

The Link Academy Trust  
**Finance & General Purposes Committee**

**Minutes: Friday 26 March 2021  
9.30am - F&GP 2/21**

*Held online using MS Teams due to Covid restrictions  
The meeting was also recorded*

**Present:** Mr Roy Gillard (Chair)  
Mrs Nicola Dunford (joined at 9.39) (CEO)  
Mrs Cheryl Mathieson (CM)  
Mr Paul Waterworth (PW)

**In attendance:** Trust Business Manager (TBM) - Mr Matt Matthew  
Clerk – Rachel Hill

**Welcome:**

Roy Gillard, Chair of Finance & General Purposes Committee welcomed all to the meeting.

**Absent without Apologies:** Mr Mike Fisher (MF). CM will call MF.

**Declaration of Business Interests:** The CEO is a Trustee of South Dartmoor Multi Academy Trust (SDMAT). It was noted that the final accounts meeting for SDMAT has been held but no official notification of closure has been received as yet. SDMAT remains an active company at Companies House. The CEO is also a Trustee for the Bearnas Education Foundation. Mr Roy Gillard is a Director of Labyrinth Accountancy Limited.

1. **Minutes of the previous meeting**

Part I minutes of 5 February 2021 were approved as a true and accurate record.

2. **Matters Arising**

2.1 Draft meeting dates 2021-22.

Draft meeting dates drawn up by the Clerk were noted. The Chair advised that in exceptional circumstances individual committee meeting dates could be re-arranged if alternative dates were agreed by the other committee members.

The CEO joined the meeting at this point.

2.2 **Schools Resource Management self-assessment tool.**

This document was posted on screen by the TBM having been filed in SharePoint prior to the meeting. The TBM advised that figures from the end of year accounts are used by the ESFA to benchmark the Trust against similar schools and the result of this is the Schools Resource Management self-assessment tool. When budget planning is undertaken by the Link this document is taken as a benchmarking exercise. The TBM expressed some concerns about the accuracy of percentages within the document but added that it provided a good starting point for benchmarking. *PW questioned whether, if there was doubt about the figures against the accuracy of the accounts, this matter should be taken up with the ESFA.* The TBM advised that he had done this. The ESFA advised that the document remains 'a work in progress'. The TBM reported that the Trust has not adopted the Chart of Accounts from the DfE as they were comfortable at present with the Link Chart of Accounts. *The Chair questioned whether it was wise not to adopt the DfE Chart of Accounts.* The TBM responded that if the Trust starts a new financial system then it could be possible to include the DfE Chart of Accounts at that point. *PW commented that in his experience with other organisations, public organisation figures can become benchmarks even if they are inaccurate as there is a tendency to misinterpret the figures at a central level. The Chair added that the Trust is currently funded per child. His concern was that if this was changed then accurate figures are required as future funding could be based on budgeting or forecasting.*

### 3. Finance

#### 3.1 Financial Performance to 28 February 2021 – month 6.

The Budgeting Report for month 6 was displayed on screen having been made available for the committee before the meeting and filed within SharePoint. The TBM reported that as at the end of month six it is expected that all schools are at budget spend. The document is RAG rated and areas which require investigation and/or support by the Finance Team are coloured red or amber. However, the bottom line of the document shows revenue budgets year to date. This shows all schools, except Hennock, are reporting a year to date growth in their surplus at the end of month six. The TBM reported on the revenue position drawing the committee's attention to the carry forward figures. This indicated that all schools are growing their surplus positions with the exception of Hennock (with an approximate £4,500 overspend) and as such this has reduced their carry forward position from the beginning of the year. All schools at a year to date position are in surplus, which is expected. Debtors, creditors, related party balances are taken into consideration. Finally, a forecast to the end of this year and the following year is then undertaken. The TBM suggested that with the negative effect of Covid on financial performance the year end position may be slightly lower than budgeted. Overall, a good, healthy position for the Trust is reported in the accounts.

