCOME AND PRAYER**

Bryan Lester (Acting Chair) welcomed everyone to the meeting. There was a prayer for wise decisions to be taken that will benefit all the children and staff in the Vine Trust.

Terri Wood was welcomed to the meeting as a new member of the Finance & Audit Committee; this appointment will be recommended to the Trust Board.

2/17 **APOLOGIES FOR ABSENCE**

Apologies were received and accepted from Brendon Ince.

3/17 **NOTIFICATION OF ANY OTHER BUSINESS**

The CEO raised the following items for discussion later in the meeting:

- i. Draft Heads of Terms Lease
- ii. Responsible Reliable Recruitment
- iii. MIS Pre-school

4/17 **DECLARATION OF BUSINESS INTERESTS/CONFLICT OF PECUNIARY INTEREST**

There was nothing new to report.

5/17 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 25.11.16 were agreed and signed as a true record.

6/17 **MATTERS ARISING**

i. SJH and HOW have expressed concern at the plans for the Trust to become *cashless* (by 31.3.17). After discussion it **was agreed to review the situation for both schools in 6 months time** (30.9.17); if revenue is improved overall, the Trust will insist that the system is imposed at all schools.

The discussion also highlighted that children do learn key skills for handling cash at the tuck shop. **It was proposed and agreed, therefore, that cash will continue to be used for tuck shops.**

ii. A meeting arranged with HTs (10.1.17) was postponed.

iii. Following a meeting with HT (Henry Moore), PP and COO (29.11.16), a programme was agreed for repayment of SJH liability by 31.8.17. Pre conversion liabilities remain the responsibility of ECC under clause 9.5 of the Commercial Transfer Agreement and HM would pursue this. There had been a subsequent email exchange with SJH LGB who proposed that the Trust/School should cover 50% of the outstanding pre-conversion liability. However, **the CEO re-stated the previous arrangement that settlement must remain at 50/50 so as not to set a precedent with far wider reaching implications.**

7/17 **UPDATE FROM CHIEF OPERATING OFFICER including:**

Any significant budgetary/strategic issues for the Board to consider, including capacity/training Notes from the COO Report had been circulated and SP reported to the Board on the following:

i. **Annual Accounts – period ending 31.8.16**

- a. Audited accounts for Vine and Sower Trusts were signed by the CEO and FD following clearance by Griffin Chapman (16.12.16).
- b. Audited Accounts for the period ending 31.8.16 have been submitted to the EFA and posted on the VT website.
- c. There were some issues raised in the Management Letter (16.12.16) which had been circulated.

ii. **Bridging Advances**

- a. **JCO** £64,000.00 Conversion balances totalling £233,469.33 have been received from ECC; repayment of the bridging advance is imminent.
- b. **MBG** £12,003.67 Two unplanned advances had been made in December to restore and maintain credit balances; the account did go overdrawn by £3,604.92 (due to a failure to adjust cashflow due to staff absence).

**Directors asked if Lloyds Bank did charge interest for this period?** COO will advise accordingly.

iii. **Staffing, capacity and training**

**SAA** New Finance Officer in post, CT processing functions have now transferred back to school and the Trust Finance Assistant role redirected towards MIS and VIN.

**SJH** New Finance Manager in post, training underway.

**SMI** Following the resignation of the Bursar discussions are underway across Dengie schools to consider staffing solutions including a more collaborative model across two or more schools. Directors were informed that the situation is challenging although there is every confidence in achieving a good resolution.

**VIN** PA to CEO and Trust Support Assistant in post (9.1.17); subsequent restructuring/reorganisation of responsibilities are underway and making a positive impact. Academy Support Officer (Conversion and Training Officer) post to be re-advertised.

**Vine Finance Structure and email addresses to be made available to TW.**

**Educare in Education:** training software – Course Completion Report to 1.2.17 had been circulated. Of approximately 520 staff Trust wide, 65 have used the software, 144 courses started and 108 successfully completed. SLTs are aware of the resource and will continue to use as existing alternative certification expires.

iv. **Local Government Pay Award**

Local Government Services agreed a two year pay deal for support staff in August 2016, setting new pay rates from 1.4.16 and 1.4.17. For salary points 17 and below there is a higher percentage increase, ensuring compliance with the National Living Wage, with a 1% increase on points 18-49. Pay points above 49 are not official NJC scales but Essex LA does extend the award to those points above 49. The Trust adopts the ECC Pay Policy which observes the NJC agreement and, although the Board approved the LG Pay Award for April 2016, it is proposed that the Finance Committee should recommend continued adoption of the ECC Policy and NJC agreement for the period 1.4.17 to 31.3.18.

The **Adoption of 1% Local Government Pay Award** (April 2017) is recommended to the Trust Board.

v. **Support Staff – Equity Review**

ECC HR has been commissioned to undertake a review of staff roles and responsibilities across the Trust before Easter. It will be a recommendation to ensure that comparable jobs are on the same band and therefore harmonise with schools converting from other areas.

vi. **Vine Trust Pay Policy for academies not in the Essex LA including payroll provider implications**

Thurrock LA has a pay policy and support staff pay scales that does not reflect the Vine model policy or the NJC agreement. Schools converting to Vine Academies from Thurrock and other LAs may have existing pay policies and job roles that are inconsistent with the VT, which could expose the Trust to risk. Consideration should be given to the Trust's formal Policy for converting schools in this respect.

