



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, 22<sup>nd</sup> September, 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:**

<b>BUL</b>	<b>Bulphan CE Primary School</b>
<b>BEL</b>	<b>Belchamp St Paul CE Primary School</b>
<b>GRE</b>	<b>Great Clacton CE Junior School</b>
<b>HOW</b>	<b>Howbridge CE Junior School</b>
<b>JCO</b>	<b>St James CE Primary School, Colchester</b>
<b>LAT</b>	<b>Latchingdon CE Primary School</b>
<b>MBG</b>	<b>St Margaret's, Bowers Gifford</b>
<b>MIS</b>	<b>Mistley Norman CE Primary School</b>
<b>RID</b>	<b>Ridgewell CE Primary School</b>
<b>ORS</b>	<b>Orsett CE Primary School</b>
<b>STO</b>	<b>St Osyth CE Primary School</b>
<b>ROL</b>	<b>Rolph CE Primary School</b>
<b>SAA</b>	<b>St Andrews CE Primary School</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</b>
<b>TWO</b>	<b>Two Village CE Primary School</b>
<b>VIN</b>	<b>Vine Trust</b>

61/17 **WELCOME AND PRAYER**

TR, Acting Chair, opened the meeting with a reflection on celebrating the achievements of the Vine Trust so far, whilst also mindful of remaining diligent in continuing to establish the *building blocks on the journey to success*.

62/17 **APOLOGIES FOR ABSENCE**

Apologies were received and accepted from Gavin Flynn and Bryan Lester.

63/17 **NOTIFICATION OF ANY OTHER BUSINESS**

- i. Preferred Consultants for buildings works.

64/17 **DECLARATION OF BUSINESS INTERESTS/CONFLICT OF PECUNIARY INTEREST**

Directors present completed declarations for 2017/18.

65/17 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 14.7.17 were agreed and signed as a true record.

66/17 **PREVIOUS ACTION REVIEW**

In consideration of the high levels of documentation presented at meetings the chair led a discussion on minimising reporting of information with the COO to alert directors at flash/pressure points. Information would, therefore, be strategically reported and based on purpose. However, it was noted that the EFA/DfE determine that accurate reporting of the management and monitoring of risks for each school is essential, with 3-year forecasting embedded at local level. It was agreed to further explore the most advantageous reporting model.

❖ **Action Point 1: Link COO/CEO with other Trust peer support (TR).**

***Previous Action Point 1 review:***

**Strategic Plan Review Meeting (Autumn 1)**

The meeting discussed how to identify and demonstrate evidence of success in the Strategic Plan in order to measure whether the VIN is growing in line with expectation. A Vision Day would be useful to re-consider the 3-year forecast for the vision and implement a strategic route to navigate the journey for all VIN schools to become outstanding.

It was agreed that a Trust working party should be formed to share some robust discussion and ideas, across both the F&A and S&P Committees, in order to achieve a clarity which is based on values and vision. The Board will need to commit to supporting measurement against a 3-year plan to track vision, mission and strategy.

❖ **Action Point 2: Working Party formed of Committee Chairs, CEO, COO to re-visit the Vine vision.**

***Previous Action Point 2 review:***

**Change Management Programme (Autumn 1)**

Robust discussions are required to implement centralisation; support from directors will be crucial to effective change management. The COO agreed to lead on proposed centralisation of finance, HR, payroll and IT. Members discussed a proposal to change the school FL models as soon as possible to mitigate unpopular decisions at local level. It was noted that the VIN has always considered that the centralisation of finances will be attractive to schools it was noted that the *EFA Handbook 2017, circulated with key changes*, does include finance directions for HTs.

