

## Finance & General Purposes Committee

MINUTES

13th May 2024

9.30am

*Held at Landscope House*

**Present:** Ben Thorne (Chair)  
Nicola Dunford (CEO)  
Cheryl Mathieson (CM)  
Christopher Norman (CN)

**In attendance:** Matt Matthew (DCEO)  
Louisa Taylor (Finance Manager – FM)

No	Item	Action
1.	<b>Welcome and Apologies</b> The Chair opened the meeting with a welcome. Apologies from Paul Waterworth were accepted.	
2.	<b>Declarations of Business Interests</b> The CEO is a Trustee for the Bearnas Education Foundation. Chris Norman is Director of CANE Properties Ltd.	
3.	<b>Any Other Business</b> If you wish to add any items to the agenda, please notify the Chair or the Governance Professional by noon of the previous day of the meeting.	
4.	<b>Minutes of the previous meeting</b> The minutes of the meeting held on 18 <sup>th</sup> March 2024 were accepted as a true record. The Chair signed accordingly.	
5.	<b>Matters Arising from meeting held on 18<sup>th</sup> March 2024</b> 5.6 The DCEO reported that following the last meeting, the alternative provision finance arrangement for a pupil if not attending school had now been resolved.	
6.	<b>Finance</b> 6.1 Financial performance to 30 <sup>th</sup> April 2024 – Month 8 to include <ul style="list-style-type: none"> <li>• Use of reserves/spending priorities update</li> <li>• Rolling capital spend programme</li> <li>• 3-year plan</li> <li>• Update on CIF bids</li> <li>• Update on the SRMSAT submission</li> <li>• Sports Grant</li> <li>• Pupil Premium</li> </ul> The dashboard and accompanying paperwork were circulated before the meeting. The following questions/comments were made on the current financial forecast: <ul style="list-style-type: none"> <li>• The FM showed a detailed analysis reporting that the variances were down to changes in areas such as being in receipt of a converter grant, changes in staffing to cover additional teaching to cover circumstances such as maternity leave and long term sickness and a TA for EHCP, Academy growth payment from DCC for introducing an additional class, repairs to the buildings, higher pupil premium and SEN income, rental costs which were not in original budget, catering costs and higher needs GAG income.</li> </ul>	

- The FM also outlined the income and expenditure that was not in the original budget and had now been subsequently added. It was noted overall this had not had a significant impact on the bottom line.
- The FM shared with the Trustees the Reserves forecast. It was noted that though the Trust was still carrying a healthy reserve, this amount would be needed to support the 3-year budget to ensure that the Trust remained viable.
- The FM highlighted that the deficits in the years 24/25 and 25/25 were not 100% reliable as so many grants were still unknown.
- The FM reported that there had been a deficit increase which was due to unknown inherited deficits of new schools joining the Trust and increased usage of supply cover across the whole Trust.
- *The Trustees raised deeper questions of clarification on the variances on a school-by-school basis* to which the FM gave a more detailed answer. The FM said that when taking on new schools there was usually unknown costs/income which influenced the Trust budget. The DCEO outlined the response of the Trust to try to control the spending across the schools.
- It was noted that the forecasted end of year balance did not include £85,000 TCAF income or £76,000 CIF contribution spending – taking these into account would still leave the year end forecast to be in small deficit.
- Following a discussion, it was **agreed** that the TCAF should be shown in 23/24 accounts even though it would not be received until the following year. The Chair said that for management accounts it should not be included as it was ringfenced.
- *The Trustees noted that there were some schools that were doing well, and the Trustees asked how they do this?* There was a discussion around how these practices could be shared across the Trust. The DCEO said that supply use and pre-school had a significant impact on the school budgets.
- *The Trustees asked how many days a week do schools use supply?* The CEO said there was not a definitive answer however, the Trust had floating teachers to try to manage the supply costs. However, the current floating teachers were now in more long-term temporary posts such as maternity cover. The CEO shared a plan to have more in-house supply teachers, saving on agency costs. The Trustees said that it would be useful for more in-depth statistics to try to ascertain whether this would be a prudent investment.

FM/  
DCEO

The Trustees **accepted** the financial forecast at the end of period 8.

