

# South Bank Academies

University Academy of Engineering  
South Bank Engineering UTC

## Meeting of South Bank Academies Board of Directors

4.00 - 5.00 pm, Wednesday, 14 September 2016,  
University Academy of Engineering - Trafalgar Street, London SE17 2TP

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		
2.	Appointment of Chair and Vice-Chair	3 - 4	
3.	Declarations of interest	5 - 6	
	<ul style="list-style-type: none"><li>• <i>Directors are required to declare any interest in any item of business.</i></li><li>• Declarations of Interest (approve)</li></ul>		
4.	Minutes of last meeting	7 - 14	
	<ul style="list-style-type: none"><li>• 12 July 2016</li></ul>		
5.	Matters arising		
	<b>Items to discuss</b>		
6.	Chief Executive's report	15 - 18	
7.	Risk Register for South Bank Academies	19 - 24	
8.	Draft performance indicators for the UTC and Academy	25 - 28	
9.	Full year management accounts	29 - 32	
10.	External audit plan 2015-16	33 - 40	
11.	Policy on financial controls	41 - 60	
	<b>Items to note</b>		
12.	Committee structure and membership	61 - 64	
13.	Any other business		

**Date of next meeting**  
**3.00 pm on Thursday, 8 December 2016**

Members: Rao Bhamidimarri, Douglas Denham St Pinnock, Richard Flatman, Steve McGuire and James Stevenson

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
Apologies:	Dave Phoenix (Chair), Tony Giddings, Richard Parrish, Michael Broadway (Company Secretary)		
In attendance:	Joe Kelly, LSBU Governance Officer (interim)		

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	CONFIDENTIAL
	PAPER NO: SBA.28 (16)
Paper title:	Appointment of Chair and Vice-Chair
Board/Committee:	South Bank Academies
Date of meeting:	14 September 2016
Author:	Michael Broadway (Secretary)
Purpose:	Approve
Recommendation:	The meeting is requested to approve the re-appointment of David Phoenix as Chair, and the appointment of Richard Flatman as Vice-Chair.

### Executive Summary

#### Articles of Association

Under article 82, “The Trustees shall each school year elect a Chairman and a Vice-Chairman from among their number. A Trustee who is employed by the Academy Trust shall not be eligible for election.”

The duties of the Nomination Committee shall be to:

6.1.7 consider nominations for the post of Chair of the Board of Governors and to make recommendations to the Board.

The Board of South Bank Academies (SBA) has been formally in operation for the last eight months of the school year, 2015-16. From 1 July 2016, the UTC has transferred to SBA and opens to students during w/c 5 September 2016.

At this early stage of development of the Multi-Academy Trust, the proposal is that:

- (i) Professor David Phoenix continues as Chair of the Board for the next school year, 2016-17;
- (ii) Richard Flatman becomes Vice-Chair.

It is proposed that the Nomination Committee’s recommendations be determined within the full Board. Accordingly, the Board is requested to approve that:

- (i) David Phoenix continues as Chair;
- (ii) Richard Flatman becomes Vice-Chair;

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In addition, the Board is requested to approve an amendment to article 82 stating that the Chair and Vice-Chair are appointed every two years. This will be undertaken as part of the revision to the Articles requested at the last meeting.

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	CONFIDENTIAL
	PAPER NO: SBA.29 (16)
Paper title:	Directors' declarations of interest
Board/Committee	South Bank Academies
Date of meeting:	14 September 2016
Author:	Joe Kelly, Governance Officer (interim)
Purpose:	Approve
Recommendation:	To authorise declared interests.

### Declarations of Interest – Board of Directors

Under the Companies Act 2006, the Board is required to authorise potential situational conflicts for directors. The following declarations of interest have been made to the Company Secretary.

Douglas Denham St Pinnock:

- a. Governor, London South Bank University
- b. Owner/director Owengate Capital Ltd (paid)
- c. Owner/director Owengate Ltd (dormant company)
- d. Member, Council for the Defence of British Universities
- e. Owner/director, Owengate Green Technology Ltd
- f. Owner/director/chair Nanotech Ltd
- g. Owner/director, AqSorp Ltd
- h. Member, West Hoathly Parish Council

Adam Crossley:

- a. Employee, Skanska UK
- b. Chair of Trustees, Sophie Hayes Foundation

Tony Giddings:

- a. Non-executive Director, T Clarke (paid)
- b. Advisor, Craigewan (paid)
- c. Trustee, Crash

The meeting is requested to authorise these declarations.

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## South Bank Academies

Minutes of a Meeting of the Board of Directors of  
South Bank Academies  
held at 2.30pm on Tuesday, 12 July 2016  
in 1B16, Technopark, London, SE1

### Directors Present

Dave Phoenix	Chair and LSBU Vice Chancellor
Rao Bhamidimarri	CEO, South Bank Academies / LSBU Vice President (Development)
Richard Flatman	LSBU Chief Financial Officer
Tony Giddings	Independent director
James Stevenson	LSBU University Secretary and Clerk to the Board of Governors

### Apologies

Douglas Denham St Pinnock	Independent director and LSBU Governor
Steve McGuire	Independent director
Richard Parrish	Independent director
Adam Crossley	Independent director

### In attendance

Michael Broadway	Company Secretary
Joe Kelly	Interim Clerk

### Welcome and apologies

1. The Chair welcomed Tony Giddings to his first meeting as director and all directors to the meeting. The above apologies were noted. The Chair welcomed Joe Kelly to the meeting as interim Clerk.

### Declarations of interest

2. No member declared an interest in any item on the agenda.
3. The declarations of interest were noted. The Board authorised the declared interests of the directors (paper SBA.16 (16)). Additional declarations were authorised:  
Dave Phoenix: LSBU Vice-Chancellor and Chief Executive  
Richard Flatman: Non-executive director and Chair of Audit Committee at South West London and St Georges Mental health NHS Trust.

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## Minutes of last meeting

4. The Board approved the minutes of the meeting of 22 March 2016.

## Matters arising

5. The Board noted that the transfer of undertakings from South Bank Engineering UTC to South Bank Academies has been completed.
6. The Board agreed to review its composition and to recruit additional directors in December 2016.
7. The Board noted that Joe Kelly had been appointed as interim Clerk.

## Items to discuss

### CEO's report

8. The Board noted the CEO's report on progress at the University Engineering Academy (the Academy) and preparations for opening both the Sixth Form at the Academy, and South Bank Engineering UTC (the UTC) in September 2016.

### *University Academy of Engineering South Bank*

9. It was reported that the school is over-subscribed for Year 7 in September with 180 first and second choice applications for 150 places. The opening of a Sixth Form in September 2016 is dependent on sufficient enrolment. Recruitment continues and a final decision will be made by the Chair of the Board and the CEO, in consultation with the Principal, in line with the Scheme of Delegation.
10. The Board noted that the Principal had tendered her resignation to take effect at the end of the academic year, 2016-17. The Board noted the appointment of a Vice-Principal to take up post in September 2016. (The Principal is on sick leave from 27 June.)
11. The CEO reported that preparations are underway for an anticipated OfSTED inspection in the autumn term 2016.
12. The CEO reported that a new behaviour policy had been implemented.
13. The CEO reported that retaining teaching staff had been challenging. All exit interviews with leavers are being conducted by the CEO.



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## *South Bank Engineering UTC*

14. The Board noted that acceptances for September are very positive with 146 firm acceptances against the target of 120 as set out in the Funding Agreement. As there is potential for withdrawals, recruitment activity is ongoing.
15. The Board noted that preparations for the UTC's temporary accommodation are progressing as planned for opening in September 2016, and that permanent buildings are on schedule to open in 2017 and 2018.
16. The CEO reported that students at the UTC would benefit from learning facilities at the Academy and at LSBU, highlighting the educational benefits of the Trust's group approach.
17. The CEO reported that OfSTED's pre-registration regulatory check had been very positive, with no conditions, and that the few recommended issues were being addressed.
18. The Board discussed the key risks for the Academy and the UTC and requested that a risk register is developed for the company. The Board would review the risk register at each meeting.
19. The Board agreed to establish a set of performance indicators to enable appropriate monitoring of the schools and the Trust.
20. The Board requested to review management accounts for each school at its meetings.

## **Strategy**

21. The Board discussed the proposed strategy for 2016-2020 (paper SBA.19 (16)) as an initial framework and agreed it should be further developed to reflect the group vision detailing a range of objectives and pathways to high quality teaching, learning, pupil experience and welfare, and staff development through, inter alia, active partnerships and engagement with the LSBU and sponsors.

Key outcomes of the strategy:

- student success
- student welfare and development
- collaborative development
- state of the art infrastructure
- effective resource management.

The Chair suggested that a meeting of the Principals, Vice-Principals be arranged to discuss the strategy in order to link the

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strategy to school delivery plans.

22. Following approval of a final strategy document each school will develop a delivery plan.

## **Budget 2016-17**

23. The Board approved the budget for 2016-17 (paper SBA.20 (16)).

## **Brixton site update**

24. The CEO reported that preparations for the temporary accommodation for September 2016 are progressing as planned and that permanent building works are on schedule for opening in September 2017 and September 2018.

## **Statement of governance**

25. The Board approved the statement of governance (paper SBA.21 (16)).
26. The Board agreed to establish an Audit Committee and a Remuneration Committee and approved the terms of reference. The Board approved the proposed terms of reference for the Nominations Committee. The membership of committees will be approved by the Chair of the Board.
27. The Board requested a diagram illustrating the committee structure across the Trust.
28. The CEO was requested to propose options for internal audit within the company taking into account its group activity.
29. The Board approved the appointment of the CEO as Accounting Officer for the Trust.
30. The Board noted a conflict with article 51 and recommended to members of the company to amend article 51 so that the CEO could be Chair of the local governing bodies.
31. The Board noted its responsibilities and the responsibilities of the local governing bodies under the Schedule of Delegation. The Board would be updated on any additional responsibilities set out in the Funding Agreement or Articles.
32. The Board noted the indicative business cycle for local governing bodies. The Clerk will develop the cycle in consultation with the CEO and Principals.

