

Finance & General Purposes Committee

Minutes

24th March 2023

9.00am

Held at Landscope House with the option to join via TEAMS

Present: Ben Thorne (Chair) (attended via TEAMS)
Nicola Dunford
Cheryl Mathieson
Christopher Norman

In attendance: Deputy CEO - Mr Matt Matthew (DCEO), Angela Hughes (Finance Manager(FM))

No	Item	Action
1.	Welcome and Apologies The Chair welcomed the Trustees. Apologies were received from Paul Waterworth – these were accepted .	
2.	Declarations of Business Interests The CEO is a Trustee of the Bearnas Education Foundation. Christopher Norman is a director and shareholder of CANE Properties Ltd. Ben Thorne is no longer a Trustee of Tor Bridge High Academy Trust. No additional declarations were declared.	
3.	Any Other Business No AOB was raised before the meeting.	
4.	Minutes of the previous meeting The minutes of the meeting held on 3 rd February 2023 were accepted as a true record.	
5.	Matters Arising from the meeting held on 3rd February 2023 (not included in the agenda) 6.2 It was agreed that the condition survey would be discussed later in the meeting. 6.3 It was confirmed that the Capitalisation Policy was amended and approved as previously discussed. The Chair confirmed that he had discussed the amendment with Bishop Fleming, who had confirmed that it supported the Sports Premium reporting.	
6.	Finance 6.1 Financial performance to 28 th February 2023 – month 6 - It was noted that the financial dashboard with a supporting report was circulated before the meeting. The Trustees confirmed that they had read them. The following was reported: <ul style="list-style-type: none"> It was noted that the forecast deficit had reduced further with the FM reporting a forecast balanced budget at the year end. However, there were still unknowns which were making an accurate prediction difficult. AH explained the reasons for the large swings in the financial reporting such as nursery funding, recovery premium and school led tutoring, grounds maintenance, Diptford building. <i>The Trustees asked whether the recovery premium and school led tutoring funding has been spent in line with the terms and conditions of the funding?</i> AH confirmed that the terms and conditions were the same as pupil premium funding and she was confident that the Trust could evidence the spend. It was noted that the DfE could claw back funding from the school led tutoring however added 	

the Trust had provided a lot of support across the academies, so this funding had been easily spent.

- AH explained that with the unknown regarding the teachers' pay award she was reluctant to alter the forecast. *The Chair commented that the forecast was looking positive, however highlighted how difficult it was for the finance team to report accurately.*
- *Referring to the individual academies budget lines, the Chair reported that a number of them were reporting improving forecasts.* The CEO outlined that in a couple of schools, class numbers were being reduced due to a reduction in PAN. Overall, however this would be a saving. *The Trustees asked if the staff would be redeployed?* The CEO reported that the staff would be moved to other academies. She added that the senior team were meeting weekly currently to map out the staffing structure across the whole Trust. *The Trustees asked whether taking into account the reduction in classes, if the senior team had considered how to use the additional space this would generate, either by shutting it off and saving on heating and lighting or repurposing to generate an income?* The CEO reported that she was in discussion with the LA on the feasibility of opening a special needs unit in one of the academies, for the Trust and out of catchment pupils. The CEO added that space was a premium in the majority of the academies and so the freed-up areas could be used as meeting rooms or for PPA.
- The CEO reported that pre-school provision across the Trust was under review, specifically looking at staffing ratios.
- AH reported that the initial payment for the Diptford extension was received in February and that the RPA had settled the claim which had also been received. *The Chair commented that given the Trust's cash balances the timing of the payments was not a concern – the overall amount had not changed.*
- AH reported that there was a long running dispute with Consortium. As the FM she was addressing this and the Trust was subsequently receiving a number of credit notes which would be processed through the purchase ledger. It was expected that the Trust would not be financially adversely affected. *Following a question from the Trustees AH explained the dispute at length. The Chair added that staff were reminded that they only sign for what they had ordered.*

Referring to the draft budget (an extensive confidential report was circulated before the meeting). A 3-year budget plan had been prepared based on the ASCL assumptions, the STRB pay recommendations and NJC pay offer. AH outlined the assumptions in the report. The following was discussed:

- Nationally there was going to be a decline in primary pupil numbers over the next 3 years.
- The new additional MSAG grant was an informed estimate. AH added that this grant was due to be rolled into the GAG from September 2024. To reflect this AH had put an extra line in the budget.
- *A Trustee asked if the sports premium was staying the same?* AH reported that it was for this year but there had been no directives thereafter. *Following a further question, AH added that this did not necessarily mean it was going to stop.*
- The ASCL assumptions recommended a 2.5% uplift to GAG in 2024/25 however there was no directive for future years.
- Pupil premium rates had increased slightly.
- Recovery premium would continue with the NTP funding reduced to 25% subsidy.
- As reported in the previous minutes the cost of any agreed pay awards to teachers and support staff were still unknown. It was also not known if the awards would be fully or partially funded by the government – it was noted that

the government had clearly stated that ‘there was no more money in the pot!’ This caused future financial uncertainties, so AH presented 3 ‘what if’ scenarios to provide a more informed prediction. The DCEO said it would be helpful if the Trustees could agree on what percentage should be reflected in the budget. The Trustees **agreed** the ASCL guidance was a good starting point for the main budget and continued using the ‘what if’ scenarios budget planning alongside it to plan for any in eventualities.

- It was predicted that energy costs were expected to increase by 100%. Currently the Trust was on a fixed tariff until 31st August 2024. Therefore, for the 3-year budget assumptions would need to be made for 2024 onwards. The DCEO said that he had read that a reduction in energy costs was being reported from next year. *Following a question from the Trustees, the DCEO said that over time the Trust had tried to coordinate so that all the academies’ fixed energy tariffs were aligned – this also gave the Trust a more favourable rate. The Trustees asked if joining with other Trusts – forming a consortium – would be beneficial?* The DCEO said that he was in talks with other business leaders of Trusts as this was a possibility.
- The government had announced an increase in free childcare for under 5s with an expectation for all schools to offer wraparound care. This could bring in more nursery funding. A meeting noted that there were offsets that should be considered such as a falling primary PAN. The CEO pointed out that some of the academies were in a growth area and their PAN was subsequently increasing.
- The CEO said that the catering was a focus which should have a positive impact on the budget. The CEO added that Academy Heads were encouraged to scrutinise their spending looking for marginal gains.
- *The Chair suggested that as an exercise each academy could set a zero-based budget. Rather than setting a budget based on previous years’ figures and staffing, starting with a blank piece of paper and consider what was the best way to teach the pupils. The Chair added that it would also be interesting if Academy Heads were asked to structure other academy’s staffing to see if ‘fresh eyes’ brought different solutions.* The CEO said that this was done by the EIT and as they had no affiliations to any one academy, it meant it was more neutral and fairer. The CEO outlined the process.
- The CEO reported that CST were pushing for getting financial directives in a timely manner to enable schools to budget effectively.
- The DCEO reported that staffing structure was the next big piece of work to ensure that the Trust’s spending was prudent.
- It was noted that nationally, Trusts were financially stretched.
- The CEO added that the Trust only received £80,000 in capital funding to maintain the buildings which were Victorian, and this was untenable. The occasional successful CIF bids supported this work. It was added that as a charitable Trust, another possible funding stream was to look for sponsorship from bigger businesses. The meeting discussed this option.
- *The Chair said that he would discuss with Bishop Fleming to lobby CST to discuss ESFA returns and more guidance.*

In summary, the Trustees noted that due to the significant variances such as staff pay awards, predicting an accurate budget was difficult. However, taking the reserves into consideration, the overall financial picture of the Trust was strong. The Trustees accepted and **agreed** the budget as at 28th February 2023.

6.2 Use of reserves/spending priorities update – AH reported that there was not much variation in this area. The work agreed was going ahead. £50,000 from LA growth