#### 6.2 Budget planning update for Year 2024-2025

The FM reported that the 24-25 budget had been started and shared the current budget review – accompanying the budget were detailed notes (attached)

Referring to the draft 24-25 budget and the notes, the following comments were made:-

- The Trustees discussed the cleaning costs and discussed the option of making this in-house. Currently the cleaning provision across the Trust schools was being provided by various sources. The Trustees discussed one of the main reservations was covering sickness. The DCEO said that one option was to go out to tender; adding that cleaning costs were getting more expensive. *Following a question from the Trustees*, the DCEO confirmed that the Trust provide the consumables.
- Pupil numbers were nationally on the decline. The Trustees discussed how there were now mother and toddler groups and pre-schools in some of the Trust's schools to try to address this.
- The DCEO said that he was continuing to tender for energy costs but warned the Trustees that they would not be as competitive as before due to inflation.
- The FM highlighted that the Trust were basing the teaching increase cost of 2% unfunded equalling an estimated cost increase of £134k. The Trustees noted that this was consistent with the national picture. With support staff it was noted that the increase was estimated to be £332k across the Trust and this was based on a flat-rate increase. Historically, support staff salary increases were not funded with additional grants from the government. The meeting discussed

	<p>areas of possible savings. It was <b>agreed</b> to review this further as the Trust was showing a deficit.</p> <ul style="list-style-type: none"> <li>• <i>Following a question from the Trustees</i>, it was noted that the new schools expected in 24/25 had not been included in the budget. It was noted that the declining pupil numbers were having a significant impact on the budget.</li> <li>• <i>The Trustees asked what figure was reported at this same point in the previous year's budget setting process.</i> It was reported that it was a deficit however was not as big as this year's forecasted figure. The meeting had a robust discussion on the variances and unknowns which affected the budget during a budget year. The DCEO shared the school specific, and MAT suggested recommendations to ensure the Trust remained viable. It was noted that some of the recommendations could be implemented quickly, and some would take longer. The Trustees <b>agreed</b> that at a strategic level they understood the issues and tasked the CEO/DCEO/FM to continue with looking at areas of financial savings.</li> <li>• It was noted that the Trust had healthy reserves that could be used to support any deficits.</li> </ul> <p>The DCEO gave an update on the sports grant confirming that it had been spent accordingly.</p> <p>The DCEO updated on the income generation. The DCEO said it was early days and there had been some success. The Trustees asked how the Income Generating Officer (IGO) sourced the grants. Currently the IGO was getting to know the schools to build up a knowledge of what each school needed.</p>	FM/DCEO
		FM/DCEO
		FM/DCEO/ CEO
7.	<p><b>Property</b></p> <p>A property report was circulated before the meeting. There was nothing of note to report apart from the success of 3 CIF bids. The Acting Estates Manager was leading with the CIF bids. The Trustees asked about the RAAC investigation – the DCEO reported that 2 schools had been identified however following a further investigation there was no further action.</p>	
8.	<p><b>Human Resources</b></p> <p>The CEO updated the Trustees on current staffing situation. <i>The Trustees asked questions of clarification.</i></p>	
9.	<p><b>Health &amp; Safety</b></p> <p>This was dealt with under section 7.</p>	
10.	<p><b>Safeguarding</b></p> <p>The CEO reported that there were no safeguarding issues to report.</p>	
11.	<p><b>Due Diligence</b></p> <p>The DCEO updated the Trustees of the Due Diligence of the new schools expected to join the Trust. The DCEO said that it was progressing well. The pupil numbers of the schools were shared. The DCEO also shared the forecast budgets of all the schools. <i>The Trustees asked questions around the pupil numbers, buildings and the geographical location effects.</i></p>	
12.	<p><b>Risk Register and Strategy Plan</b></p> <p>Trustee had received the risk register update and discussed the report. It was noted there were no surprises.</p>	

13.	<b>ESFA Bulletins</b> There were no updates. The next deadline was the BFR.	
14.	<b>Policies</b>	
15.	<b>Evaluation of governance impact</b> – Principle 4: Decision making, risk and control The Board ensures that its decision-making processes are evidence informed, rigorous and timely and that effective delegation, control, risk assessment and management systems are set up and monitored. There is effective reporting at all levels of Academy Trust governance to ensure decisions are taken at the correct level in accordance with the Articles of Association and Scheme of Delegation.  The Trustees felt that there was evidence of meeting this principle in their practice.	

**The next meeting agreed to be 19<sup>th</sup> July 2024 at 9.30 am**

**The meeting closed at 11.30 am**