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33. The Board approved the appointment of Natalie Ferer to the local governing body of UTC.

## External audit and audit plan – update

34. The Board approved the re-appointment of Kingston Smith as external Auditors (paper SBA.22 (16)).
35. The Board asked the CEO to circulate the proposed audit plan from Kingston Smith, when available.
36. The Board requested to see draft annual accounts 2016-17 at its next meeting.

## Items to note

### Disclosure and Barring Service checks

37. The Board noted that enhanced DBS checks will be processed for directors of the Trust and members of the local governing bodies. The Secretary will keep a register.

## Policies

38. The Board approved the UTC Business Continuity Plan. The CEO confirmed that all staff are trained and that mock exercises are held regularly.
39. The Board noted the ongoing development of the financial controls and requested a full set of financial controls for approval at its next meeting.

## Appointment of Business Manager

40. The Board approved the appointment of the Business Manager (paper SBA.26 (16)).

## Local Governing Body Minutes

41. The Board noted the Minutes of the meeting of the University Academy of Engineering held on 10 March 2016 (paper SBA.27 (16)).

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## Any other business

42. The Secretary confirmed that future meetings of the Board would be held at both schools to provide directors with opportunities to meet pupils, staff and view facilities.

## Date of next meeting

43. The date of the next meeting is from 4.00 – 5pm on Tuesday 14 September 2016.

The Chair closed the meeting.

## Confirmed as a true record

..... (Chair)

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## ACTIONS

Item number	Detail	Responsible	Update
6 – Matters Arising	Appointment of additional director(s).	Chair / Secretary	Ongoing
9 – CEO's Report	Final decision to be made re opening of Sixth Form at University Academy of Engineering.	Chair and CEO	Agenda
18 – CEO's Report	Establish a risk register for South Bank Academies.	CEO	Agenda
19 – CEO's Report	Establish performance indicators to enable appropriate monitoring of schools and Trust.	Chair and CEO	Agenda
20 – CEO's Report	School management accounts to be brought to each Board meeting.	CEO	Agenda
21 – Strategy	Further development of detailed strategy and school delivery plans.	CEO	To mtg on 8 December
26 – Statement of Governance	Membership of Audit, Remuneration and Nominations committees to be approved.	Chair	Agenda
27 - Statement of Governance	Diagram confirming committee structure across the Trust for next meeting.	Secretary	Agenda
28 – Statement of Governance	Develop options for internal audit.	CEO	Agenda
30 - Statement of Governance	Amend article 51 of South Bank Academies Articles of Association.	Secretary	Ongoing
32 - Statement of Governance	Finalise business cycle for local governing bodies.	Clerk	Completed
33 - Statement of Governance	Appoint Natalie Ferer to UTC local governing body.	Secretary	Completed
34 – External Audit & audit plan	Re-appoint Kingston Smith as external auditors.	CEO	Completed
35 – External Audit & audit plan	Circulate audit plan when available.	CEO	Ongoing
36 – External Audit & audit plan	Draft accounts to next Board meeting.	CEO	Agenda
37 – DBS checks	Process enhanced DBS checks.	Secretary	Ongoing
37 – DBS checks	Establish a register of DBS checks.	Secretary	Completed
39 – Policies	Full set of financial controls to next meeting.	CEO	Agenda

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## South Bank Academies

	CONFIDENTIAL
	PAPER NO: SBA.30 (16)
Paper title:	Chief Executive's Report
Board/Committee:	South Bank Academies
Date of meeting:	14 September 2016
Author:	Rao Bhamidimarri
Purpose:	To note
Recommendation:	The meeting is requested to note the CEO's Report.

### **Chief Executive's Report to the Trust Board September 2016**

#### **Development of South Bank Academies Trust**

The governance structure for the Trust and the schools is now place. An outline strategy for the Trust was drafted and this will be further developed for the consideration of the Trust Board at its meeting in December.

The Business Manager/Chief Financial Officer joined the Trust on 1<sup>st</sup> September. An experienced administrator was appointed to the post of Executive Assistant and the appointee will take up her role on 26<sup>th</sup> September 2016. We are now developing policies and procedures for the Trust, including financial controls, accounting policy and other compliance procedures such as health and safety, and safeguarding.

We have been working with key Professional Service Areas at LSBU through their Executive Leads to develop opportunities for the students of the Trust to have access to relevant University facilities, such as the Library and the science & engineering laboratories, under the supervision of teachers in association with the University staff. Links with Engineering and Education at LSBU led to workshops for the Academy students and placements for postgraduate education students at the Academy. The Deputy Vice-Chancellor agreed to appoint the teaching staff of the Trust schools as visiting scholars of the University, allowing for increased collaboration between the schools and the University. The Technical Support Department has been helping the schools with specification of specialist technical

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equipment and LSBU staff from Procurement have been supporting procurement for the UTC.

## University Engineering Academy South Bank

The Academy opened with a full cohort of 150 Year 7 students along with 228 students in Year 8 and Year 9. The Academy has also opened a Post 16 offer in September with 21 students. The Post 16 recruitment proved to be exceptionally challenging this year, therefore Post 16 recruitment will be a key focus along with Year 7 recruitment in the first term of the new school year.

The Principal, Jane Rowlands, has been unwell for a prolonged period. Following a period of hospitalisation, Jane decided not to return to work in the new school year and we will be advertising for a new Principal shortly. Mr Jason Philippsz joined the Academy as the Vice-Principal. The Academy also welcomed an additional Assistant Vice-Principal and 9 other new teachers. Thus, the Senior Leadership at the Academy is strong and I anticipate no problems in the operations of the school in the new school year. An Office Manager was appointed to take on many of the duties of the Business Manager, who took on the role of Business Manager/Chief Financial Officer of the Trust. Sir Nick Williams, one of the most respected headteachers in England, has agreed to support the Academy and the Senior Leadership Team for one day per week until a new Principal is appointed. We are also looking to recruit an Interim Principal to ensure that the Academy is ready for the Ofsted inspection which is expected in the first term of the new school year. We will approach the Regional Director with a request for the Ofsted inspection to be rescheduled for later in the year when the new Principal will be in post.

We have established links with Engineering UK's developmental programmes including the Bing Bang Fair. The Academy's students will be actively involved in a range of activities, including designing and building a car to participate in Shell Eco Marathon.

The Academy is also proposing to host the regional finals of the F1 in Schools competition in 2017 with teams from the Academy participating.

## South Bank Engineering UTC

The Temporary Accommodation for the UTC is nearing completion and we expect to open the UTC on 8<sup>th</sup> September for students. The quality of the accommodation is well below what was expected and this is likely to create on-going challenges during the year. We are working closely with the EFA and their Technical Advisors to ensure the accommodation will be fit for purpose.



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Student enrolment is on-going and currently we have 56 enrolments into Year 12. Enrolment of Year 10 students is on 8<sup>th</sup> September. Teaching organisation and teaching resources are in place, and teaching staff started on 1<sup>st</sup> September. ICT and specialist equipment has been procured with support from the Procurement Section at LSBU.

We have been receiving excellent support from the employer sponsors not only with curriculum development, but also helping with organisation of the Temporary Accommodation.

Construction of the permanent building is progressing according to schedule, although a two week delay was reported to EFA. It is expected that this delay will not affect the hand over date of the Phase 1 building. We are currently preparing the specifications for the ITC and engineering equipment, so that these can be procured in time for September 2017.

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# South Bank Academies

	CONFIDENTIAL
	PAPER NO: SBA.31 (16)
Paper title:	Risk Register for South Bank Academies
Board/Committee:	South Bank Academies
Date of meeting:	14 <sup>th</sup> September 2016
Author:	Dan Smith, Business Manager
Purpose:	To approve
Recommendation:	The meeting is requested to approve the Risk Register.

## Executive Summary

The Risk Register 2016-17 highlights the key risks for South Bank Academies under six key categories;

- Compliance
- Finance
- Staffing
- Pupil Levels
- Infrastructure
- Reputation

The register calculates the risk level associated to each risk by combining the probability of the risk and the impact of the risk. Also listed are the actions that have been taken to mitigate each risk. Each risk will have an 'Owner' to take responsibility for the risk and ensure the mitigating actions are undertaken and deployed.

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The Register is an ongoing document and will be reviewed each year: all current risks will be re-assessed and emergent risks will be added. Each school within the Trust will have its own Risk Register that is aligned to the schools' operations.

Risk Calculation	Probability		
	1 low	2 medium	3 high
1 low	1	2	3
2 medium	2	4	6
3 high	3	6	9

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Area	Risk	Impact description	Probability assessment	Impact assessment	Combined risk level	Mitigating actions	Owner	Last reviewed	Date for next review	Status
Compliance	Inappropriate Governance structure and organisation	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow.	2	3	6	Department for Education oversight and approval. Periodic Ofsted inspection. Qualified and experienced Governance support.	CEO	Aug-16	Aug-17	Open
Compliance	Inadequate level of challenge and ineffective local governance affects Trust overall	Failure to achieve mission and objectives of the Trust. Poor decision making and information flow. Risk of one establishment not following Trust procedures.	2	3	6	Representation of the Trust on local governing bodies. Annual review of local governing bodies including external audit.	CEO	Aug-16	Aug-17	Open

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<b>Compliance</b>	Serious breach of health & safety regulation or disability legislation occurs	Risk of litigation and Reputational risk.	2	3	6	Policies and procedures consistent with relevant legislation. Independent audit on Health and Safety and Policies. Regular reports to the board. Adequate insurance cover.	CEO	Aug-16	Aug-17	Open
<b>Finance</b>	Changes to Funding via Government policy	Any changes could cause a loss in income.	2	3	6	Monitoring of Government policy, Long term forecasts, Financial expertise at Operational and Trustee level	Trust Business Manager/CEO	Aug-16	Aug-17	Open
<b>Finance</b>	Poor financial performance by one or more school	A deficit or liabilities in one or more school will affect the Trust resources and could have significant risk for finance and cash flow	2	3	6	Trust financial controls and procedures will be set and communicated to all staff. Monthly Management accounts, Schedule of delegation, Budget monitoring, Internal and External Audit. Regular reports to Trust members. Financial expertise at Operational and Trustee level	Trust Business Manager/CEO	Aug-16	Aug-17	Open
<b>Finance</b>	Financial controls and systems are not adequate or maintained	Risk that expenditure is not authorised correctly or funds are not spent in the best interest of the Trust. Risk that Income is not collected or mis-allocated.	2	2	4	Trust financial controls and procedures will be set and communicated to all staff. Approved financial policy and procedures, Monthly Management accounts, Schedule of delegation, Budget monitoring, Internal and External Audit. Regular reports to Trust members. Financial expertise at Operational and Trustee	Trust Business Manager/CEO	Aug-16	Aug-17	Open

