

Finance & General Purposes Committee

Minutes

19th July 2024

9.30 am

Held in person at Landscope School House

Present: Ben Thorne (Chair)
Nicky Dunford (CEO)
Chris Norman (CN)
Cheryl Mathieson (CM)
Paul Waterworth (PW)

In attendance: Matt Matthew (DCEO)

No	Item	ACTION
1.	Welcome and apologies The Chair opened the meeting with a welcome. Apologies from Louisa Taylor were accepted .	
2.	Declarations of interest The CEO is a Trustee of the Bearnes Education Foundation. Christopher Norman is a director and shareholder of CANE Properties Ltd.	
3.	Any other business There was no other business brought forward.	
4.	Approval of meeting minutes For approval: The Part I minutes of the meeting held on 13 th May 2024 The Minutes of the last meeting held on 13 th May 2024 were accepted as a true record. The Chair signed accordingly.	
5.	Matters arising from minutes of 13th May 2024 not on the agenda 5.6 Confirmation that the TCAF was shown in the 23/24 accounts – The DCEO stated that they had queried this with Bishop Fleming who had confirmed that the TCAF would be shown in the 24/25 accounts. The FM and DCEO were still challenging this and were awaiting final confirmation. The Chair offered to review the terms and conditions of the award. 5.6.2 Update on the possibility of in-house cleaning contract – The DCEO reported that meetings had taken place with two of the five current providers to improve the service. The DCEO stated he would not recommend taking cleaning in house and, on reflection, the meeting agreed it would not be a viable option.	Chair
6.	Finance 6.1 Financial Update on 2023/2024 – Month 10 6.2 Update on Budget 2024/2025 (to include a discussion around proposed savings) 6.3 Use of reserves/spending priorities update 6.4 Rolling capital spend programme 6.5 3-year plan 6.6 Update on the SRMSAT submission 6.7 Sports Grant 6.8 Pupil Premium The meeting reviewed the paperwork that had been circulated before the meeting. The following comments/questions/discussion were made: -	

- The DCEO directed the meeting to the current financial picture for the Trust. He reported that the forecasted end of year balance would be £36,614 deficit with the continuing aim of driving towards a balanced/surplus position. The DCEO explained that the variances from the previous set budget were due to several reasons such as unexpected staff costs to cover maternity or long-term sickness, additional funding from DCC for expanding the PAN in one school, pupil premium and SEND income higher than expected, variances in Nursery costings and energy costings.
- The DCEO reported that ordering had been stopped across the Trust so no more expenditure was expected and final accounts for 23/24 were now being prepared.
- A claim has been submitted to DCC for the additional manpower costs in excess of the management partnership agreement and standard due diligence process incurred by the Trust for the Jubilee and Pebblebed federation. The Trustees reiterated that it was important that the Trust was reimbursed for this work as the CEO/DCEO and other staff had undertaken work for the LA, putting additional pressure on the Trust.
- An additional £85k income was expected in April 2025 for a TCAF providing all criteria was met. The DCEO reported that this had not been included in the b/fwd reserves for 23/24 or 24/25 budget.
- The meeting then moved onto discussing the Budget 24/25 forecast and the DCEO presented four scenarios.
 - Scenario 1 was for the existing Trust (19 schools) including a 3.5% teachers pay award - £602k deficit
 - Scenario 2 was for the existing Trust (19 schools) including a 3.5% teachers pay award funded - £368k deficit
 - Scenario 3 was as Scenario 1 but included the JPB schools - £524k deficit
 - Scenario 4 was as Scenario 2 but included the JPB schools - £247k deficit
- The DCEO explained that it was nearly impossible to predict which scenario is likely following the recent change in government. The SoS for Education had stated that they were still working across the departments to determine pay awards and that the subsequent funding formula announcement would be delayed as well.
- **PART II was taken** The committee then discussed areas for savings as it was evident that regardless of whichever scenario, the Trust was facing a deficit position. The DCEO reported that every area of income and expenditure had been reviewed and that there was very little that could be reduced. A figure of £24k was the total of reductions identified that included £3k by removing TV licenses across the Trust or £4k by removing the additional music provision at Widecombe – very little that would have the impact required. This then led the discussion to the more unpalatable area of staffing reductions and the DCEO reporting that that the Trust would now have to review structures.
- The DCEO reported that where possible, through natural wastage or ending fixed term contracts, staffing reductions had begun but a more thorough approach would be required.
- The CEO said admin could be approached for volunteers who would like to trial reducing their contract hours. *The Trustees asked whether updating software to make their role more efficient could help?* The CEO said that this could be an option as it could reduce their workload. The CEO said that she felt that teaching staff could not be reduced anymore. The Trust had a high proportion of SEND children so to ensure that the pupils' needs were met then high quality, sufficient staffing needed to be in place. The CEO added that 25% of the current Year 6 were SEND. The Trustees raised concerns saying that the reduction in staff in teaching and admin could cause problems.
- The DCEO updated the Trustees on the current financial picture for JPB following an FRS completed by DCC earlier in the month. It was evident that the biggest impact was staffing costs and supply. JPB were predicting a cumulative surplus position at year end of approx. £100k and that this should