As the Trust expands it is increasingly likely that some converting schools will engage with a number of different payroll providers and Directors discussed the recommendation from the COO to consider the migration of all schools across to a single payroll provider, ensuring more effective oversight and accuracy of information. In the short to medium term this would be to direct schools to use ECC Payroll Services, having re-modelled the e-payroll system so that it reflects the VT cost structure for integration of monthly payroll data directly into PSF.

A common **Vine Single Pay Policy** to be adopted across the Trust and a commonality of **Job Descriptions**. This recommendation has resulted from a potential new converter from another county and would therefore eliminate the need for provision from more than one pay provider.

Move to a **single payroll provider**, Essex in the first instance, and a review to be carried out in 12 months.

8/17

**RISK MANAGEMENT**

i. **Risk Registers**

All academies are aware of Risk Review requirement and reassurances and additional information on all aspects of local Risk Registers will be sought from the VT. This policy has been reinforced by the CEO during HT's Board discussions and with Finance Officers through the Finance User Group meetings.

A review is therefore underway with a revised monitoring dashboard to be circulated before the end of Spring 1.

ii. **Responsible Officer visits – Spring 2017**

The Spring 2017 visit has been planned to review areas of relative weakness already identified across the group. A new area of monitoring also focuses on compliant use of chargecards which, for some schools, has been repeated in the Management Letter that chargecards continue to be used without adhering to financial procedures (Management Letter 2016).

It is, therefore, recommended that a written communication should be sent to all HTs/CoGs to say that **non-compliance regarding chargecard use will most likely result in a disciplinary situation.**

iii. **Risk Monitoring/Management Software**

An invitation to a meeting with Deloitte LLP has been scheduled to consider the Risk Management platform, Corestream, with a view to develop a bespoke product.

iv. **Cashless Trust**

*see item 6/17i* However, overall, progress is very good and it appears that the majority of Vine academies will comply with the Vine directive within its deadline.

9/17 **HEALTH & SAFETY PLAN**

i. **Every Business Management Software**

The Every software platform has been deployed across all academies but population of the system by schools for 31.12.16 deadline was not met. Subsequently, visibility and reassurance of group compliance is not yet available. A default due date of 1.1.17 was set against all non-populated mandatory requirements and overdue e-mails will prompt further action. Unfortunately, this does mean that clear management reporting information is not currently available.

ii. **Legionella Testing and compliance**

The Trust Support Manager has been focusing on the effectiveness of Legionella compliance across the group, finding that more robust controls and procedures have been necessary in several schools. New Risk Assessments have been commissioned, site staff training is being reviewed and a documented schedule will be requested from each academy demonstrating roles and responsibilities do meet legislation in this area. Reassurance of full compliance will be received no later than 31.3.17 from the Trust Support Manager.

10/17 **COMPANY SECRETARY UPDATE AND REPORT to include any allegations of fraud/maladministration**

There was nothing to report.

11/17 **UPDATE ON CONVERSIONS**

**BUL** Bulphan CE Primary School (scheduled conversion 1.4.17)

The IEB is being shadowed by SMBG. Appendix E and Schedule of Contracts has been completed but may need reviewing if conversion timeframe becomes protracted. The CEO and FD informed the meeting that due diligence has been carried out and further investigation is required to a flat roof. However, there are difficulties with Thurrock LA which may delay or halt conversion and the Board should be informed accordingly.

**ORS** Orsett CE Primary School (scheduled conversion 1.7.17)

Due diligence exercises have not yet been commissioned. However, Orsett is part of the SMBG Hub and difficulties with Thurrock LA may delay or halt conversion.

12/17 **UPDATE ON GRANT APPLICATIONS (Premises related) and GRANT REQUESTS FROM ACADEMIES**

The following bids had been received:

i. **SJH: Audio Visual (Main Hall) for £5k.**

- ii. **SMI: Secondment of outstanding teachers £19k for a fixed period of 19 weeks.**  
SMI has recognised that there is a need to model outstanding teaching and two local teachers have been identified.  
**Directors challenged that quality teaching will be assured and the CEO confirmed that there was every confidence with the HTs judgement.**

**DIRECTORS AGREED THAT THE BIDS SHOULD BE RECOMMENDED TO THE MAIN BOARD.**

13/17 **BUDGET UPDATES: TRUST AND SCHOOLS**

- i. Illustrative new National Funding Formula (NFF) for 2018 is becoming available and the DFE has released a workbook which applies the new formula to the current years funding (2016-17) as an illustration of impact.
- ii. **Updated Academy Budgets 2016/17 (new/revised) had been circulated and were ratified:**

JCO 1617 initial budget v2.0  
MBG 1617 initial budget v1.1  
GRE 1617 revised budget v3.5i (second revision)  
LAT 1617 revised budget v08.12.16 (first revision)

The Chair thanked SP and the Central Team for their work involved with the report.