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						level				
Staffing Page 22	Failure to recruit key management posts and Inadequate competency of staff within the Trust or the Schools	Staff not able to carry out their duties, poor management and decision making, poor quality of teaching and learning leading to poor student results.	2	3	6	Thorough recruitment program, comprehensive professional development catering to Trust and personal needs, Strong Appraisal system. Recruitment of specialist staff for key positions.	CEO/Staffing Committees	Aug-16	Aug-17	Open
Staffing	Inadequate number of staff within the Trust or the Schools	Risk of not enough teaching staff in place leading to poor student results. Not enough support staff to ensure statutory records are kept or health and safety compliance is adhered to.	2	2	4	Monthly monitoring of staffing levels from all schools, independent exit interviews for all staff, staffing committees at local level.	CEO/Staffing Committees	Aug-16	Aug-17	Open
Staffing	Overstaffing in the Trust or the Schools	Financial risk of overstaffing, lack of career paths for staff members as staffing structure does not allow.	2	3	6	Monthly monitoring of staffing levels, independent exit interviews, staffing committees at local level. Appraisal system.	CEO/Staffing Committees	Aug-16	Aug-17	Open

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Pupils	Failure to recruit sufficient number of pupils in Trust schools	Reduction in pupil led income which could lead to cash flow or long term financial problems.	2	2	4	Designated Trust position for Marketing and Admissions. Monthly reports on pupil numbers for monitoring. Benchmarking against local rival schools.	CEO	Aug-16	Aug-17	Open
Pupils	Poor pupil results in Trust schools	Poor examination results could cause a reputational and financial risk.	2	2	4	Teaching and Learning constantly monitored and reported. Termly attainment reporting sent to management and pupils.	CEO	Aug-16	Aug-17	Open
Page 23 Infrastructure	Land and Buildings are have leases and all buildings are maintained	Loss of land or building or severe damage to a property due to poor maintenance could cause disruption to service and cause damage to pupils learning and Trust reputation	1	3	3	Leases are kept securely at Trust office and professional advice is sought in obtaining all leases. Each school will have a maintenance programme and this will be assessed and monitored by a Trust staff member. Adequate budgets for building maintenance are provided. Annual site checks by facilities team.	Trust Business Manager/CEO	Aug-16	Aug-17	Open
Infrastructure	New School Project embarked on with insufficient due diligence undertaken and with inaccurate financial or other data received from new school or Local Authority	New school project could come with risks. An existing school could transfer reputational or financial risks and new schools will come with no reputation and admissions could be lower with less income	2	2	4	Professional and independent advice sought before any project undertaken. All decisions will be presented to Trust for approval.	Trust Business Manager/CEO	Aug-16	Aug-17	Open

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Infrastructure	Failure to safeguard school or academy assets	No provision for security systems or inadequate insurance could cause financial risk	2	2	4	All schools will have adequate security systems and budgetary allowance for upkeep and maintenance. Asset registers at each establishment are monitored and audited regularly. Adequate insurance is provided	Trust Business Manager/CEO	Aug-16	Aug-17	Open
Reputation	High profile event in one school affects Trust overall	Risk of reputation nationally and locally depending on scale of the event.	1	3	3	Critical Incident plan for each school will list what should happen and delegation of duties in the event of an emergency situation. Critical Incident plan will state that only CEO can liaise with media to ensure a coherent message.	CEO	Aug-16	Aug-17	Open



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	CONFIDENTIAL
	PAPER NO: SBA.32 (16)
Paper title:	Draft performance indicators for the Trust, UTC and Academy
Board/Committee:	South Bank Academies
Date of meeting:	14 <sup>th</sup> September 2016
Author:	Dan Smith, Business Manager
Purpose:	To approve
Recommendation:	The meeting is requested to approve the KPIs for the Trust and its schools.

### Executive Summary

The purpose of this report is to provide information to the South Bank Academies Board so that they can approve the Key Performance Indicators (KPIs) presented.

There are different KPIs for the Trust and the Trust's schools (the term schools is a coverall for all education establishments managed by the Trust).

The Trust's KPIs are mainly linked to categories within the Trust Risk Register and the schools are linked to the performance criteria set by OfSTED.

The reports show the strategic goal/OfSTED criterion followed by the Key Performance Indicator and the targeted outcome. This will then be measured against the actual outcome. Past performance figures, if available, are shown for comparison and the lead responsible for each KPI is shown.

All KPIs should be measurable and reported on annually at the end of the school year.

The meeting is requested to approve the KPIs for the Trust and its schools.

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TRUST KEY PERFORMANCE INDICATORS					
Trust Strategy Goal	Key Performance Indicator	Target	Actual		Executive Lead
Compliance	Number of Trust Meetings per Academic Year	4	-		CEO
	Number of Local Governing Body Meetings per Academic Year	5	-		CEO
	Annual Audit authorised and returned to DFE on time	31st December			CFO
	Returns to Companies House	100%	-		CEO
Finance	Surplus in Trust Annual Accounts. % of Income.	1%	-		CFO
	All Trust Schools must show a surplus at year end. % of Income.	1%	-		CFO
	Trust Costs do not exceed % of Trust's Schools Income.	5%	-		CFO
Student Numbers	All schools must achieve their pupil number submissions to the DfE. % of submission.	95%	-		CEO
Infrastructure	Compliance documentation and servicing up to date.	100%	-		CEO
Reputation	All Schools Ofsted Reports. % of schools Good or better.	100%	-		CEO
Collaboration	Links with the London South Bank University and employer partners. All Post 16 students have mentoring/work experience placement.	100%	-		CEO
	Minimum number of masterclasses or workshops from sponsors	10	-		CEO

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SCHOOL KEY PERFORMANCE INDICATORS					
Ofsted Criteria	Key Performance Indicator	Target	Actual		School Lead
Overall Effectiveness	Ofsted Inspection outcomes	Good or Better	-		Principal
	Key Stage 4 attainment levels - 5no A* to C with English and Maths	50%	-		Principal
	Key Stage 5 attainment levels - A* to E	80%	-		Principal
	Key Stage 5 attainment levels - ABB	30%	-		Principal
Quality of Teaching	Teaching quality shown during internal observations	100% Good or Better 50% Outstanding	-		Principal
	Student Progress Targets	Students to achieve 3 full levels of progress or equivalent by end of KS4	-		Principal
Personal Development Behaviour and Welfare	No of Student exclusions - Permanent and Temporary	Permanent 0% Temporary 1%	-		Principal
	Whole school attendance record - Minimum % of attendance required	97%	-		Principal
	Termly external Health & Safety Audit - No of High Risks identified	0	-		Principal
	Participation of students in Enrichment program - % of students.	100%	-		Principal
Effectiveness of Leadership and Management	Staff Costs related to GAG income - Maximum % of staff costs to Gag income.	75%	-		Principal
	Parent and Community Engagement - Minimum number of meetings for Parent group per annum.	3	-		Principal
	Enterprise Income - Self generated income as a % of Total Income	1%	-		Principal
	Feedback from annual Parent and Student (KS4 and KS5) questionnaires - % of Satisfactory returns	90%	-		Principal
Outcomes for Pupils	All students to engage in Post 16, Further Education course of study or apprenticeship - Minimum number of engagements	100%	-		Principal

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## South Bank Academies

	CONFIDENTIAL
	PAPER NO: SBA.33 (16)
Paper title:	Full Year Management Accounts 2015-16
Board/Committee:	South Bank Academies
Date of meeting:	14 <sup>th</sup> September 2016
Author:	Dan Smith, Business Manager
Purpose:	For information
Recommendation:	The meeting is requested to note the report.

### Executive Summary

The purpose of this report is to provide information to the South Bank Academies Board and give an indication of the 2015/16 year-end financial position of the University Academy of Engineering South Bank and of the South Bank Academies Trust as a whole. As South Bank Engineering UTC has not opened there is no equivalent report.

South Bank Engineering UTC has operated with Department for Education (DfE) Lead-in monies which are paid on demonstration of expenditure and therefore the surplus/deficit should be nil at the year end.

The Trust and its schools have a year end of the 31<sup>st</sup> August which runs parallel with the academic year. The Board has approved the budget for 2016-17 and this will be monitored and reviewed throughout the year.

As shown, the Academy is forecast to show a surplus which will exceed the budget. The variances have been detailed in the commentary of the report. The Academy will be subject to the DfE reclaiming some monies (clawback) due to a difference in the estimated and actual pupil numbers but this will be provided for within the 2015/16 accounts.

The audit for the financial year is to begin on the 15<sup>th</sup> October and an audit timetable has been agreed to meet the requirements of the Audit Committee meeting on 1 December, and the Board meeting on 8 December.

# South Bank Academies

University Academy of Engineering: the table shows the final balances for the financial and academic year 2015/16. There may be some changes during the audit process but these should not have a significant effect on the overall position.