❖ **Action Point 3: COO to lead Change Management Programme.**

AP	SUMMARY OF ACTIONS RAISED		DUE	UPDATE
1.	Strategic Plan review meeting.	JCr	Autumn 1	See above
2.	Lead Change Management Programme.	TW	Autumn 1	See above
3.	Review of pupil numbers (SMI) and financial planning for 17/18.	COO	Autumn 1	<i>COO report: Review of pupil numbers and financial planning at SMI underway and included as part of EHT PMR. Erosion of balances is a concern, however, some proposed spending in 2016/17 has been deferred pending outcome of review.</i>
4.	All Board members to attend a social	JCr	Autumn 1	<i>To be held after the Board</i>

	event on 22.9.17.			<i>meeting today.</i>
<b>5.</b>	Colleague Engagement Survey.	TW	Autumn 1	<i>Defer to Autumn 2.</i>
<b>6.</b>	FRA procedures to be explored.	COO	Autumn 1	<i>COO report: COO to arrange meetings with external providers to explore preferred supplier status with preferential terms, to be completed by the end of the Autumn term 17</i>
<b>7.</b>	MBG balanced 17/18 budget (by 21.7.17)	COO	21.7.17	<i>COO report: MBG have not provided a balanced budget, however, submission of v2 demonstrates that bottom line deficit has been removed. Governors and SLT are reviewing establishment and have provided a number of strategies for dealing with imminent pressure. Update expected by half term.</i>
<b>8.</b>	Repayment of dinner monies by school staff	COO	Summer 2	<i>SchoolMoney and the Cashless Catering Till has now been deployed throughout the Trust; the cashless system is being used for dinner money, clubs, trips and uniform purchases. As at 15 Sep 17 6.1% (10.3% Jun17, 5.1% Jul17) of current dinner arrears were attributable to unpaid staff meals, totaling £174.50 and in respect of 69 staff, e-mails to SLT/AFL's have been circulated in connection with inappropriate use of public funds and awareness will be raised at next SLT and AFL meetings with COO and TFM respectively. Stricter local controls are generally required but LOE's may have to be issued if problem persists.</i>
<b>9.</b>	Communication to the RSC regarding financial responsibility for PFI schools to the Vine.	JCr	Autumn 1	<i>Nothing further to report.</i>

#### 67/17 **FURTHER MATTERS ARISING**

As a result of practical money management concerns, such as the conflict between compliance for cash handling and children spending tuck money, there was discussion about how to mitigate risk and the value of retaining tuck shops.

**The meeting recommended that tuck shops will be outsourced to PTAs, conditionally that PTA members are not school employees and cash is not paid into the school bank account.**

#### 68/17 **UPDATE FROM CHIEF OPERATING OFFICER**

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

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

#### **RISK MANAGEMENT** **RO Dashboard – Aug 17**

- RO findings have been reflected in the updated Dashboard circulated for this meeting and response to inconsistencies in schools is in process.
- **CONFIDENTIAL:** an investigation to determine potential fraudulent activities has been undertaken with no irregular activity identified and is ongoing.
- There is a continuing focus on supplier credit terms for some schools; additional support and training will be provided if resolution is not achieved.
- The new Academies Financial Handbook (AFH2017) had been circulated and noted that Annual Management Letters **must** be discussed by the Board and appropriate action taken.
- Purchase Cards: progress has been made in almost all academies regarding general non-compliance with procedures; however, there is still evidence that procedures are not being followed in all instances.

### **Every Business Management – overdue activities report (15.09.17)**

Despite significant investment of resources into training and support, **some** academies have still made little progress and most academies are not regularly updating or fully adopting the system. Edubase **must** be kept up to date and this is already reflected in a change to the Edubase site prompting a validation of information periodically. Some additional central configuration will be scoped/undertaken by the COO/TSM during the Autumn Term.

There was a strong discussion about the continued reluctance to adopt/update the system by schools and it was agreed that action must be taken in order to provide confidence that the Trust is not exposed to significant risk and statutory liability.

**Directors agreed that there must be evidence of progress within 3 months with a reminder to be sent one month before deadline informing that non-compliant schools will be reported to the Board.**

### **Policies (Finance)**

After significant review/update following 15/16 audit and compliance with Management Letter it **was noted that Updated Financial Regulations F-100V 2017 v1.9 to reflect current procedures was circulated and approved by Trust Chair's Action (11.9.17) to meet the requirements of this point.**

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

MBG had submitted 1718v2 revision to original budget following earlier rejection on grounds of a bottom line deficit; this version, whilst demonstrating an in-year deficit £52k, does result in a positive balance at year end.