*PW asked, by way of explanation, how could a school have a capital deficit.* The TBM replied that this would be because the capital funding doesn't come in until the end of the year. Each school has a capital allocation which is received in May of each year. Four schools have been allowed to spend some of that capital already.

*CM asked why would a school need capital.* The TBM replied that capital covers a wide range of expenditure from fencing, furniture, flooring, roofing repairs, IT etc.

The TBM continued that following receipt of the month end reports he meets with the Chair to discuss the figures. The CEO has to sign off the accounts once she is satisfied, so financial procedures are tight. The Chair added that Trustees' concern is focused on the overall financial picture of the Trust. Individual schools are overseen and reported on by the TBM and Finance Team.

*PW asked, for clarification, what the average cash book balance was at year end for the Trust as a whole?* The TBM advised that the year to date position started at £1.2 and the cash book balance at the month end was £1.4 so the approximate average cash book balance would be £100,000 per school. *PW continued, in the measuring of whether or not that is good or bad, what is the bracket within which a judgement is made.* The TBM replied that for this he would need to refer to the Trust's Reserves Policy. This currently sits at approximately £800,000 which is approximately six weeks operating costs. This is six weeks of staffing costs and then a further £200,000 of other expenditure to cover bills. The Trust is currently above the Reserves Policy and is in a healthy position. The Chair added that if the Trust came close to the £800,000 Reserves Policy then action would need to be taken. The CEO added, for historical information, as a Trust of small schools it had been hard to build reserves. The Link aims to never have an in year deficit in any of the schools. Approximately three years ago the Trust had been involved in a National research project on small school's operating costs and how they manage. Nine different Trusts were involved in ten different case studies. In the report from this research, the Link's practice was flagged up as excellent in four separate case studies. Due to the TBM's work in the developmental stages of the Trust it now has an excellent financial practice. The TBM added that as it gets closer to the year end, the budget that was set in July 2020 becomes out of date. For example this year pension contributions to employers has been increased by three percent. The TBM asked that as the year progresses for the committee to look at the year to date revenue position (total revenue, total capital) as this becomes the benchmark that each school is judged on.

3.2 Budget Assumptions.

The TBM advised that the draft budget for 2021-22 has been created and includes the General Annual Grant (GAG) income. These figures have been entered into budgeting software. During the Easter break the staffing areas will be updated and other income lines, such as free school meals, pre-school and catering income will be added. This will build the financial picture for the next five years. The Trust has seen an increase in the per pupil funding amount. However, built within this are the teacher's pay awards and pension increases. Staffing forms a large amount of the Trust's expenditure.

*The Chair asked the TBM whether each school could be asked to draw up a 'wish list' of items that they particularly needed, but could not afford, and for the committee to be able to review these lists.* The TBM replied that the CEO was already undertaking this exercise. The CEO added that priority within 'wish lists' should be around the learning environment and need. The TBM added that the wishes of individual schools needed to be balanced against staffing, IT, and property needs but recognised that individual schools also required development. *CM asked if some of the requests could be fed into next year's CIF bids. The Chair asked if the committee could see these lists.* The TBM replied affirmatively.

**Action TBM**

*The Chair asked if the TBM could ensure that the Trust Office was made a confidential space for meetings.* The TBM advised that this was in hand and that the builder would be visiting imminently.

4. Financial Impact of Lockdown

The TBM advised that there has been a decrease in pre-school and catering income due to lockdown. There was a Government grant that the Trust might have been able to apply for in respect of staffing costs, but it had contained a caveat that the grant could only be applied for if the Trust had less than four percent of annual income in reserves. As this is not the case for the Link it had not been possible to apply for this grant.

The CEO added that the Trust had been directive in spending the Catch-Up grant for children. This had been incorporated into the Digital Learning Strategy which is now almost complete. Online learning has hugely expanded. Connectivity remains an issue for some schools in spite of efforts to improve the situation. The TBM asked if an additional F&GP committee meeting could be held prior to May, to agree the IT strategy and expenditure. This was agreed.