Forecast Outturn for Academic Year 2015/16 (As at 31st August 2016 - Prior to Audit)						Percentage of Year completed 100%
	Current	Forecast	Budget	Variance	Current/Forecast %	Comment
<b>Income</b>						
GAG Income	1,992,610	1,992,610	1,992,610	-	100%	On Target
Start Up Grants	179,000	179,000	179,000	-	100%	On Target
Other Government Income	179,278	179,278	144,795	34,483	100%	Increase in Pupil Premium Income
Other Income	143,297	143,297	60,500	82,797	100%	Increase in Catering and Top Up Funding
Capital Grant	-	-	-	-		
<b>Income Total</b>	<b>2,494,184</b>	<b>2,494,184</b>	<b>2,376,905</b>	<b>117,280</b>		
<b>Expenditure</b>						
Teaching Salaries	997,335	997,335	962,549	(34,786)	100%	Payscale Difference and Settlement
Other Salaries	471,209	471,209	556,417	85,208	100%	Difference in Learning Assistant costs
Other Staff Costs	108,937	108,937	84,108	(24,829)	100%	Difference in Recruitment costs
Building Maintenance & Occupancy Costs	289,189	289,189	283,950	(5,239)	100%	On Target
Curriculum Budgets	42,192	42,192	83,650	41,458	100%	Staff design most lesson resources
Consultancy/Professional Services	75,294	75,294	69,600	(5,694)	100%	On Target
Catering Costs	133,855	133,855	127,131	(6,724)	100%	On Target
Exams	-	-	-	-	0%	On Target
IT Costs	91,961	91,961	69,000	(22,961)	100%	New MIS System Cost
Capital Costs	-	-	-	-	0%	On Target
Other Costs	35,059	35,059	75,745	40,686	100%	Difference in Stationery Costs
<b>Expenditure Total</b>	<b>2,245,032</b>	<b>2,245,032</b>	<b>2,312,150</b>	<b>67,118</b>		
<b>Surplus/(Deficit)</b>	<b>249,153</b>	<b>249,153</b>	<b>64,755</b>	<b>184,398</b>		

## Notes:

Variance Column: A positive number indicates a positive variance and shows a better forecasted financial result against the original budget. A negative (bracketed) number indicates an adverse variance and shows a poorer forecasted financial result against the original budget

## Introduction

Please find above the finance report for August 2016 for the University Academy of Engineering South Bank. Within this report you will find the forecasted out-turn.

## Outturn Analysis

### Income

There are a couple of significant changes to income. As it is difficult to obtain information on students before they start the Academy, Pupil Premium and Top Up funding for students with high level needs were greater than budgeted so more income was received over the course of the year.

# South Bank Academies

As the student numbers increase and the profile of our cohort is better known these income streams can be more accurately forecast.

## Expenditure

Staff Costs overall were not too dissimilar from the budget but there were variances. The decision to employ apprentices in Learning Assistant roles was a cost saving although these were countered by an increase in recruitment fees and an unforeseen staff settlement.

Teaching staff were encouraged to design their own learning resources as 'off the shelf' resources were not suitable for the creative and hands on learning style used. This reduced the amount spent against budget as the budgeted amount was based on a standard school's needs.

A decision was made in year to purchase a new Management Information System, This decision was made due to the increase in reporting and student numbers. The purchase was £22k and is the difference in ICT costs. Stationery procurement and photocopying costs were lower than expected so a significant saving was made in 'Other Costs'.

## **Clawback**

There will be a pupil number adjustment to the 2015/16 funding. Funding was based on 239 pupils whereas the actual number of pupils was 228. Therefore the Academy will need to return £82,940 in 2016/17. This will be shown as a provision in the 2015/16 accounts and will reduce the surplus amount to £166,213.

## **Audit timetable**

The auditors Kingston Smith LLP will start their onsite fieldwork for the Academy and the UTC on the 17<sup>th</sup> October, this should take 5 days. Once completed, further liaison by e-mail and phone should enable the accounts to be completed and ready for a final audit meeting on the 14<sup>th</sup> November. The Accounts can then be distributed ahead of the planned Audit Committee meeting on the 1<sup>st</sup> December before being signed off at the Board meeting on the 8th December.

## **Budget**

The 2016/17 budgets for the Academy and the UTC and have been approved and submitted to the Education Funding Agency.

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	CONFIDENTIAL
	PAPER NO: SBA.34 (16)
Paper title:	External Audit Plan 2015-16
Board/Committee	South Bank Academies
Date of meeting:	14 September 2016
Author:	Dan Smith, Business Manager
Purpose:	To approve
Recommendation:	Directors are requested to approve the plan and timetable.

## **Executive Summary**

South Bank Academies' annual statement of accounts must be submitted to the Department for Education by 31 December 2016. The auditors, Kingston Smith, have prepared the following plan outlining the scope of their approach and timetable.

The scope of the work includes an audit of South Bank Academies and South Bank Engineering UTC. Since 7 January 2016, South Bank Academies Trust has incorporated the University Academy of Engineering. The transfer of undertakings from the UTC to South Bank Academies Trust was completed on 1 July and since then the company has been inactive.

The meeting is requested to approve the audit scope and timetable.

31 August 2016

**D Smith Esq**  
**Southbank Academies Trust**  
Trafalgar Street  
London  
SE17 2TP

Our ref:  
AK/U1068/sc

Dear Sirs

**Audit of the financial statements of the Southbank Academies Trust for the year ended 31 August 2016**

The purpose of this letter and appendices is to set out the key elements of our proposed approach to the audit of your financial statements for the year ended 31 August 2016. The objective of our audit is to enable us to express an audit opinion on those financial statements.

Some other key elements of our approach, and our mutual responsibilities in respect of the audit of the financial statements, are set out in our audit engagement letter dated 22 July 2016.

We will report any material adverse or unexpected findings arising from our audit procedures on a timely basis to the Board.

We would be grateful for any comments you have on the contents of this letter, or alternatively your confirmation that you do not have any comments.

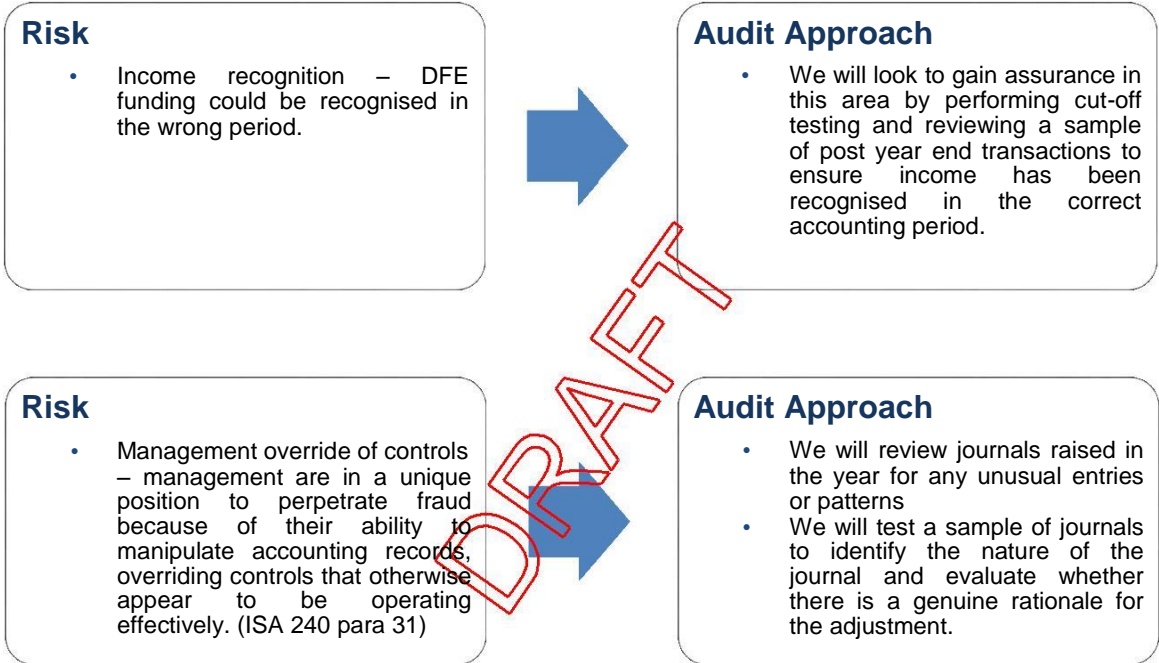
Yours faithfully

**KINGSTON SMITH LLP**

# APPENDIX 1: KEY ELEMENTS OF OUR APPROACH

## Audit Approach

We operate a risk based audit approach, assessing the audit risk relevant to individual areas of the financial statements according to how susceptible they are to material misstatement. Based on that assessment we then design the nature and extent of our audit testing to give us reasonable assurance that the balance or class of transactions is free from material misstatement. We believe that the following areas of higher audit risk should be brought to your attention:



## APPENDIX 1: KEY ELEMENTS OF OUR APPROACH (continued)

### Materiality

An item is considered material to the financial statements if, through its omission, over-statement or non-disclosure, the financial statements would no longer show a true and fair view. To enable us to perform an appropriate level of audit testing a figure for materiality is calculated at the planning stage.

We will also consider materiality at the finalisation stage in order to assess whether errors and/or omissions identified during the course of the audit need to be adjusted in the financial statements.

We will let you know of any such errors or omissions, other than those which are trivial, as soon as possible once they have been identified and discuss with you whether we believe they should be corrected. We are required to request that all errors be corrected except those that are trivial, but if an individual error, and the errors in total are not material, this will not usually impact our audit opinion if they are not adjusted.

If the error is material and is not corrected then we will not be able to issue a clean audit report. An error may be material because of its nature rather than just its size so in some circumstances errors which are smaller than our calculated materiality may still be material.

DRAFT

## APPENDIX 1: KEY ELEMENTS OF OUR APPROACH (continued)

### Audit and non-audit services to be provided

Our estimated fees (shown net of VAT) for our audit, and for non-audit services to be provided to you, are set out below.

Service	2016 £	2015 £
Audit of the financial statements for Southbank Academies Trust for the year ended 31 August 2016	5,400	5,100
Preparation of the statutory financial statements for the year ended 31 August 2016.	1,500	1,500
Audit of Southbank UTC	2,750	2,500
Provisional fee for additional time incurred in transitioning to FRS 102 (where required)	500	-

Our fees are based on the anticipated time to be spent. In the event that we need to make any changes to these estimates, we will discuss this with you.

