



Diocese of Chelmsford Vine Schools Trust

The Diocese of Chelmsford Vine Schools Trust is a company limited by guarantee.  
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, 14<sup>th</sup> July, 2017 at 10.00am

**VENUE:** Chelmsford Diocesan Offices

**MEMBERSHIP:**

<b>GF</b>	<b>Gavin Flynn+</b>	<b>Director</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>TR</b>	<b>Tim Rose*</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>BI</b>	<b>Brendon Ince*</b>	<b>COO, Trust Lead</b>
<b>SP</b>	<b>Sharon Porter*</b>	<b>VT Finance Manager</b>
	<b>Jill Haines*</b>	<b>Clerk</b>

\* indicates attendance + indicates absence

**VINE TRUST SCHOOLS:**

**BUL** *Bulphan CE Primary School, Bulphan*  
**BEL** *Belchamp St Paul CE Primary School*  
**GRE** *Great Clacton CE Junior School, Clacton*  
**HOW** *Howbridge CE Junior School, Witham*  
**JCO** *St James CE Primary School, Colchester*  
**LAT** *Latchingdon CE Primary School, Latchingdon*  
**MBG** *St Margaret's, Bowers Gifford*  
**MIS** *Mistley Norman CE Primary School, Manningtree*  
**RID** *Ridgewell CE Primary School*  
**ORS** *Orsett CE Primary School*  
**ROL** *Rolph CE Primary School, Thorpe le Soken*  
**SAA** *St Andrews CE Primary School, Weeley*  
**SJH** *St James CE Primary School, Harlow*  
**SMI** *Southminster CE Primary School*  
**STC** *St Cedd's CE Primary School, Bradwell*

47/17 **WELCOME AND PRAYER**

TR, Acting Chair, opened the meeting with a focus on the rationale for setting a clear direction in managing the Trust's finance, and reporting effectively to the F&A Committee, based on the mission and values of the Vine Trust. The Board discussed the purpose of a culture that needs to be supportive of the Vine values and to fit the Strategic Plan with a wider set of key metrics that will measure the aims of the Trust appropriately. Values from the DBE, Diocese and Vine Trust should form a complimentary link with the structure and strategic aims of the Trust.

It was agreed that there should be a collaborative discussion to agree a wider set of metrics in the Strategic Plan which will include reporting from both the F&A and S&P committees. This will be complementary arrangement and include clarity from the Trust Code of Conduct to ensure an accurate flow of values in both directions. A revised Strategic Plan and reporting structure should

facilitate a clear aim to deliver effective finance management across the Trust. It was agreed that there are areas of inconsistency across the Trust and concern with regard to exposure.

**Action Point 1:** Meeting to be arranged (TR, GF, JCr, BI).

**Previous Action Point 4 review:**

The new SP for the coming academic year is being prepared with HTs to ensure that the Vine and academy strategic aims are complementary.

- The issue of capacity (20 schools) remains under review.
- The immediate focus for Standards & Performance is Curriculum Development, Middle Leadership and Improvement in Writing.
- Strategic aims for F&A must include the effective delivery of Finance across the VT.

There was some discussion about HTs spending too much time on managing finance in their schools and, although it was suggested that this could be a focus for review it was recognised that HTs are accountable for their school's finances.

Additionally, there are also concerns about examples of inconsistent and incompetent decisions taken by finance staff. **As a result it was agreed that a Change Management Programme should be implemented to ensure compliance is a rigorous process and capacity issues and resistance to change is successfully managed.**

**Action Point 2:** TW to deliver expertise in setting up a working party approach to an effective Change Management Programme including central support and training.

48/17 **APOLOGIES FOR ABSENCE**

Apologies were received and accepted from Gavin Flynn.

49/17 **NOTIFICATION OF ANY OTHER BUSINESS**

There was nothing further to report.

50/17 **DECLARATION OF BUSINESS INTERESTS/CONFLICT OF PECUNIARY INTEREST**

- i. There were no new business interests to record.
- ii. TW no longer has an interest in Reach2.

51/17 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 18.5.17 were agreed and signed as a true record.

