



Finance, Audit and Risk Committee of the City of London Academies Trust

Date: FRIDAY, 4 OCTOBER 2019

Time: 9.00 am

Venue: COMMITTEE ROOMS, 2ND FLOOR WEST WING, GUILDHALL

Members: Peter Bennett (Chairman)
Edward Benzecry
Dawn Elliott
Deputy Clare James
Andrew McMurtrie
Mark Emmerson (Finance Matters Only)

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AGENDA

1. **ELECTION OF CHAIRMAN**
The Clerk to be heard.

For Decision
2. **APOLOGIES**
3. **DECLARATIONS**
4. **MINUTES**
To agree the public minutes of the meeting held on 4 July 2019.

For Decision
(Pages 1 - 4)
5. **ALLOCATION OF TRUST CAPITAL FUNDING ACROSS THE ACADEMIES**
Report of the Chief Financial Officer.

For Information
(Pages 5 - 14)
6. **QUESTIONS**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**
MOTION – That the public be excluded for the remaining items of business as they are likely to involve discussion on matters deemed commercially sensitive to the City of London Academies Trust.

For Decision
9. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 4 July 2019

For Decision
(Pages 15 - 20)
10. **OUTSTANDING ACTIONS**
Report of the Clerk.

For Information
(Pages 21 - 22)
11. **CHIEF FINANCIAL OFFICER'S UPDATE**
Report of the Chief Financial Officer.

For Decision
(Pages 23 - 78)

12. **TRUST STRATEGIC RISK REGISTER**
Report of the Chief Financial Officer.

For Information
(Pages 79 - 90)
13. **HEALTH AND SAFETY MONITORING IN TRUST SCHOOLS**
Report of the Chief Financial Officer.

For Information
(Pages 91 - 98)
14. **HUMAN RESOURCES AND STAFFING UPDATE**
Report of the Human Resources Director.

For Information
(Pages 99 - 102)
15. **ESTATES AND FACILITIES UPDATE PAPER**
Report of the Director of Estates and Facilities Management.

For Information
16. **SELF REVIEW OF EFFECTIVENESS IN MEETING THE REQUIREMENTS OF THE ACADEMIES FINANCIAL HANDBOOK 2019**
Report of the Chief Financial Officer.

For Information
(Pages 103 - 112)
17. **DATA PROTECTION UPDATE**
Report of the Data Protection Officer.

For Information
(Pages 113 - 124)
18. **NON-PUBLIC QUESTIONS**
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND THE COMMITTEE AGREES CAN BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**

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FINANCE, AUDIT AND RISK COMMITTEE OF THE CITY OF LONDON
ACADEMIES TRUST

Thursday, 4 July 2019

Minutes of the meeting of the Finance, Audit and Risk Committee of the City of London Academies Trust held at the Guildhall EC2 at 9.00 am

Present

Members:

Peter Bennett (Chairman)	Lucas Green (via conference call)
Andrew McMurtrie	Mark Emmerson (Chief Executive Officer – for Finance matters only)
Dawn Elliott	

Officers:

Claire Hersey	- Chief Financial Officer, City of London Academies Trust
Katyryna Zamulinskyj	- Human Resources Director, City of London Academies Trust
Edward Finch	- Partner, Buzzacott (Item 9)
Gumayel Miah	- Associate Director, Buzzacott (Item 9)
Kerry Nicholls	- Clerk

As Andrew McMurtrie had stood down as Chairman of the Finance, Audit and Risk Committee prior to the meeting, Trustees unanimously agreed that Peter Bennett be elected Chairman for the meeting. A permanent Chairman of the Finance, Audit and Risk Committee would be appointed by the Board of Trustees at its meeting on 5 September 2019.

1. APOLOGIES

Apologies for absence were received from Deputy Clare James.

2. DECLARATIONS

Dawn Elliott declared that she was a Director and the Chair of Governors for the City Academy, Hackney.

3. MINUTES

RESOLVED, that the minutes of the meeting held on 28 February 2019 be approved as a correct record.

4. QUESTIONS

There were no questions.

5. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

5a. Trust Finance Policies

Trustees considered a report of the Chief Financial Officer presenting updated finance policies and the following points were made:

- A number of minor changes had been made to City of London Academies Trust finance policies. This included a new requirement in the Finance Policy for academies to provide a brief benchmarking report to the annual Financial Scrutiny/Review meeting and more scope within the Procurement and Tendering Policy for academies to utilise goods and services frameworks. It was now specified within the Gifts and Hospitality Policy that school funds must not be used to purchase alcohol; however, this did not preclude the purchase of alcohol through other funds, such as by Parent Teacher Associations.
- A Trustee requested further amendments be made to the Procurement and Tendering Policy to outline Tender Opening Procedures for electronic tenders. The Chairman noted that this procedure should specify that all electronic tenders be opened at the same time. The Director of Information and Communications Technology would be requested to identify a possible technological solution, such as the use of secure e-mail addresses or a portal.

RESOLVED, that Trustees recommend the following updated policies to the Trust Board for formal approval at its next meeting on 11 July 2019:

- Finance Policy;
- Procurement and Tendering Policy;
- Gifts and Hospitality Policy;
- Charging and Remissions Policy;
- Reserves Policy; and,
- Investment Policy.

6. EXCLUSION OF THE PUBLIC

RESOLVED, that the public be excluded and that Trustees move into private session.

7. NON-PUBLIC MINUTES

RESOLVED, that the minutes of the meeting held on 28 February 2019 be approved as a correct record.

8. OUTSTANDING ACTIONS

Trustees considered a report of the Clerk regarding outstanding actions arising from previous meetings.

9. CHIEF FINANCIAL OFFICER'S UPDATE

Trustees considered an update report of the Chief Financial Officer.

10. 2019-20 BUDGET PLANNING

This item was withdrawn.

11. **HEALTH AND SAFETY**
Trustees considered a report of the Chief Financial Officer regarding health and safety in City of London Academies Trust schools.
12. **RISK REGISTER**
Trustees considered a report of the Chief Financial Officer regarding the strategic risk register for the Trust.
13. **TRUST FINANCE POLICIES**
This item was moved into the public session and considered as Item 5A: Trust Finance Policies.
14. **HUMAN RESOURCES AND STAFFING UPDATE**
Trustees considered an update report of the Human Resources Director regarding Human Resources and Staffing.
15. **CLUSTER SUPPORT STRUCTURES IMPLEMENTATION**
Trustees heard the Chief Executive Officer provide an update on Cluster Support Structures Implementation.
16. **NON-PUBLIC QUESTIONS**
There were no questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND THE COMMITTEE AGREES CAN BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**
There was one item of other business.
18. **CONFIDENTIAL MINUTES**
RESOLVED, that the confidential minutes of the meeting held on 6 December 2018 be approved as a correct record.

The meeting closed at 10.25 am

Chairman

Contact Officer: Kerry.Nicholls@cityoflondon.gov.uk

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Agenda Item 5

Committee:	Date:
City of London Academies Trust Finance Audit and Risk Committee	4 October 2019
Subject: Allocation of Trust Capital Funding Across the Academies	Public
Report of: Chief Financial Officer	For information
Report Author: Claire Hersey, CFO	

Summary

Each year MATs with at least five academies and more than 3,000 students/pupils, receive a School Condition Allocation (SCA) from the Education and Skills Funding Agency. 2019-20 is the first year that COLAT is eligible for the SCA. The ESFA provides strict guidance on what the SCA can be used for in schools but it is up to the Trust to determine how the funding is allocated between the eight academies. The central Trust team have developed an application form for the eight academies to use to apply for a share of the 2019-20 SCA. These applications will then be reviewed and prioritised by the central MAT team with consideration given to criteria such as health and safety issues, energy efficiency, current age and condition of the site, teaching and learning requirements and alternative funding available. Once the assessment is complete, the proposed distribution of the 2019-20 SCA will be presented to the FARC for review and approval.

Recommendation

The Committee members are asked to review and note the 2019-20 application form and supporting guidance for schools.

Main Report

Background

Each year, the Department for Education allocates funding to help maintain and improve the condition of school buildings and grounds. This funding is made up of:

- school condition allocations (SCA), given to eligible bodies responsible for maintaining school buildings
- devolved formula capital (DFC), allocated to schools and other eligible institutions

For the year ended 31 March 2020 the Trust has received £573,886 of capital funding from the ESFA's School Condition Allocation. This cash is currently held in the central MAT bank account. The Trust has also received a total of £107,724 DFC which has been received by each of the academies directly. 2019-20 is the first year that COLAT is eligible for the SCA.

The ESFA provides strict guidance on what the SCA can be used for in schools (investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues) but it is up to the Trust to determine how the funding is allocated between the eight academies. The central Trust team have developed an application form for the eight academies to use to apply for a share of the 2019-20 SCA. These applications will then be reviewed and prioritised by the central MAT team with consideration given to criteria such as health and safety issues, energy efficiency, current age and condition of the site (and how well this has been maintained to date), teaching and learning requirements and alternative funding available (e.g. reserves held locally by schools).