### Independence and objectivity

We have considered our independence and objectivity as auditors for the period under review and do not believe there are any other matters which should be brought to the attention of the Board, as constituting a threat to our independence and objectivity.

To maintain our independence as auditors we ensure that:-

- Audit partners and managers are subject to rotation for listed companies/public interest organisations, etc so as to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.
- Kingston Smith LLP, its partners and the audit team have no family, financial, employment, investment or business relationship with audit clients.
- Fees paid by individual audit clients do not represent an inappropriate proportion of total fee income for the firm, office or individual partner.
- Where required because of the public accountability of the entity, its size or the complexity of its operations, an independent second partner will review the audit file.

## APPENDIX 2: LOGISTICS

### Timetable

We expect the audit timetable to be as follows, as discussed and agreed with you:

Event	Date
Audit fieldwork commences	17 October 2016
Draft accounts prepared	w/c 17 October 2016
Final audit meeting	w/c 14 November 2016
Board meeting	w/c 5 December 2016
Final accounts signed	w/c 5 December 2016

We will supply you with a list of the information we will need to perform the audit and would be grateful if this information could be made available on the day we start our audit fieldwork. If there are delays in receiving information we may need to revise this timetable. We will of course let you know if we anticipate that any changes to the timetable will be necessary.

### Audit team

	Name	Phone number	Email
Partner and senior statutory auditor	Anjali Kothari	020 7566 3656	<a href="mailto:akothari@kingstonsmith.co.uk">akothari@kingstonsmith.co.uk</a>
Manager	Simon Cunningham	01727 896023	<a href="mailto:scunningham@kingstonsmith.co.uk">scunningham@kingstonsmith.co.uk</a>
Senior	Philip Williams	01727 896000	<a href="mailto:pwilliams@kingstonsmith.co.uk">pwilliams@kingstonsmith.co.uk</a>

We will let you know as soon as possible of any changes to the proposed audit team

## APPENDIX 3: AUDITOR'S RESPONSIBILITIES

Our duty as auditors is to report to the shareholders whether in our opinion the financial statements which the directors have prepared do give a true and fair view and comply with the Companies Act 2006. We are also required to report whether in our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements. As part of our audit we are also required to consider the following matters and to report on any in respect of which we are not satisfied:

- (a) whether adequate accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us;
- (b) whether the company's financial statements are in agreement with the accounting records and returns;
- (c) whether certain disclosures of governors' remuneration specified by law have been made; and
- (d) whether we have obtained all the information and explanations which we require for the purpose of our audit.

You will make full disclosure to us of all relevant audit information to enable the directors to make the statements required by section 418 of the Companies Act 2006 to be included in the Directors Report.

We have a professional obligation to report if the financial statements do not comply in any material respect with United Kingdom Accounting Standards or International Financial Reporting Standards (as appropriate), unless in our opinion the non-compliance is justified in the circumstances. We are also required to carry out our audit in accordance with the International Standards on Auditing (UK & Ireland) approved by the Auditing Practices Board and to have regard to any relevant Auditing Guidelines issued by them. Accordingly our work will be planned to enable us:

- (a) to obtain an understanding of your accounting system in order to assess its adequacy as a basis for the preparation of the financial statements; and
- (b) to obtain relevant and reliable evidence sufficient to enable us to draw reasonable conclusions therefrom, in particular as to the accuracy and completeness of the recording of transactions and as to the existence, ownership and valuation of assets and liabilities.

As noted above, our report will be made solely to the company's members, as a body, in accordance with Section 3 of Part 16 of the Companies Act 2006. Our audit work will be undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for the audit report, or for the opinions we form.

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## South Bank Academies

	CONFIDENTIAL
	PAPER NO: SBA.35 (16)
Paper title:	Policy on financial controls
Board/Committee:	South Bank Academies
Date of meeting:	14 <sup>th</sup> September 2016
Author:	Dan Smith, Business Manager
Purpose:	To approve
Recommendation:	The meeting is requested to approve the policy on financial controls.

### Executive Summary

The purpose of this policy is to provide a framework of financial control and probity across the Trust. The information shown will form the basis of a larger report/financial handbook which will include all processes, procedures and forms. This will be available at all sites across the Trust.

The report covers the business cycle of the Trust and the authority levels of budget setting, procurement and payments, Department for Education returns and submissions, and the reporting requirements to LGBs and the Trust.

The internal audit program is to be implemented and this will see members of each school and the Trust Business Manager providing a termly check on the processes, assets and documentation in all schools across the Trust.

The system of controls will be reviewed annually as the schools grow in size and will be designed to mitigate and minimise risk and not eliminate it completely. The delegated authority levels will not be automatic and may be linked to the length of employment, e.g. an Assistant Vice-Principal may have to pass their probationary period before being allowed to authorise orders or payments.

# South Bank Academies

## SOUTH BANK ACADEMIES TRUST FINANCIAL CONTROLS

### **Introduction**

The South Bank Academies Trust has the responsibility for ensuring that there is a process for maintaining a sound system of financial control that supports the achievement of aims and objectives of the Trust, whilst safeguarding the public and other funds and assets for which they are responsible.

The system of financial control is an ongoing process designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

### **Board Meetings and Committee**

The Trust should set and review the terms of reference for all sub-committees and agree annually on the Scheme of Delegation of financial powers to all staff, indicating roles and responsibilities for the leadership teams and finance department.

All trustees, governors, senior staff and finance staff should, on an annual basis, complete a form stating their business interests. These forms constitute the Trust's Register of Business Interests.

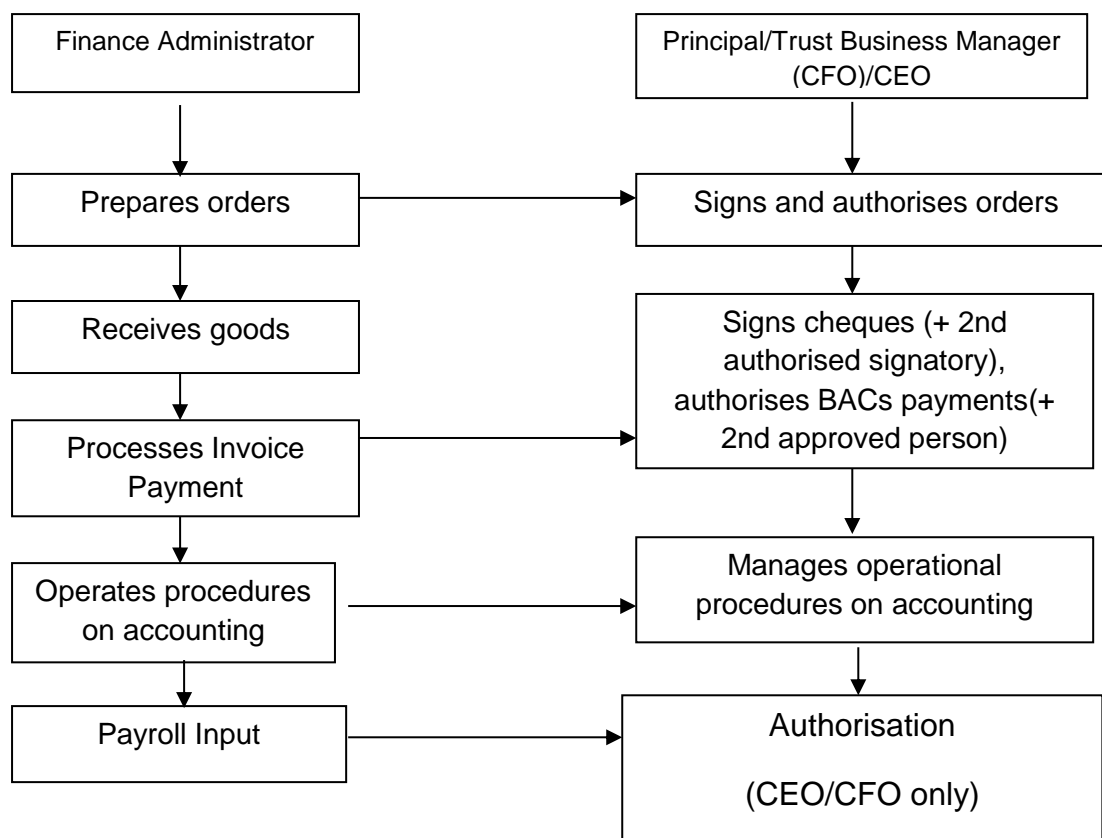
The Trustees must approve the Trust's annual budget, the CEO must sign the approved plan, a copy of which must be sent to the Department for Education (DfE) before the end of July each year.

The CEO must review and monitor returns to the Education Funding Agency; it is good practice that copies of the returns should be signed by the CEO to acknowledge that the Trustees have had sight of the returns.

### **Segregation of Duties**

The size and type of schools in the Trust and staffing arrangements will affect the segregation of duties. However in all cases one person should process and record various finance functions, whilst another person/persons authorise the processes. Each school will have a designated finance administrator who will not be able to authorise any payments.

# South Bank Academies



## Procurement Authority Levels

The Trust keeps a list of approved suppliers and any new suppliers are signed off by the Trust Business Manager once checks are completed.

The following shows levels of authorisation in each Trust school for Purchase Orders and Payments; all orders and payments will need two signatories. There are two categories of Authoriser A and B. In all cases an order or payment must have at least one authoriser from category A.

### Up to £500

Category A – CEO, Trust Business Manager and Principal

Category B – Vice Principal

### £501 to £3,000

Category A – CEO, Trust Business Manager and Principal

Category B – Vice Principal

### £3,001 to £10,000

Category A – CEO, Trust and Business Manager

Category B – Principal

# South Bank Academies

## **£10,001 to £200,000**

Category A – CEO, Trust and Business Manager

Category B – Trustee

(All orders above £10,000 should include three comparative quotes)

## **Above £200,000**

Trust should contact the Education Funding Agency for advice on the procedures.

## **Management Reports**

To allow the Trustees to monitor and challenge the financial performance quarterly management reports will be sent to the Trust Board, while the CEO monitors monthly management reports.