52/17 **PREVIOUS ACTION REVIEW**

AP	SUMMARY OF ACTION RAISED		DUE	UPDATE
1.	Discussion to be held between GF, BI and TR to agree the best option for production of a simpler reporting process to committee meetings.	GF	End of June	In process.
2.	Confirmation that all Headteacher PM meetings now include H&S goals.	JCr	End of September 2017	Completed.
3.	Prepare a HSE incident/log report for scrutiny as a standing item on future agendas	BI	July agenda in the first instance	Completed.
4.	<u>Strategic Plan</u>		Autumn 2017	See 47/17.
	i. Review and refine the SP to reflect growth ambitions.	JCr		
	ii. Update the Improvement Dashboard			

Summary 1.1.12. to reflect the review process.

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|-----|---|-----|---------------|---|
| 5.  | 17/18 budgets to be prepared ready for circulation at the end of June.  | BI  | June 2017     | See COO Report.   |
| 6.  | Arrange for revised bid application forms to be distributed to all HTs.   | JCr | Summer 2 2017 | Completed.  |
| 7.  | Explore fully the option to rent caretaker housing at SJH and GRE.  | BL  | Summer 2 2017 | Trustees will be responsible for rental agreements and the Trust will manage rent arrangements. |
| 8.  | Instruct all HTs to review ICT security.  | JCr | Immediately   | Has been contained.   |
| 9.  | Explore the cost of all schools to transfer to a secure central ICT platform (Zenzero).   | BI  | Summer 2 2017 | Trust meeting planned with Essex and Zenzero next week.   |
| 10. | Discuss with Ruth Everett the suggestion to explore Bible Apps and provision of Bible Society resources to children across the Trust. | TR  |               | In process.   |

### 53/17 **MATTERS ARISING**

There was nothing further to report.

### 54/17 **UPDATE FROM CHIEF OPERATING OFFICER**

#### **including: RISK MANAGEMENT, HEALTH & SAFETY PLAN, BUDGET UPDATES: TRUST AND SCHOOLS, BUILDING TRUST AND SCHOOL REERVES, CAPACITY AND TRAINING**

The COO Report had been circulated and the following matters were highlighted:

#### **Policies (Finance)**

The following policies were presented for recommendation to the Board:

- i. F-003V Capital and Reserves Policy v2.0 – March 2017 (updated)
- ii. F-004V Gifts and Hospitality Policy v2.0 – March 2017 (updated)
- iii. F-005V Investment Management Policy (VPOL-005) – Nov 14 (temporary renewal)
- iv. F-006 Accounting Policy v2.0 – March 2017 (updated)
- v. F-007V Value for Money Policy (VPOL-007) – Jul 2015 (temporary renewal)
- vi. Modification to Financial Regulations – Prepayment and Accrual threshold increased to £5k with some exceptions from September 17.

**All Finance policies were recommended to the Board.**

#### **RISK MANAGEMENT** **RO Dashboard**

Summer visits are currently underway and reports for ROL, SJH, GRE and MBG were circulated.

#### **Risk Registers**

- i. **SMI** demonstrates significant changes and a period of investigation is required. The meeting held a robust discussion about the fall in pupil numbers. The COO reported that a review of the establishment model will be a focus during the next academic year in view of the falling numbers and reducing revenue income.

**Action Point 3: review of pupil numbers and the financial planning for 2017/18 at SMI.**

#### **Academy Risk Registers Scrutiny Spring 2/Summer 1 2017**

- i. Targeted review requests have been included, where received, on the dashboard. Some responses were received although despite multiple requests, not from others. The meeting discussed compliance issues and the COO reported that finance meetings are not regularly attended from school finance staff; overall, there is dissatisfaction from schools, due to ongoing pressure, to supply timely reporting: capacity problems with the Central Team and communication has also been challenging.

**Action Point 4:** All Board members to attend a social event on 22.9.17 to meet with academy staff to discuss informally www/ebi.

The Central Team is investigating KPIs across the Trust to ascertain where most concern is demonstrated. The meeting discussed the consequences of not complying with current regulations and noted the COO's recommendation that a model must be agreed to move forward. There was further discussion about the most efficient process to cascade information and it was agreed that the Trust must be utilising its resources in the most efficient manner. There was further discussion about including the HTs management of the finance function of a school in Performance Management meetings. However, the current model is a hybrid and, locally, this has yet to be defined and understood; there is considerable budget/finance pressure overall. It will be crucial to decide on an effective, but affordable, model which may require the outsourcing of personnel to carry out the finance function in school.