The 2019-20 application form and supporting guidance for the academies is attached as an appendix to this paper. The assessment criteria detailed in the attached document are very similar to the criteria used by the ESFA/DfE in assessing CIF bids from single academy trusts and smaller MATs.

Once the applications have been submitted and the assessment is complete, the proposed distribution of the 2019-20 SCA will be presented to the FARC for review and approval.

Recommendation

The Committee members are asked to review and note the 2019-20 application form and supporting guidance for schools.

Appendix

1. SCA Application Form and supporting guidance for COLAT academies

City of London Academies Trust

School Condition Allocation 2019-20

Introduction

Each year MATs with at least five academies and more than 3,000 students/pupils, receive a School Condition Allocation (SCA) from the Education and Skills Funding Agency.

SCA funding is for the purpose of maintaining and improving the estate so that children can learn in a safe environment. Investment must prioritise keeping academy buildings and grounds safe and in good working order by tackling poor building condition, building compliance, health and safety issues and energy efficiency. The funding aims to address issues with significant consequences that revenue or DFC funding cannot meet.

MATs must have a sensible basis for using the grant provided, which offers value for money and supports the purposes of the grant. In accordance with good practice, this must include developing a capital asset management plan.

The COLAT SCA is not intended to fund information and communication technology software, loose furniture and equipment. ICT hardware and infrastructure (cabling, wireless and switching) will not be eligible unless clearly an integral part of a bigger project.

Each academy will have the opportunity to bid for a share of the COLAT SCA each year. The total 2019-20 allocation for COLAT is £573,886. The 2019-2020 allocation must be spent in full by the end of March 2021 otherwise the funding may be clawed back.

This document outlines the application and allocation process for 2019-20 and provides additional guidance to academies to help in preparing their application.

Academies are required to submit a separate application form (see Appendix 1) for each individual capital project they would like capital funding for.

Timeline for application process

Application process communicated to academies	October half-term 2019
Consultation and discussion with academies, and opportunity for academy senior leaders to discuss and agree capital priorities with their local governing bodies	Remainder of Autumn term
Application deadline	24 January 2019
Review and consideration of application forms and supporting evidence by Assessment Panel.	
Assessment complete and allocations determined.	14 February 2020
FARC approval	27 February 2020
Notification	28 February 2020
Procurement, planning and works undertaken	Spring/Summer 2020
Works to be completed by	31 October 2020

Assessment and scoring of applications

Assessment panel

The panel to assess the applications and decide on the final allocations will comprise:

- The Trust CEO (to consider teaching and learning and curriculum needs)
- The Trust CFO (to consider financial implications)
- The Trust Director of Estates and Facilities Management (to consider health and safety and building compliance needs)

The assessment panel will consider the age, nature, composition and condition of each academy building when comparing the applications. They will also consider the available reserves at each academy and historic patterns of spend on planned and preventative building maintenance to keep the buildings in safe and good working order to date.

Also, schools should be mindful that Trust-wide demands might mean that capital funding has to be reallocated at short notice; one academy might identify a sudden and urgent Priority 1 need which means capital funding has to be diverted from a planned spend at another academy.

Allocations of funding in future years will be informed by the Trust asset management plan. This is under development and will consolidate the asset management plans for each of the eight academies (see Additional Guidance section).

All 2019-20 applications will be scored as follows:

- Project need – 65%
- Project planning – 10%
- Project cost (value for money)– 25%

Project Need – 65%

All projects should be categorised under one of the five following priorities:

	Category	Priority Level
1	Urgent works to address immediate risks of breaching legislation and Health & Safety (and avoid immediate closure of premises), including: <ul style="list-style-type: none">• emergency & managed asbestos removal to facilitate essential works• gas safety• electrical safety• lift safety Continuous heating <ul style="list-style-type: none">• water services - (hot and cold) and drainage,• ventilation/air quality and thermal comfort• fire safety• security and safeguarding of students, staff and/or members of the public	Highest
2	Life Expired Condition Replacement – where there is a risk of school closure, including: <ul style="list-style-type: none">• building structure (e.g. not weather-tight)• mechanical systems• electrical systems• utility capacity and connections	High
3	Life Expired Condition Replacement, including:	Medium