14/17 **BUILDING TRUST AND SCHOOL RESERVES**

Directors will be advised about any schools struggling to meet their reserves.  
BI/SP to arrange circulation of information.

15/17 **UPDATE ON BIDS FOR FUTURE CONSIDERATION BY THE EFA**

A discussion took place about the need to report on projects that are submitted by schools. It was agreed that the roles, skills and accountability, at local level, are essential to the role of effective governance.

16/17 **SUMMARY OF RECOMMENDATIONS TO MAIN TRUST BOARD**

The following recommendations were made to the Trust Board:

- i. **Appointment of Terri Wood** to the Finance & Audit Committee which now has increased capacity as follows:  
**Caroline Haynes (Chair)**  
**Joan Costello**  
**Bryan Lester**  
**Philip Preston**  
**Terri Wood**  
**In attendance: John Crane and Brendon Ince**
- ii. **Adoption of 1% Local Government Pay Award** (April 2017).
- iii. A common **Vine Single Pay Policy** to be adopted across the Trust and a commonality of **Job Descriptions**. This recommendation has resulted from a potential new converter from another county and would therefore eliminate the need for provision from more than one pay provider.
- iv. Move to a **single payroll provider**, Essex in the first instance, and a review to be carried out in 12 months.
- v. In some schools there is a repeat of concerns that chargecards continue to be used without

adhering to financial procedures (Management Letter 2016). It is, therefore, recommended that a written communication should be sent to all HTs/CoGs to say that **non-compliance regarding chargecard use will most likely result in a disciplinary situation.**

vi. The Board to be made aware that **difficulties with Thurrock Local Authority may delay or halt conversion.**

vii. **Ratification of updated Academy Budgets 2016/17** (new/revised):

JCO 1617 initial budget v2.0  
MBG 1617 initial budget v1.1  
GRE 1617 revised budget v3.5i (second revision)  
LAT 1617 revised budget v08.12.16 (first revision)

viii. The following bids were recommended:

SJH: **Audio Visual (Main Hall) for £5k.**  
SMI: **Secondment of outstanding teacher £19k.**

ix. MIS: **Pre-school provision to be arranged 'in house'** subject to a suitable Business Plan. NB it is noted that approval from the HT Board is required to accommodate the extended age-range in school.

x. The date of the next meeting to be changed from 24<sup>th</sup> March to **31<sup>st</sup> March, 2017.**

#### 17/17 **ANY OTHER BUSINESS**

The CEO reported on the following:

- i. The draft Heads of Terms Lease for the Vine in annex 53 New Street, Chelmsford had been circulated for information. Directors agreed that the CEO and BI will clarify the proposal.
- ii. Recruitment remains a significant issue for all Vine academies and there is an opportunity to enter into an agreement with Responsible Reliable Recruitment, who recruit teachers from Canada, and this is currently being evaluated.
- iii. MIS pre-school has experienced a number of problems recently which has a subsequent impact on EY admission. As a result, the VT has given 6 months termination of the agreement with the pre-school. MIS are currently preparing a business plan to take the provision *in house* and the VT will apply to the HT Board for their approval to extend the age-range.

#### 18/17 **DATES OF 2017 MEETINGS Fridays at 10.00am:**

<b>Spring 2</b>	<b>31<sup>st</sup> March including AGM</b> (previously 24.3.17)
<b>Summer 1</b>	12 <sup>th</sup> May
<b>Summer 2</b>	14 <sup>th</sup> July
<b>Autumn 1 (17/18)</b>	22 <sup>nd</sup> September

The meeting closed at 12.16pm with a prayer of blessing for the decisions made to have a good impact across the Vine Trust.

	<b>SUMMARY OF DECISIONS BY DIRECTORS</b>
1/17	Recommendation of TW to the F&A Committee.
6/17i	Review cashless situation at SJH and HOW by 30.9.17. Approval of Tuck Shop cash to continue.
7/17iv	Adoption of 1% Local Government Pay Award (April 2017).
7/17vi	Adoption of a Vine Single Pay Policy and commonality of Job Descriptions.
7/17vi	Adoption of a move to a single payroll provider.
8/7ii	Approval to action non-compliance regarding chargecard use.
11/17	Inform Directors that difficulties with Thurrock LA may delay or halt conversions.
13/17	Ratification of updated Academy Budgets 2016/17 JCO,MBG,GRE,LAT.
12/17	Approval of SJH and SMI bids
17/17iii	Approval of <i>in house</i> pre-school provision subject to Business Plan and HTB approval

	<b>SUMMARY OF ACTION REQUIRED</b>	<b>OWNER</b>	<b>TIMELINE</b>
7/17	Interest charges	COO	Post meeting
17/17i	Terms of lease to be clarified	CEO/BI	Post meeting
7/17iii	Vine Finance Structure/email contacts for TW	SP	Post meeting
17/17iii	MIS pre-school Business Plan/HT Board to approve extended age range.	CEO	Post meeting