	<p>funding had been agreed to enable Cheriton Bishop to accommodate the increased PAN. The CEO added that the buildings must remain as a focus of the Trust.</p> <p>6.3 Update on CIF bids – There was no update on the CIF, expected from April 2023. The DCEO added that once the result of the bids was known, then decisions would need to be made as this will have an impact (negatively or positively) on the rolling programme. <i>The Chair of Trustees said that she had had an email from a Trustee suggesting for a bidding process by the academies on the reserves for the smaller things, such as Trust matched PTFA funding for a project.</i> The CEO said that the Trust does this with the Academy Heads.</p> <p>The CEO informed the meeting that the DCEO had undertaken a site security audit of all the academies, looking at areas such as entry onto the academies, perimeters, CCTV. Security had now been added to the capital spend programme.</p> <p>The CEO also added that the Trust was still waiting for notification on its 3 applications to the Public Sector Decarbonisation Scheme.</p> <p>It was noted that the work of the current maintenance person had been vital across the Trust and it was having a positive impact. The meeting discussed the possibility of employing another person as it was felt it was cost effective.</p> <p>6.4 Rolling capital spend programme – see 6.3</p> <p>6.5 Teaching staff pay award update - to include scenarios outlining the financial impact if the future teachers’ pay rise was funded or not funded – see 6.1</p> <p>6.6 Support staff pay award update – see 6.1</p> <p>6.7 Update on the SRMSAT submission – the DCEO confirmed that the submission had been completed and the deadline was met.</p>	
7.	<p>Benchmarking</p> <p>The Bishop Fleming’s Kreston Academies Benchmarking Report 2023 was circulated before the meeting. The meeting noted that there were no red flags. The Trust came out either average or below average across the board. It was noted that pupil to teacher ratio came out high, however as a Trust this was acceptable as it was the most effective way for good teaching and learning outcomes for the pupils. The DCEO had also queried the average teaching and non-teaching annualised salaries – the DCEO said that it was being inflated by the central cost element. The Chair said that he would review the response from Bishop Fleming. The Trustees felt that the budget was being spent correctly. The meeting noted that though the benchmarking exercise was reassuring it meant that highlighted areas to make savings was not so obvious.</p>	
8.	<p>Property</p> <p>8.1 The DCEO reported that the pre-start site meeting had been completed at Diptford. Demolition would start on Friday 31st March after the pupils break up for Easter. All parties were happy with the plans. The DCEO added that the foundation structure had to be changed due to the condition of the ground. The DCEO went through the minor works completed on other academies across the Trust.</p> <p>8.2 The DCEO reported that LBCT submission had been completed.</p>	
9.	<p>Human Resources</p> <p>The CEO explained the process for the ‘talent spotting’ meeting. She explained that the Academy Heads completed a matrix indicating the career aspirations of their teaching staff. The EIT then reviewed the matrices, highlighting training, movement across the Trust and ability to undertake additional responsibility of the staff. This then formed the staff structure for each academy for the following year. <i>A Trustee asked if the staff</i></p>	

	<p><i>contracts were tied to a named academy or to the Trust.</i> The CEO said that inherited contracts (under TUPE) before schools entered the Trust were tied to a named academy. Any contracts issued after a school joined the Trust were a Trust contract allowing for staff to be moved across the academies.</p> <p>The CEO explained to the meeting that there were current vacancies for a Catering Manager and Property Manager – both part time. This would in turn release the pressure on the DCEO who was responsible for the business side of the Trust.</p>	
10.	<p>Health & Safety There were no outstanding issues to report.</p>	
11.	<p>Data Protection 11.1 DCEO said that the cyber audit action plan was in place and the outstanding issues were being addressed. All users within the Trust IT system now had a 2FA authentication process. The DCEO added that he was meeting with Limbtec in Easter to work on the segregation of the Wifi to the academies to distinguish between pupil and staff usage. 11.2 The DCEO reported that he was going to forward on a cyber response plan to the Chair of the Audit Committee. The DPO report was circulated before the meeting and the meeting noted that it illustrated the honesty of any possible data breaches by the staff, enabling a prompt response.</p>	
12.	<p>Safeguarding Update on the security of schools' audit – this was discussed earlier under item 6.3. The CEO reported that there had been an Ofsted complaint from a parent which had been investigated by the LA. There were no recommendations.</p>	
13.	<p>Risk Register and Strategy Plan The DCEO reported that a template version for schools had been created by Westcotts. There was to be a meeting for the DCEO to raise some questions as the template was not what the Trust was expecting. The template has been sent to Audit Trustees for their comments. Once finalised the template would be sent to all the Trustees for approval. The DCEO added that the template brought in a different level for Trustees. The DCEO reminded the Trustees to continue updating their strategy plans. DCEO said that he would send an email to remind them.</p>	
14.	<p>ESFA Bulletins CEO and CM to raise any issues for discussion</p>	
15.	<p>Policies Review and approve: - 15.1 CCTV policy – this is a new policy to the Trust. The Trustees had made some comments on the policy, and it was agreed that with these changes the policy was approved.</p>	

Dates of Future Meetings

Friday 5th May 2023

Friday 30th June 2023