Included in each report will be the current forecast showing any variance against budget with commentary, a cash flow statement and additional narrative detailing any concerns or upcoming needs. Similar reports will be provided to the Finance and General Purposes Committees of LGBs for their review.

## **External Audit**

External Auditors are appointed to prepare the Financial Statements of the Trust and also examine and report on the transactions, systems and procedures of the Trust.

The South Bank Academies Trust Audit Committee is tasked with advising South Bank Academies Board on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor. At present the auditors are Kingston Smith LLP.

## **Internal Audit**

The Trust Business Manager will conduct termly audits of each school.

These audits will include the following;

- A selection of payments to be examined for correct authorisation
- Bank Reconciliations to be checked
- Sample of Control Accounts to be checked
- Spot Check of Fixed Assets

## **Budgeting**

Each school will submit a budget proposal to the CEO. This will be compiled by the Principal with support from the Trust Business Manager and reviewed by the CEO, who will then put forward a Trust-wide budget proposal for consideration and approval by the Trust Board. Once approved the budget will then be submitted to the Department for Education (DfE) by the deadline, 31<sup>st</sup> July.

# South Bank Academies

## The Budgetary Cycle

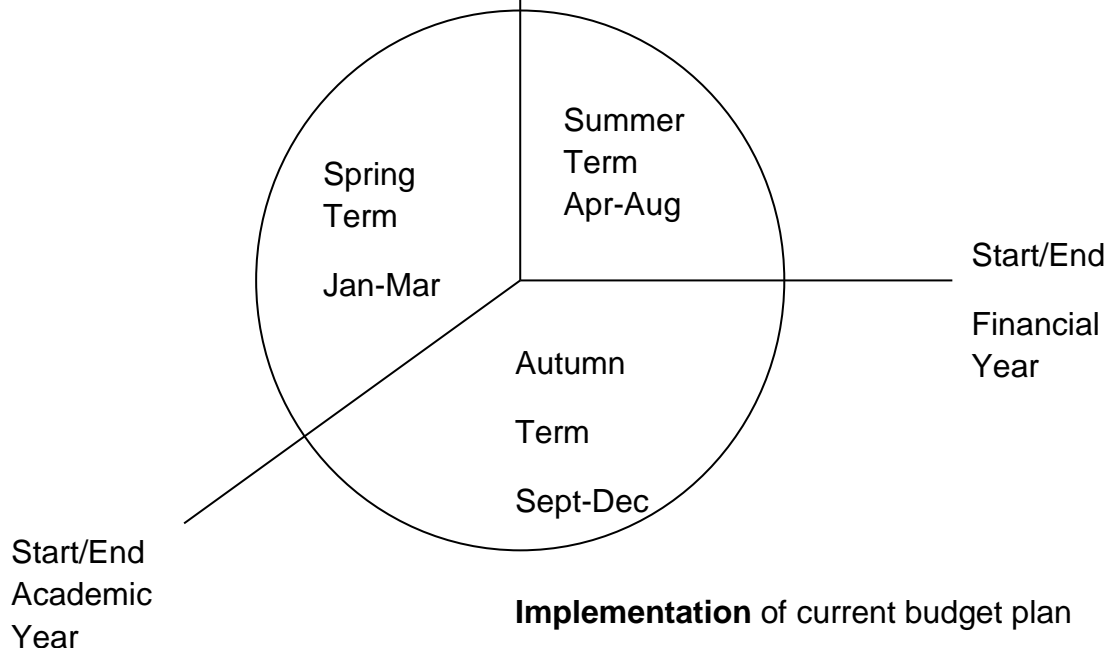
**Monitoring and Reviewing** of year's budget

**Pre-planning** new financial year

**Planning** for forthcoming year

**Preparation** of Budget plan

**Submission** of Budget



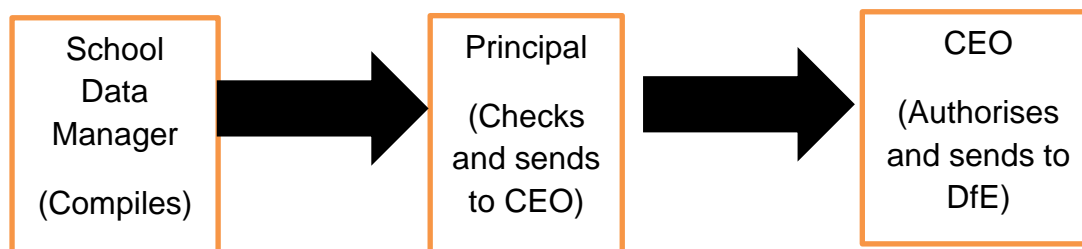
**Implementation** of current budget plan

**Monitoring** and reforecasting (monthly)

**Reconciliation** and closure of previous financial year

## Census and Pupil Number Submissions

Income from the DfE is based on the forecasted pupil numbers submitted by the school via the Pupil Number Estimate form in the autumn for the following year and the termly Census checks that are submitted to the DfE. It is important that these numbers are checked for accuracy to avoid being underfunded or for income to be recovered at a later date after it is discovered that pupil numbers have been over estimated.



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# South Bank Academies

**To: The Principal, University Academy of Engineering South Bank**

**Date: 20 June 2016**

**From: Professor Rao Bhamidimarri, Chief Executive, South Bank Academies Trust**

## Letter of Delegated Authority 2016/17

### 1 Delegated Authorities

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**Letter of Delegation**

This letter confirms the approval of your budget as set out below and formally delegates authority for this budget to you. You are required to deliver the financial and non financial outcomes set out in your business plan within this budget.

If any cases fall outside the parameters described in this document you must submit the case to me requesting different terms.

Your delegations are personally from me as the Chief Executive of the South Bank Academies Trust and this letter replaces all previous letters of delegation.

**Budget review during the year**

Given the continuing risk around student recruitment it is likely that there will be a further budget review in autumn when there will be greater clarity regarding recruitment. You should therefore be aware that your budget may be revised during the year and this should be taken into account when committing forward expenditure.

**2016/17 Budget**

This budget includes the full economic cost for the Academy and an agreed contribution to costs of central services provided by the Trust.

£'000	
Total Income	3,919.25
Total direct expenditure	2,654.261
Surplus/(Deficit) before Trust charge	264.989
Trust Charge	156.770
Surplus/(deficit) after Trust charge	108.219

**Budget** The Business Manager of the Trust will review the ACADEMY's financial position

**Monitoring** with you at least once a month. If you anticipate at any time that your income will be lower and/or your expenditure will be greater than budget, you should inform the Business Manager as soon as possible.

**Signature**

Signed \_\_\_\_\_ Date \_\_\_\_\_

.....

**2 Terms of Delegation**

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**Financial Procedures** You will at all times ensure that you and your staff are aware of and act in compliance with the Trust's Regulations, policies, strategies and guidelines. You should :

- observe the highest standards of governance and financial propriety
- ensure that the money is well spent
- bring to my attention any aspect of your business which may vary from Regulations, policies, strategies and guidelines
- bring to my attention aspects of your business which may be construed as novel or contentious
- report to me if you suspect an act of fraud or bribery has taken place.

**Business Plan** You will be responsible for the annual budgeting process for the Academy and for in year financial forecasts. You will set out the strategic direction for the Academy, develop an annual plan, in line with the Trust's vision and objectives, and set out appropriate performance indicators, including student number targets.

**Use of Resources** You will in all cases and at all times ensure that the funds are used for the specific purpose for which they were intended.

You will ensure that the Academy optimises its use of space and other facilities.

**Value for Money** You are responsible for ensuring that the Academy achieves value for money in all its activities including efficient, effective and economic use of all resources.

**3 Sub Delegation**

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You are expected to appropriately sub-delegate your budget subject to compliance with Trust's Regulations regarding investment appraisal, procurement and recruitment of staff. Sub delegation is on the basis that any commitments entered into by your staff comply with all the requirements stated elsewhere in this document and with policies, procedures, strategies and guidelines.

**Levels of Delegation** Below are financial limits, per transaction, for authorisation of expenditure, including purchase orders and supplier invoices. You should seek advice from the Business Manager where if the appropriate level of authority for a particular member of staff is unclear. Within these limits you are able to define the scheme of delegation within the Academy.

Where for operational reasons these levels wish to be varied, proposals must be submitted to the Business Manager and approved by the Chief Executive.



£3,000	Principal *Vice-Principal
£500	Vice-Principal

- In the absence of Principal

**Authorised signatory list**

The Authorised Signatory list is held by the Business Manager and must be reviewed annually by 31<sup>st</sup> August and updated if necessary to reflect that scheme of delegation at that date. It must be further updated during the year to reflect any changes to the scheme of delegation at the Academy, including staff leaving or changing roles.

**Training and Support**

When sub delegating budgets you should satisfy yourself that the individuals receiving the delegation have the necessary experience and support to effectively manage the budget in their area.

**4 Risk, Governance and Control**

**Risk Management**

You will be Risk Champion for the Academy and will ensure that all members of staff within the Academy comply with the Academy’s risk management strategy. You will ensure that there is an ongoing process to identify risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically. You will report immediately to me and to the Business Manager any area of significant risk which you identify.

**The Asset Stewardship**

You should ensure that all assets within the Academy are looked after securely and marked as the property of South Bank Academies. No disposals should be made without prior authorisation in accordance with the financial regulations.

**Safeguarding Information and IT security**

Information and information systems are critical and vitally important assets to the Academy.

Without reliable information assets, the Trust, and our students, customers and data subjects, would be at significant risk. At the Academy, we have a duty to our stakeholders, partners and employees to ensure that the confidentiality and security of the information we manage is treated as a high priority. The Academy is committed to maintaining and protecting all the information it uses or stores in accordance with its value, sensitivity and the risks to which the information is exposed, and in a manner consistent with our relevant legal, regulatory and contractual requirements.

Information security controls need to be embodied in our culture and, as such, it is vital that all staff have a clear understanding of what is expected of them. You are responsible for ensuring that all staff are aware of and comply with the University’s ICT Policies (link to policy site) and the Data Protection Act which covers Paper and other Record types in addition to electronic media. You are reminded that sharing or disclosing user names and passwords is a disciplinary matter.