### **Building Trust and School Reserves**

Struggling schools have been identified.

### **Year End 2016/17**

The Central Finance Team are fully deployed on year end audit. The COO met with Auditors, Griffin Chapman (31.7.17) for an update, areas of focus and to plan the year end timetable for the Autumn term.

### **Management Information Systems**

Preliminary evaluation has been undertaken of alternative products provided by Teachers2Parents (SchoolPod), Pupil Asset and ScholarPack. Preliminary bias, pending financial analysis and references, leans towards Pupil Asset on both a functionality and integration basis. To note: of the products reviewed none provided comprehensive personnel, contract and payroll management modules subsequently evaluation of PS People is being arranged. Pupil Asset provide the most attractive costing model, TCO over 3yrs+ (yr1+2 include set up fees) and value for money when compared to existing provision through Capita Sims. When considering the products evaluated,

Pupil Asset demonstrated good levels of functionality, compliance and security. It was noted that none of the products evaluated delivered HR, personnel and contract management better than the existing functionality within Capita Sims, this does present a possible exposure and should be an ongoing area for exploration especially with GDPR compliance at stake.

**After discussion the F&A Committee recommended Trust wide adoption of the Pupil Asset MIS with effect from 01 Apr 2018.**

### **Teachers Pay – 2017**

The DfE have determined a 2% inflationary increase to Teachers Main Scale and 1% inflationary increase for all other teaching pay scales, including leadership, TLR's and other allowances.

**The F&A Committee recommended adoption of Teachers Pay and Conditions inflationary increases as above with effect from 1.9.2017. including pension contributions and will be reflected in updated Pay Policy.**

### **Pay Committee**

**It is recommended to the Board that a Pay Committee shall be delegated to sit within the F&A Committee. A Pay Appeals Committee to be formed of other Directors with no previous knowledge of appeals. Terms of Reference will be applied.**

### **New National Funding Formula 2018 and 2019**

Details of the new NFF have recently been published although the technical/operational notes are still pending. The COO has undertaken a preliminary analysis overlaying NFF against 17/18 funding and comparison with original NFF consultation demonstrates that the general level of gains expected are far less than predicted. Further reporting will follow.

### **Revised funding adjustment model for budget forecasts**

The funding adjustment model approved at Mar 17 meeting should be re-visited due to the withdrawal of the -1.5% annual funding reduction.

**After discussion the F&A Committee recommended:**

- i. **a revised budget forecast funding adjustment model to reflect inflation (non staff costs) and the Apprenticeship Levy equivalent to 0.65% of funding per annum.**
- ii. **F&A Committee recommend that the new National Funding Formula model be applied to forecasts beyond 2019 pending updated Department guidance.**

### **Pre-schools (September 2017)**

All three pre-schools opened in September.

MIS had a target of 9 children and now have 11 on roll.

MBG and JCO are both to capacity.

#### 69/17 **HSE INCIDENT/LOG REPORT**

Since the July 2017 committee meeting no reportable incidents have been recorded across the Vine Trust.

#### 70/17 **UPDATE ON ACADEMY CONVERSIONS**

**BUL:** Bulphan CE Primary School converted to an academy on 1.8.17  
Thurrock fee dispute resolved and land ownership resolved.

**RID:** Ridgewell CofE Primary School converted to an academy on 01 Aug 2017

**BEL:** Belchamp St Pauls CofE Primary School converted to an academy on 01 Aug 2017

**TWO:** Two Village CofE Primary School (conversion scheduled for 01 Feb 2018)

- ❖ **Action Point 4: For clarity it was recommended that key metric data for pupils and staff should be reported at each meeting ie pupil numbers (3800) staff numbers (720) ratio on dashboard.**

71/17 **UPDATE ON GRANT APPLICATIONS** (Premises related) and **GRANT REQUESTS FROM ACADEMIES**

**STO:** £8,038.88 for a music teacher (Single Year Contract Fixed Term outsourced to an external provider). Success will be measured in progress and attainment and enhancing the wider curriculum for lower attainers.