	<ul style="list-style-type: none"> • building fabric – internal or external • building structure • mechanical systems • electrical systems 	
4	<p>Areas below current standards or need works to address overcrowding, including:</p> <ul style="list-style-type: none"> • Whole block • Basic Teaching • Large spaces, studios, dining and social • Kitchen • Plant • Learning resources areas • Staff and admin • Storage • Changing • Toilets • Circulation 	Low
5	<p>Other works: Evidence must provide a clear condition and value for money case. This might include:</p> <ul style="list-style-type: none"> • accessibility improvements (teaching and non-teaching) • building fabric (non-teaching, e.g. external sports equipment stores etc.) • mechanical and electrical systems (non-teaching) • insulation/draught proofing (non-teaching) • lighting (non-teaching) 	Lowest

Supporting documentation should be provided to demonstrate the extent of project need.

Evidence could include:

- an independent condition survey/consultant report or detailed survey and specialist reports
- A CDC report
- Health and safety audit findings
- Fire risk assessment
- Clear, sufficiently detailed and relevant photographs
- Letters about compliance from appropriately qualified professionals relevant to the specific issue e.g. from fire officers or electrical engineers
- Ofsted or other reports on the impact of facilities on teaching and learning
- Demand data
- Independent evidence of overcrowding

Project Planning – 10%

Project planning is marked out of 10 for all projects and contributes 10% of the total score. Assessors must be able to see that the proposed solution appropriately addresses the nature, extent and urgency of the need evidenced, and that the academy has the ability to deliver the solution. The

academy must be able to show that projects are planned appropriately and realistically, taking account of potential risks.

Project Costs – 25%

Evidence of project costs should include (subject to the size and scale of the project):

- cost plan (breakdown of costs). Cost plans should be realistic about the level of professional fees, allowances and contingency. This should be appropriate to the scale and type of the project, and the level of work already undertaken to establish price certainty.
- hard copies of quotes/estimates/a summary of any tender exercise (to date) attached as part of evidence
- details of actual or proposed procurement route (in line with Trust Procurement policy)
- details or evidence of any savings being made
- letters of funding commitment from other sources (if applicable)

When assessing cost, the academy must consider the total cost of ownership (i.e. consider the costs of ongoing maintenance and upkeep) and any potential cost savings (e.g. reduced energy costs).

Appendix 1 - Application form

Academy:

Project Title:

Overview of project

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Project Need

Project category	<i>1 to 5(reference table)</i>
Urgency of need	<i>Assess the consequence of any delay or failure to undertake the proposed work</i>
Evidence for extent of need	<i>Outline supporting evidence included with the application form to support the submission</i>
Impact	<i>Outline the nature and extent of impact on the overall school or closure of key facilities</i>

Project Delivery Plan

Overview of different options/solutions considered to address the Project Need and why this solution chosen

Outline project delivery plan with timescale – this should be realistic with consideration of risks to delivering on time. Delivery plan should reflect any limitations of procurement timelines (e.g. OJEU) in line with requirements of Trust Procurement Policy.

Anticipated project cost

Overall costs	
Evidence to support costs	<i>Include any quotes or tenders obtained</i>
Other funding sources (if applicable)	<i>E.g. contribution from reserves</i>
Savings	<i>Evidence of achievable and quantified revenue or future capital savings.</i>

Application prepared by:

Date:

Approved by Principal/Headteacher:

Additional guidance on supporting evidence

CDC

Some schools will have a Condition Data Collection (CDC) report from the ESFA. The CDC report is not a condition survey and so the data presented is high-level.

Condition Surveys

An up to date independent condition survey will assist schools in identifying and prioritising the worst condition areas of their site. Where appropriate, an independent suitably qualified person should carry out surveys containing specific condition grading and prioritisation ratings; condition grade A to D (from 'good' through to 'bad' condition) and priority rating 1 to 4 (from 'immediate action required' through to 'work required in 5+ years'). The evidence must include the qualification of the surveyor.

A condition survey provides an assessment of the physical condition of the building. The survey should identify the building's deficiencies and maintenance issues and provide a clear understanding of the current condition of the building both internally and externally.

Every school should be working towards obtaining and maintaining a robust condition survey which will then inform the development of a 5-year plan for revenue and capital spend on their school buildings (asset management plan). This will be a dynamic document as the needs and priorities of the school change. The asset management plan should include:

- An assessment of the current condition of the academy buildings.
- A maintenance and development strategy
- A list of priority projects and the expected timeline (short, medium and long-term) for the works

Reference material

- Good Estate Management Guide
- Output Specification 2017

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