**Conflicts of Interest**

When contracts are being awarded or other financially related activity undertaken, you must comply with agreed procedures immediately you become aware of actual or potential conflicts of interest.

**Business Continuity** You will make appropriate plans for business continuity in the event of an unplanned interruption affecting your normal business activity.

**Contract Management** You will comply with agreed procedures for contract authorisation/signing and contract management.

**Insurance** You will take responsibility (through liaison with the Business Manager who manages insurance arrangements on behalf of the Trust) for risk ownership in your area of activity and for ensuring that appropriate insurance arrangements are in place.

**Health and Safety** You are responsible for ensuring that all staff are aware of and comply with the Academy's health and safety procedures.

**Fraud** You are responsible for ensuring that all staff are aware of the Academy's fraud reporting protocols and that all incidents of suspected theft, fraud, misuse of Academy assets or serious weakness are reported in accordance with the Fraud Response Plan.

## 5 Human Resources

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**Procedures** You are required to ensure that all Human Resources matters are carried out in accordance with the Trust's Human Resources Procedures, in particular:

- recruitment procedures and deadlines are followed
- probationary assessments are completed
- performance management procedures are followed
- staff appraisals procedures are followed
- payroll deadlines are met.

## 6 Procurement

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**Procurement regulations** You will arrange for all procurement activity to be conducted in compliance with Trust's regulations, ensuring that major areas of activity are subject to appropriate competitive tender and market testing and that value for money in all of Academy's spend is achieved.

You will comply with all Trust's procurement agreements and not make alternative arrangements.

**Purchase Orders** Purchase requisitions must be raised and approved to record commitment to all expenditure (unless specifically exempted in the financial regulations) using the purchase requisitioning process.

**Purchasing Cards** You will ensure the purchasing cards are used for the purpose for which they are intended and that all spend is in accordance with Trust's Purchasing Card Guide and does not breach Trust's procurement agreements.

## 7 Staff Declaration

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**Do these things now**

1. Sign the attached staff declaration, confirming you have received and understand this letter of delegation and return to the Business Manager within 2 weeks.
2. Retain this letter of delegated authority for reference during the year.
3. Review your current authorised signatory form and, if necessary, complete a new sheet confirming the scheme of delegation within the Academy. This should be returned to the Business Manager within 2 weeks.

I acknowledge receipt of the letter of delegated authority for the 2016/17 financial year and confirm that I have read and understand my responsibilities with regard to delegated authorities.

I am aware of financial procedures and regulations with regard to income, expenditure and budget management and will ensure staff to whom I further delegate are also made aware of Trust's Procedures

Signed \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

## 8 Summary of Levels of Authority

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### Annual Planning and Budgeting

	Principal	Vice Principal
Strategic development of Academy annual plans including student number targets	✓	
Development of departmental plans in line with Academy plans		✓
Lead annual budgeting process and agree final budgets	✓	
Prepare and agree detailed departmental level budgets to meet budgets agreed at Academy level		✓
In year performance in line with Academy annual plans	✓	
In year performance in line with departmental plans		✓
In year financial performance in line with budget	✓	✓

### Teaching

Agree learning and teaching targets each year	✓	
Ensure that departmental performance is in line with agreed learning and teaching targets		✓

### Operational

Compliance with Regulations		✓
Act as risk champions and manage risk for the Academy	✓	
Work with auditors in line with annual audit plan and follow up on recommendations	✓	✓

**Financial**

Recruitment of permanent, temporary and contractual staff	✓	✓
Authorisation of staff overtime	✓	✓
Authorisation of purchase orders and invoices up to £500 +VAT	✓	✓
Authorisation of purchase orders and invoices up to £3,000 +VAT	✓	
*Authorisation of purchase orders and invoices up to £3,000 +VAT		✓
**Authorisation of purchase orders and invoices up to £10,000 + VAT	✓	
Authorisation of expenses up to £100	✓	✓
Authorisation of expenses up to £500	✓	
Approval of UK travel authorisation forms relating to staff	✓	✓
Approval of travel authorisation forms relating to Senior Leadership Team	✓	
Approval of sales invoices relating to external enterprise activities	✓	✓

All Financial Authorisations must be within delegated budgets

\*When required in the absence of Principal

\*\*When required in the absence of CEO or Business Manager.

# South Bank Academies

**To: Dan Cundy, Principal, South Bank Engineering UTC**

**Date: 20 June 2016**

**From: Professor Rao Bhamidimarri, Chief Executive, South Bank Academies Trust**

## Letter of Delegated Authority 2016/17

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### 1 Delegated Authorities

#### Letter of Delegation

This letter confirms the approval of your budget as set out below and formally delegates authority for this budget to you. You are required to deliver the financial and non financial outcomes set out in your business plan within this budget.

If any cases fall outside the parameters described in this document you must submit the case to me requesting different terms.

Your delegations are personally from me as the Chief Executive of the South Bank Academies Trust and this letter replaces all previous letters of delegation.

#### Budget review during the year

Given the continuing risk around student recruitment it is likely that there will be a further budget review in autumn when there will be greater clarity regarding recruitment. You should therefore be aware that your budget may be revised during the year and this should be taken into account when committing forward expenditure.

#### 2016/17 Budget

This budget includes the full economic cost for South Bank Engineering UTC and an agreed contribution to costs of central services provided by the Trust.

#### £'000

Total Income, net of fee waivers	1.452.357
Total direct expenditure	1.409.956
Surplus/(Deficit) before Trust charge	42.401
Trust Charge	40.665
Surplus/(deficit) after Trust charge	1.736

#### Budget Monitoring

The Business Manager of the Trust will review the UTC's financial position with you at least once a month. If you anticipate at any time that your income will be lower and/or your expenditure will be greater than budget, you should inform the Business Manager

as soon as possible.

**Signature**

Signed \_\_\_\_\_ Date \_\_\_\_\_

.....

**2 Terms of Delegation**

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**Financial Procedures**

You will at all times ensure that you and your staff are aware of and act in compliance with the Trust's Regulations, policies, strategies and guidelines. You should :

- observe the highest standards of governance and financial propriety
- ensure that the money is well spent
- bring to my attention any aspect of your business which may vary from Regulations, policies, strategies and guidelines
- bring to my attention aspects of your business which may be construed as novel or contentious
- report to me if you suspect an act of fraud or bribery has taken place.

**Business Plan**

You will be responsible for the annual budgeting process for the UTC and for in year financial forecasts. You will set out the strategic direction for the UTC, develop an annual plan, in line with the Trust's vision and objectives, and set out appropriate performance indicators, including student number targets.

**Use of Resources**

You will in all cases and at all times ensure that the funds are used for the specific purpose for which they were intended.

You will ensure that the UTC optimises its use of space and other facilities.

**Value for Money**

You are responsible for ensuring that the UTC achieves value for money in all its activities including efficient, effective and economic use of all resources.

**3 Sub Delegation**

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You are expected to appropriately sub-delegate your budget subject to compliance with Trust's Regulations regarding investment appraisal, procurement and recruitment of staff. Sub delegation is on the basis that any commitments entered into by your staff comply with all the requirements stated elsewhere in this document and with policies, procedures, strategies and guidelines.

**Levels of Delegation**

Below are financial limits, per transaction, for authorisation of expenditure, including purchase orders and supplier invoices. You should seek advice from the Business Manager where if the appropriate level of authority for a particular member of staff is unclear. Within these limits you are able to define the scheme of delegation within the UTC.

Where for operational reasons these levels wish to be varied, proposals must be submitted to the Business Manager and approved by the Chief Executive.

£3,000	Principal *Vice-Principal
£500	Vice-Principal

- In the Absence of Principal

**Authorised signatory list**

The Authorised Signatory list is held by the Business Manager and must be reviewed annually by 31<sup>st</sup> August and updated if necessary to reflect that scheme of delegation at that date. It must be further updated during the year to reflect any changes to the scheme of delegation at the UTC, including staff leaving or changing roles.

**Training and Support**

When sub delegating budgets you should satisfy yourself that the individuals receiving the delegation have the necessary experience and support to effectively manage the budget in their area.

**4 Risk, Governance and Control**

**Risk Management**

You will be Risk Champion for the UTC and will ensure that all members of staff within the UTC comply with the UTC's risk management strategy. You will ensure that there is an ongoing process to identify risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically. You will report immediately to me and to the Business Manager any area of significant risk which you identify.

**The Asset Stewardship**

You should ensure that all assets within the UTC are looked after securely and marked as the property of South Bank Academies. No disposals should be made without prior authorisation in accordance with the financial regulations.

**Safeguarding Information and IT security**

Information and information systems are critical and vitally important assets to the UTC.

Without reliable information assets, the Trust, and our students, customers and data subjects, would be at significant risk. At the UTC, we have a duty to our stakeholders, partners and employees to ensure that the confidentiality and security of the information we manage is treated as a high priority. The UTC is committed to maintaining and protecting all the information it uses or stores in accordance with its value, sensitivity and the risks to which the information is exposed, and in a manner consistent with our relevant legal, regulatory and contractual requirements.

Information security controls need to be embodied in our culture and, as such, it is vital that all staff have a clear understanding of what is expected of them. You are responsible for ensuring that all staff are aware of and comply with the Trust's ICT Policies and the Data Protection Act which covers Paper and other Record types in addition to electronic media. You are reminded that sharing or disclosing user names and passwords is a disciplinary matter.

**Conflicts of Interest**

When contracts are being awarded or other financially related activity undertaken, you must comply with agreed procedures immediately you become aware of actual or potential conflicts of interest.



**Business Continuity** You will make appropriate plans for business continuity in the event of an unplanned interruption affecting your normal business activity.

**Contract Management** You will comply with agreed procedures for contract authorisation/signing and contract management.

**Insurance** You will take responsibility (through liaison with the Business Manager who manages insurance arrangements on behalf of the Trust) for risk ownership in your area of activity and for ensuring that appropriate insurance arrangements are in place.

**Health and Safety** You are responsible for ensuring that all staff are aware of and comply with the UTC's health and safety procedures.