**Agreed and recommended to the Board.**

72/17 **ANY OTHER BUSINESS**

- i. Selection of Preferred Consultants for Building Works

BL had supplied a list of consultants with a request for a preference of three companies as preferred suppliers for building works. After discussion it was agreed that, as the list is based on Chelmsford Diocese recommendations, the Trust should make their own procurement.

**It was decided that there should be no recommendation to agree the preferences supplied.**

- ❖ **Action Point 5:**

**It was also agreed that a procurement policy should be explored by the chair, Gavin Flynn.**

73/17 **MATTERS FOR FUTURE DISCUSSION**

74/17 **SUMMARY OF RECOMMENDATIONS TO MAIN TRUST BOARD**

The following matters were recommended to the Board:

1. Link CEO/COO with another Academy Trust.
2. Working Party to explore outsourcing of some financial/HR services.
3. To re-visit the Vine Vision to explore exactly what success *looks like* and to reflect the potential increase in pupil numbers.
4. As a result of practical money management concerns Tuck shops will be outsourced to PTAs on a conditional basis.
5. Non-compliant Health & Safety reporting has demonstrated that some additional central configuration is required and this will be scoped/undertaken by the COO/TSM during the Autumn Term; however, continued reluctance at all levels to adopt the system must be overcome and will be discussed directly by the Board to ensure that EVERY is updated as required.
6. The Management Information Systems evaluation update informed Directors that after evaluation of alternative products Trust wide adoption of the Pupil Asset MIS with effect from 01 Apr 2018 was recommended to the Board.
7. The DfE have determined a 2% inflationary increase to Teachers Main Scale and 1% inflationary increase for all other teaching pay scales including leadership, TLRs and other allowances and, accordingly, are recommended to the Board.
8. A Pay Committee to be delegated to sit within the F&A Committee. A Pay Appeals Committee to be formed of other Directors with no previous knowledge of appeals.
9. STO: approval of a music teacher for a one year contract (£8k).
10. F-100V Financial Regulations Policy (Sep 2017) v1.9 final (approved by PP 11.9.17).

**FUTURE MEETING DATES:**

**2017/18**

<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.

This was Phil Preston's last F&A Committee Meeting and the CEO thanked Phil Preston for his leadership, care and support for the Vine Trust.

<b>SUMMARY OF DECISIONS</b>	
67/17	Tuck shops to be outsourced to PTAs.
68/17	Educare evidence of progress – 3 month deadline.
68/17	Approval of Financial Regulations F-100V 2017 v1.9
68/17	Approval of Pupil Asset MIS effective 1.4.18.
68/17	Approval of Teachers Pay and Conditions inflationary increases effective 1.9.17.
68/17	Approval of a Pay Committee and Pay Appeals Committee delegated within the F&A Committee.
68/17	Approval of a revised budget forecast funding adjustment model to reflect inflation (non staff costs) and the Apprenticeship Levy equivalent to 0.65% of funding per annum.
68/17	Approval to the new National Funding Formula model be applied to forecasts beyond 2019 pending updated Department guidance.
71/17	STO: Approval of appointment of a music teacher (£8,038.88, Single Year Contract Fixed Term).
72/17	i. There was no recommendation given to agree the preferred consultants list for building works. ii. Recommendation that a procurement policy should be explored.

<b>ACTION POINT</b>	<b>SUMMARY OF ACTIONS RAISED AT THIS MEETING</b>	<b>OWNER</b>	<b>DUE</b>
<b>1.</b>	Link COO/CEO with other Trust peer support.	TR	Autumn 2
<b>2.</b>	Working Party formed of Committe Chairs, CEO, COO to re-visit the Vine vision.	CEO	Autumn 2
<b>3.</b>	Lead Change Management Programme.	COO	Autumn 2
<b>4.</b>	Key metric data to be reported at each meeting.	CEO	Autumn 2
<b>5.</b>	Buildings works suppliers Procurement Policy.	GF	Autumn 2