**Action Point 5:** Colleague Engagement Survey to be arranged (TW).

### **Health & Safety Plan**

**Every Business Management** – the overdue activities report (4.7.17) indicates very slow progress is being made migrating/updating data since last meeting and following re-enforcement of message at both COO meeting with SLT and Finance Meeting with AFL's. This has resulted in academies being given until the end of Summer 2 to update Every although, this does not appear to be realistic in most cases.

**Grenfell Tower Fire and precautionary assessments of public sector buildings in light of the recent tragedy;** the COO reported that:

- i. All schools within the Vine Trust have undertaken a Fire Risk Assessment (FRA) within the last 12 months or will have one scheduled for completion by 31.7.17 (includes MBG, STC, SMI).
- ii. None of the Vine academies require inspection/testing of cladding, being less than four stories high.
- iii. Weekly alarm testing and termly evacuation drills are being undertaken and are up to date in all Vine academies.
- iv. No evidence exists that increased risk should be considered in light of this tragedy.
- v. However, notwithstanding the above, the majority of Fire Risk Assessments are undertaken by staff in academies, following ECC/Essex Fire Service guidelines and the meeting was invited to discuss whether this procedure does offer the most accurate or effective assessment solution.

**Action Point 6:** After discussion it was agreed that existing FRA procedures could result in exposure for the Trust. It was decided that the COO will report back to the Board with informed costs associated with 'specialist' 3<sup>rd</sup> party providers. COO to investigate central contract matched funding.

### **Budget updates: Trust and Schools**

## Budgets 2017/18 – for Budget Forecast Return 2017 (deadline 28.7.17):

<b>GRE</b>	1718 v4.1 agreed for recommendation to the Board for authorisation
<b>HOW</b>	1718 v1.7 agreed for recommendation to the Board for authorisation
<b>JCO</b>	1718 v1.1 agreed for recommendation to the Board for authorisation
<b>LAT</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>MBG</b>	1718 v1.2 Despite the urgent need for review the budget should be used for the Budget Forecast Return 2017 <u>but is not suitable</u> for upload into PS Financials. The academy to provide a revision during early part of Autumn 1 2017.

**Action Point 7:** Agreed to request a balanced 17/18 budget (by 21.7.17) or this will be completed by the Trust Central Team.

<b>MIS</b>	1718 v1.2 agreed for recommendation to the Board for authorisation
<b>ROL</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>SAA</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>SJH</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>SMI</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>STC</b>	1718 v1.0 agreed for recommendation to the Board for authorisation
<b>STO</b>	1718 v2.0 agreed for recommendation to the Board for authorisation

## Lease – Vine Offices at New Street

Lease agreement between Chelmsford Diocesan Board of Finance and The Diocese of Chelmsford Vine Schools Trust in respect of an office at the annexe of 53 New Street, Chelmsford, CM1 1AT was signed by the Chair and CEO of Trust on 16 Jun 2017. This is a 5 Year lease commencing 1.1.17, break date 01 Sep 2019.

## Prepayment/Accrual Limit - Review

The current threshold is set at £1,200 p.a. (equiv. £100 p.m.). Following a discussion with external auditors Griffin Chapman **it was recommended and agreed that:**

- i. Prepayment and Accrual threshold is increased to £5,000 p.a. (equiv. £416.67 p.m.)
- ii. Notwithstanding point 1 Pupil Premium Grant, Universal Infant Free School Meal funding and SEN Funding is to be recorded in all cases irrespective of value.
- iii. Deferred Income and Prepayments relating to school trips to be calculated at year end only, irrespective of value.

## Dinner Monies

As at 7.7.17 5.1% of dinner arrears were attributable to unpaid staff meals, equating to £135.90 across 7 Trust schools.

**Action Point 8:** After discussion it was agreed that a letter of expectation should be sent to the schools responsible to focus attention on repayment of the overdue amounts with immediate effect.

## SBM Services

As reported at the March committee meeting the Trusts ongoing engagement with SBM Services was under review. After investigation it was clear that the service provided by SBM provides less value to the Trust and its academies than it received 12 months ago and the direction by the Board for all schools to engage SBM Services for Financial Support Services no longer seems to provide value for money in all cases.