**Fraud** You are responsible for ensuring that all staff are aware of the UTC's fraud reporting protocols and that all incidents of suspected theft, fraud, misuse of UTC assets or serious weakness are reported in accordance with the Fraud Response Plan.

## 5 Human Resources

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**Procedures** You are required to ensure that all Human Resources matters are carried out in accordance with the Trust's Human Resources Procedures, in particular:

- recruitment procedures and deadlines are followed
- probationary assessments are completed
- performance management procedures are followed
- staff appraisals procedures are followed
- payroll deadlines are met.

## 6 Procurement

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**Procurement regulations** You will arrange for all procurement activity to be conducted in compliance with Trust's regulations, ensuring that major areas of activity are subject to appropriate competitive tender and market testing and that value for money in all of UTC's spend is achieved.

You will comply with all Trust's procurement agreements and not make alternative arrangements.

**Purchase Orders** Purchase requisitions must be raised and approved to record commitment to all expenditure (unless specifically exempted in the financial regulations) using the purchase requisitioning process.

**Purchasing Cards** You will ensure the purchasing cards are used for the purpose for which they are intended and that all spend is in accordance with Trust's Purchasing Card Guide and does not breach Trust's procurement agreements.

## 7 Staff Declaration

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**Do these things now**

1. Sign the attached staff declaration, confirming you have received and understand this letter of delegation and return to the Business Manager within 2 weeks.
2. Retain this letter of delegated authority for reference during the year.
3. Review your current authorised signatory form and, if necessary, complete a new sheet confirming the scheme of delegation within the UTC. This should be returned to the Business Manager within 2 weeks.

I acknowledge receipt of the letter of delegated authority for the 2016/17 financial year and confirm that I have read and understand my responsibilities with regard to delegated authorities.

I am aware of financial procedures and regulations with regard to income, expenditure and budget management and will ensure staff to who I further delegate are also made aware of Trust's Procedures

Signed \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

## 8 Summary of Levels of Authority

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### Annual Planning and Budgeting

	Principal	Vice Principal
Strategic development of UTC annual plans including student number targets	✓	
Development of departmental plans in line with UTC plans		✓
Lead annual budgeting process and agree final budgets	✓	
Prepare and agree detailed departmental level budgets to meet budgets agreed at UTC level		✓
In year performance in line with UTC annual plans	✓	
In year performance in line with departmental plans		✓
In year financial performance in line with budget	✓	✓

### Teaching

Agree learning and teaching targets each year	✓	
Ensure that departmental performance is in line with agreed learning and teaching targets		✓

### Operational

Compliance with Regulations		✓
Act as risk champions and manage risk for the UTC	✓	
Work with auditors in line with annual audit plan and follow up on recommendations	✓	✓

**Financial**

Recruitment of permanent, temporary and contractual staff	✓	✓
Authorisation of staff overtime	✓	✓
Authorisation of purchase orders and invoices up to £500 +VAT	✓	✓
Authorisation of purchase orders and invoices up to £3,000 +VAT	✓	
*Authorisation of purchase orders and invoices up to £3,000 +VAT		✓
**Authorisation of purchase orders and invoices up to £10,000 + VAT	✓	
Authorisation of expenses up to £100	✓	✓
Authorisation of expenses up to £500	✓	
Approval of UK travel authorisation forms relating to staff	✓	✓
Approval of travel authorisation forms relating to SLT	✓	
Approval of sales invoices relating to external enterprise activities	✓	✓

All Financial Authorisations must be within delegated budgets

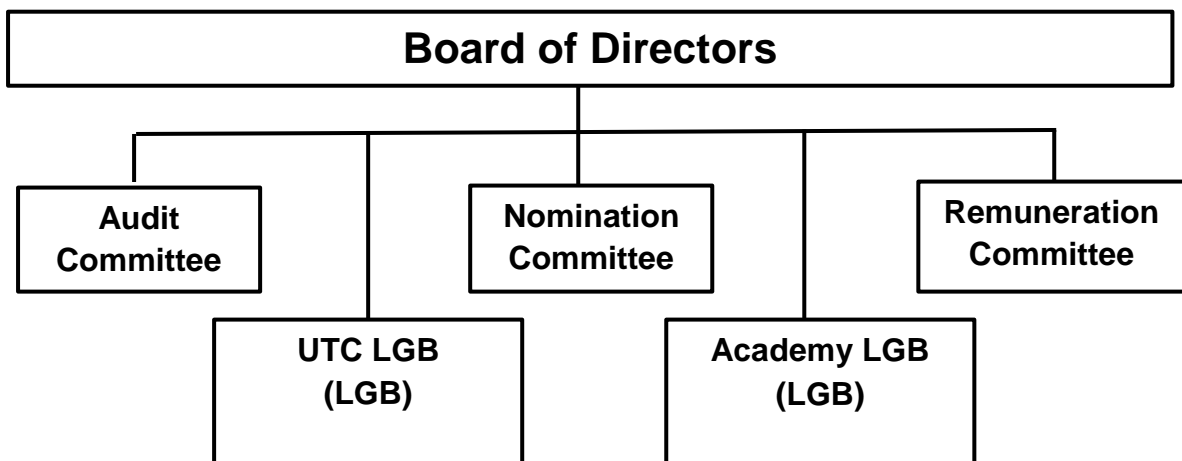
\*When required in the absence of Principal

\*\*When required in the absence of CEO or Business Manager

**South Bank Academies**

	CONFIDENTIAL
	PAPER NO: SBA.36 (16)
Paper title:	Committee structure and membership
Board/Committee	South Bank Academies
Date of meeting:	14 September 2016
Author:	Michael Broadway, Company Secretary
Purpose:	To update the Board on its committee structure and membership of committees.
Recommendation	<p>To note:</p> <ol style="list-style-type: none"> <li>1. Committee structure</li> <li>2. Membership of Nominations, Audit and Remuneration committees</li> <li>3. Board of Directors links with LGBs</li> <li>4. Committee business cycle</li> </ol> <p>To approve:</p> <ol style="list-style-type: none"> <li>5. LGB sub-committees terms of reference</li> </ol>

**1. Committee structure**



**Proposed sub-committees (see section 5)**

**UTC**

- Finance & General Purposes
- Learning and Teaching
- (Personal Development and Welfare - link governor)

**Academy**

- Finance & General Purposes
- Learning and Teaching
- Personal Development and Welfare

# South Bank Academies

Under article 100 of Articles of Association the Board has established a LGB (LGB) for both the University Academy of Engineering and South Bank Engineering school. At its meeting of 12 July 2016, the Board approved the following sub-committees (SBA.21 (16)): Audit Committee, Nomination Committee and Remuneration Committee. The sub-committee structure is illustrated below.

The Board is requested to note the committee structure for South Bank Academies.

## 2. Membership of Nomination, Audit and Remuneration committees

At its last meeting, the Board approved membership of the Nomination Committee (SBA.21 (16)) as those directors appointed by LSBU; plus the CEO:

- Dave Phoenix (Chair)
- Rao Bhamidimarri
- Douglas Denham St Pinnock
- Richard Flatman
- Steve McGuire
- James Stevenson

The proposed membership of the Audit and Remuneration committees is as follows:

### Audit Committee

- Richard Flatman (Chair)
- Adam Crossley
- Tony Giddings
  
- Rao Bhamidimarri (in attendance)
- Dan Smith (in attendance)

### Remuneration Committee

- Douglas Denham St Pinnock (Chair)
- Richard Parrish
- Dave Phoenix
  
- Rao Bhamidimarri (in attendance)

The Board is asked to agree the membership of the Board's committees.

## 3. Board of Directors' links with local governing bodies (LGBs)

It is recommended that there are two Directors on both LGBs. Currently, the UTC LGB includes Rao Bhamidimarri and Richard Parrish, and the Academy LGB

# South Bank Academies

includes Rao Bhamidmarri. There is currently a vacancy on the Academy LGB. The need is to find a suitable local governor with headteacher experience and recruitment is underway.

The proposal is that this local governor becomes a Director of the Board of SBA in due course. The Board is requested to agree this.

## 4. Committee business cycle

It is proposed that the Audit Committee and Remuneration Committee meet once per year:

Audit Committee	Mid-November, ahead of the Board meeting which approves the accounts.
Remuneration Committee	November
Nomination Committee	To meet when required

## 5. LGB sub-committees

The Chair of the LGBs recommends the following sub-committee structure for each LGB. Oversight of student welfare at the UTC will initially be dealt with by a link governor: a committee will be established when student numbers increase over the next few years, mirroring current arrangements at the Academy. Draft purpose / scope for these sub-committees are appended.

The Board is requested to approve the sub-committee structure of both LGBs.

### UTC

- Finance & General Purposes
- Learning and Teaching
- (Personal Development and Welfare - link governor)

### Academy

- Finance & General Purposes
- Learning and Teaching
- Personal Development and Welfare

# South Bank Academies

## Appendix 1 – Purpose / scope of the sub-committees of the LGB

### 1. Learning and Teaching Committee (3 meetings per year)

#### Purpose / scope

- To challenge and support the school on behalf of the LGB (LGB) to provide a curriculum which delivers informed and cutting edge learning experience to students, and to monitor how it is taught evaluated and resourced.
- To ensure that the student learning support is designed and implemented to ensure that all students receive appropriate support to progress and achieve to their full potential.
- To consider the statutory guidance issued by the DfE from time to time and to ensure that the curriculum, learning and teaching, and student support are aligned.

### 2. Finance and General Purposes Committee (3 meetings per year)

#### Purpose / scope

- To assist the decision making of the LGB by undertaking detailed; consideration of all matters relating to finance, premises, Health and Safety and other matters;
- To ensure, on behalf of the LGB, that proper planning and monitoring are in place and that appropriate operating mechanisms exist.

### 3. Personal Development and Student Welfare Committee (3 meetings per year)

#### Purpose / scope

- To provide personal development and welfare support for all students which transforms the life chances of students, and to monitor how it is delivered, evaluated and resourced;
- To develop relationships within and beyond the school community which support progress and attainment.