	<p>move across to the Trust on conversion. It was noted that there had been poor management of the finances so it was expected then once under the Trust's umbrella there would be an improvement. <i>The Trustees asked about the PAN across the 4 schools.</i> The CEO reported that the numbers had reduced and so the income would decrease. The DCEO reported that draft 24/25 budgets had been created using the IMP software with all but one schools showing a surplus position. These had been sent back to the Federation for checking and the DCEO stated that they were 80% confident in the level of detail provided but it was normal for other expenditure to come to light post conversion despite every effort to ensure accuracy by the team. The biggest factor was ensuring an affordable staffing model that met the schools requirements.</p> <ul style="list-style-type: none"> • The Trustees reviewed the forecast pupil numbers for Sep 24 across the whole Trust. The numbers were still reducing. It was noted that with the larger Year 6 cohorts leaving, this was impacting the numbers despite new children joining the Trust. CM said that the Admissions Committee was busy. It was noted that this was a nationwide issue. The Trustees had a long discussion about the pupil numbers and class structures for the next academic year, <i>asking questions of clarification.</i> The DCEO said that the Trust needed to be proactive in reviewing the class structures. The Chair of Finance said that if class numbers were reduced then teachers could be re-employed across the Trust as a floating teacher. <i>The Trust asked what the Trust could offer that other schools do not to encourage parents to send their children to The Link Academy Trust.</i> The CEO said the Trust were proactive, offering pre-school provision and wrap around care. It was added that the wrap around care could be costly, though it was noted that the government had pledge to fund breakfast clubs. <i>The Trustees asked how the Trust made contact with new families moving into the area?</i> The CEO said that the Trust regularly contacted large building developments and estate agents. As reported in previous meetings the CEO said that the Academy Heads had been tasked with marketing their schools within the community – however it was noted that parent recommendation and word of mouth had the most effective outcome. The CEO said that she was also having robust discussions with Academy Heads about keeping class structures but then internally covering supply as needed. • The meeting said that no firm decisions should be made however possible options considered need to be agreed. The DCEO said that supply and overtime needed to be reviewed as it was costing the Trust a substantial amount. The DCEO proposed that the Trustees agreed that no overtime would be approved. The Trustees agreed that from 1st September 2024 any overtime needed to be approved in advance by the DCEO. The Trustees asked the CEO to draw up guidelines for the schools to follow for overtime approval. • The meeting discussed supply and it was agreed that guidance for Academy Heads needed to be drawn up. The Trustees agreed that there would be a £2,000 budget for supply for each school with no option to overspend. • It was agreed to send an open letter to the admin staff to see if anyone would consider a reduction in hours. The Trustees said that going forward replacing any staff leaving needed some forethought for viability by the Line Manager completing a business case. The CEO agreed to create a proforma for the business case. • It was agreed for a clear Trust-wide financial picture to be shared with AH to help support them to understand the difficult decisions that were being made at Trustee level. • It was agreed for the BFR to show the financial budget which included Jubilee and Pebblebed and 3.5% of the pay award not funded. It was further agreed that the above actions would be phase 1 and if the financial picture was still struggling then a phase 2 more robust approach would be adopted. • Sports Grant and Pupil Premium – the DCEO shared the spending across the Trust. The meeting discussed what the funding could be spent on. It was 	<p>CEO</p> <p>CEO</p> <p>CEO</p>
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	<p>agreed to use some of the budget to support the PE based wrap around care.</p> <p>It was noted that though the financial picture for the next academic year was more precarious than in previous years, this year's budget (23/24) ended being a balanced budget and the Trust had healthy reserves to draw upon. The Trustees agreed the 23/24 – Month 10.</p>	
7.	<p>Due Diligence and financial impact of Trust Growth</p> <p>The DCEO reminded the meeting that the Due Diligence reports were available on Sharepoint. The DCEO shared a general overview. The financial due diligence/impact had already been shared in Item 6. It was noted that the Jubilee and Pebblebed schools were in good condition, and it was mainly maintenance required. There was a full audit for ICT planned in September 2024.</p>	
8.	<p>Property and Health and Safety</p> <p>8.1 Update on any issues regarding 8.2 Update on the 3 CIF bids</p> <p>The property report was circulated before the meeting. The DCEO reported that Harbertonford roof was underway. The Widecombe and Wolborough fire project would start in the summer. The DCEO said that he had raised some concerns around the project management service. CN confirmed that he had visited Harbertonford to review the work. There was a H&S audit with Westcotts which CN also attended.</p>	
9.	<p>Human Resources</p> <p>This would be discussed in Remuneration.</p>	
10.	<p>Data Protection</p> <p>There were no issues for discussion apart from staff had been reminded about forwarding on emails.</p>	
11.	<p>ESFA Bulletins</p> <p>No issues to highlight</p>	
12.	<p>Risk Register</p> <p>12.1 Trustees to review and discuss the current monitoring process outlined by the Audit Committee 12.2 Trustees reviewed the report on the financial risk register categories. It was noted that the risks had been discussed under item 6.</p>	
13.	<p>Strategic / Business Plan</p> <p>Trustees updated the meeting on the Strategic Plan</p> <ul style="list-style-type: none"> • Financial Strategy and Control – The Chair said there was no update to report. • Estate Management – CN reported that sustainability was the focus however with the Estate Manager leaving this had not been completed. It was noted that from 2025 all schools should have a climate action plan in place. A benchmark of where the Trust was, should be the first stage. It was suggested to use an intern from Plymouth University to look at this. 	Chair
14.	<p>Internal / External Audit – Chair / DCEO to raise any issues for discussion</p> <p>No audit issues for discussion</p>	
15.	<p>Policies for review</p> <p>No polices for review</p>	
16.	<p>Evaluation of governance impact</p> <p>Principle 5 – Board Effectiveness</p> <p>The Board works as an effective team, using the appropriate balance of knowledge, skills, experiences and backgrounds to make informed decisions.</p>	

The meeting closed at 11.30 am