**After discussion and recommendation it was agreed that the engagement of SBM Services for additional financial support in Vine academies to become 'optional' from September 17 with the Board to retain discretion to direct schools if they feel it is necessary – delegated to CEO/COO.**

### **MAT Service**

As previously reported EES have introduced a MAT Service, in conjunction with the Vine and other MAT's, focusing on relationship development and business retention. The COO reported on the potential efficiencies and savings and an arrangement for 'core offer' service charges to be consolidated and invoiced centrally but all other EES subscriptions contracted by schools to continue to be invoiced locally. Whilst a three year arrangement has been proposed by EES, this does limit flexibility to consider alternative providers and with no significant financial incentive this does not appear attractive.

**The Committee agreed that a 'fixed' three year arrangement is not attractive at this stage and decided this should be arranged on a year by year basis.**

### **Essex Broadband Service (EBS) Pilot**

EBS are piloting a Wide Area Network (WAN) scheme for MAT's, using technology and infrastructure already available to them. The Vine Schools Trust have been invited to be the second Trust to explore this new service. Key benefits would include improved data, device and resource sharing, improved network efficiency and security. Being part of the pilot would be recognized by way of significant reductions in cost for the service once rolled out.

**The committee agreed to the Trust joining the pilot.**

#### 55/17 **HSE INCIDENT/LOG REPORT**

There were two reportable incidents across the Trust since 1.9.16. and the incident summaries were circulated:

**LAT** incidents 1 and 2 (8.9.16 and 15.12.16). Both accidents involved a pupil at play and the meeting asked if there is a time barrier to an incident claim? Whilst there is no indication of legal action (incident 1) there will continue to be a risk to the academy and the Trust.

#### 56/17 **UPDATE ON ACADEMY CONVERSIONS**

- BUL** Bulphan CofE Primary School conversion scheduled for 01 Aug 2017
  - Thurrock fee dispute resolved
  - Land ownership resolved
- ORS** Orsett CofE Primary School converted to an academy on 01 Jul 2017
- RID** Ridgewell CofE Primary School conversion scheduled for 01/08/2017
  - Academy Order issued
  - Due diligence exercises have been initiated
  - Conversion and FastTrack Grant application being processed total £70k
- BEL** Belchamp St Pauls CofE Primary School conversion scheduled for 01 Aug 2017
  - All documentation is in hand
  - Conversion Grant application being processed £25k
- TWO** Two Village CofE Primary School conversion scheduled for 01 Feb 2018
  - Diocese approved
  - Head Teacher Board confirmed conversion to Vine Trust
  - Due diligence to be instructed

In view of TWO being a PFI school there was a strong discussion about the costs that might subsequently be involved with conversion; however, it was noted that the RSC will cover any reasonable costs.

**Action Point 9:** It was agreed that the Trust should write to the RSC to propose that when taking responsibility for PFI schools any additional costs will be met by appropriate funding from the RSC.

57/17 **UPDATE ON GRANT APPLICATIONS** (Premises related) and **GRANT REQUESTS FROM ACADEMIES**

- i. **JCO** SIP claim £18,910 for school improvement in September (agreed under Chair's Action due to time constraints).
- ii. **STO** £31,784.81 intervention to raise achievement for difficult children.
- iii. **LAT** provision of a transitional subsidy in connection with broadband provision, totalling £16,470 from VT General Reserves.

58/17 **ANY OTHER BUSINESS**

- i. Length of contracts for more than one year is not recommended by the Trust in view of budget approval being made annually and HTs must operate within this arrangement. Therefore, only the VTB have authority to commit beyond this timescale.

**It was agreed that contracts over one year must be delegated to BL (FD) for approval.**

- ii. The CEO reported that it is an audit requirement that schools must obtain 3 quotes for orders over £2k. There have been some requests to increase this amount and change the finance regulations to reflect the size of individual schools. In extreme circumstances evidence must be provided that an attempt has been made to obtain 3 quotes (annual stock can come from anywhere, no need for 3 quotes, preferred suppliers are Herts and Adler as the Trust has a discount arrangement). The policy will be reviewed over the summer.
- iii. Can the Vine loan money to school to invest in new IT equipment that they pay back over a number of years? (instead of HP)  
Local IT Reserves are designed to be spent like this – there must be a minimum of 2% local reserves, amounts above this can be put into IT reserve, spent and then built up to 6% again over a 3 year process. Please refer to the Vine reserves policy 3.2di and ii for full details.

59/17 **MATTERS FOR FUTURE DISCUSSION**

60/17 **SUMMARY OF RECOMMENDATIONS TO MAIN TRUST BOARD**

The following recommendations were made and agreed by the Trust Board:

- 1 F-003V Capital and Reserves Policy v2.0 – March 2017 (updated)
- 2 F-004V Gifts and Hospitality Policy v2.0 – March 2017 (updated)
- 3 F-005V Investment Management Policy (VPOL-005) – Nov 14 (temporary renewal)
- 4 F-006 Accounting Policy v2.0 – March 2017 (updated)
- 5 F-007V Value for Money Policy (VPOL-007) – Jul 2015 (temporary renewal)
- 6 Modification to Financial Regulations – Prepayment and Accrual threshold increased to £5k with some exceptions from September 17.
- 7 Recommendation that annual Fire Risk Assessments in academies are undertaken by 'specialist' 3<sup>rd</sup> party providers
- 8 Initial Budget 1718 – GRE v4.1 for Budget Forecast Return 2017 and PSF upload
- 9 Initial Budget 1718 – HOW v1.7 for Budget Forecast Return 2017 and PSF upload
- 10 Initial Budget 1718 – JCO v1.1 for Budget Forecast Return 2017 and PSF upload

- 11 Initial Budget 1718 – LAT v1 for Budget Forecast Return 2017 and PSF upload
- 12 Initial Budget 1718 – MBG v1.2 for Budget Forecast Return 2017
- 13 Initial Budget 1718 – MIS v1.2 for Budget Forecast Return 2017 and PSF upload
- 14 Initial Budget 1718 – ROL v1 for Budget Forecast Return 2017
- 15 Initial Budget 1718 – SAA v1.0 for Budget Forecast Return 2017
- 16 Initial Budget 1718 – SJH 24/5/17 for Budget Forecast Return 2017 & PSF upload
- 17 Initial Budget 1718 – SMI v1.0 for Budget Forecast Return 2017 and PSF upload
- 18 Initial Budget 1718 – STC v1.0 for Budget Forecast Return 2017 and PSF upload
- 19 Initial Budget 1718 – STO v2.0 for Budget Forecast Return 2017 and PSF upload
- 20 Modification to Financial Regulations – Prepayment and Accrual threshold increased to £5,000 with some exceptions
- 21 The engagement of SBM Services for additional financial support in all Vine academies to become optional from Sep 17 but the Board retains the discretion to direct schools if they feel it is necessary – delegated to CEO/COO

### **FUTURE MEETING DATES:**

#### **2017/18**

<b>Autumn 1</b>	22 <sup>nd</sup> September
<b>Autumn 2</b>	1 <sup>st</sup> December
<b>Spring 1</b>	9 <sup>th</sup> February
<b>Spring 2</b>	16 <sup>th</sup> March
<b>Summer 1</b>	11 <sup>th</sup> May
<b>Summer 2</b>	13 <sup>th</sup> July

#### **2018/19**

<b>Autumn 1</b>	21 <sup>st</sup> September
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The meeting closed at 12.15pm with a prayer of blessing that all the decisions agreed at this meeting will have the best impact to improve outcomes for the benefit of the children in the Vine family.

<b>SUMMARY OF DECISIONS</b>	
47/17	Revised Strategic Plan and reporting structure required.
47/17	Implementation of a Change Management Programme, central support and training.
54/17	Recommendation of a Colleague Engagement Survey.
54/17	EES MAT service to be arranged on a year by year basis.
54/17	Trust to join the Essex Broadband Service (EBS) Pilot.
58/17	Contracts over one year to be delegated to the Finance Director.

<b>ACTION POINT</b>	<b>SUMMARY OF ACTIONS RAISED AT THIS MEETING</b>	<b>OWNER</b>	<b>DUE</b>
<b>1.</b>	Strategic Plan review meeting.	JCr	Autumn 1
<b>2.</b>	Lead Change Management Programme.	TW	Autumn 1
<b>3.</b>	Review of pupil numbers (SMI) and financial planning for 17/18.	COO	Autumn 1
<b>4.</b>	All Board members to attend a social event on 22.9.17.	JCr	Autumn 1
<b>5.</b>	Colleague Engagement Survey.	TW	Autumn 1
<b>5.</b>	FRA procedures to be explored.	COO	Autumn 1
<b>6.</b>	MBG balanced 17/18 budget (by 21.7.17)	COO	21.7.17
<b>7.</b>	Repayment of dinner monies by school staff	JCr	Summer 2
<b>8.</b>	Communication to the RSC regarding financial responsibility for	JCr	Autumn 1

	PFI schools to the Vine.		
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