**Action Clerk**

4.1 Staffing and Kick-start programme – TA's and MTA's. This matter was not discussed.

5. Property

The TBM gave a general update in MF's absence.

CIF bids and ongoing projects.

The announcement for the next round of CIF funding should be received within the next few weeks. Four CIF bids have been submitted for rooves, one for the replacement classrooms at Diptford and six bids in for mechanical and electrical works across the schools. Total project costs for these bids are £2.6 million. The CEO pointed out that the Trust can't put in for bids for expansion. When Ilington School joined the Trust it was discovered that they had allowed the pre-school to become part of the school without making significant changes which meant that capacity could not be maintained. As a result, the Link was granted build funding of £264,000 from CIF. This project is underway at the moment. This case is an anomaly. Usually new classrooms have to be afforded by the Trust from reserves. CIF bids do not allow the Trust to extend buildings. The TBM added that the projects are scored based on need, value for money and deliverability. The Trust then has to provide a percentage contribution to the overall project. This year the Link has placed emphasis on the Diptford and Hennock projects which, if successful, would receive a 15% contribution from the Trust. The remaining projects would receive a 10% contribution. If the Trust is successful in all the CIF bids for this year the

Link would be making a total of £326,000 in contribution towards all projects. If the bid is approved the Trust will be given the total funds that have been applied for. *CM asked what happens if you underspend on a project – would you get the full amount?* The TBM replied that payments are made through the year upon receipt of invoices and if there is an underspend the final payment would be adjusted to take this into account.

#### Hennock Primary School and fencing.

The TBM reported that the Premises Officer has reviewed the situation at Hennock and received fencing quotes with a further request for an intercom system to be installed. Two further requests from Harbertonford and Diptford for fencing have since been received. These are currently under review by the Premises Officer. A request for picket fencing, an apparent health and safety issue at Cheriton Bishop, has been received. The TBM has advised that the school contacts the Premises Officer Andy Tranter for advice on how to proceed with the matter.

#### Stoke Gabriel multi-use games area.

The TBM reported that plans have been drawn up for a multi-use games area on the playing field at Stoke Gabriel. A quote to work up the project through to planning and a quote for the surface and build of the area have been received. These are £63,000 and £65,000 respectively. There is 106 Funding available through the Local Authority for between £25-33,000 and the TBM has asked for the LA 106 funding to contribute towards the overall cost. The school would also be asked to make an approximate £35,000 contribution towards the project from their reserves. *The TBM asked whether, if the full 106 Funding was received from the Local Authority, the committee agreed to proceed with the project.* The TBM continued that he had also asked if the Income Generation Officer could submit an Awards for All bid for £10,000 to offset the costs against the school. The Chair asked the committee for any comments. *CM asked whether the PTFA could donate any funds.* The TBM advised that he would ask Trustee Jason Hayward-Jones to talk to the PTFA about this.

**Action TBM**

The committee **approved** the project proceeding subject to receipt of Local Authority 106 and Awards for All funding, a donation from the PTFA and Stoke Gabriel school contributing from their reserves the balance of the costs for the project.

**Approved**

At this point in the meeting a comfort break of ten minutes was taken.

## **6. Business Plan 2021 10022**

6.1 Financial Strategy and Control.

6.2 Central Business and Property.

The CEO advised that she had RAG rated the areas in Financial Strategy and Control mostly amber. There are four objectives and the CEO reported on updates for each one. The due diligence process will be used for Morchard Bishop in tandem with a due diligence process for the Diocese. The CEO has asked an accountancy firm called Mark Holt to suggest possible Trustee members for the Link from their staff. The Chair suggested that a further Trustee for the Audit committee was required. The CEO continued that she was inclined to make a drop to local accountancy firms for potential Trustees. It was noted that if Mike Fisher is unable to continue as a Trustee the Link would need to source a potential Trustee with experience in property. The CEO has left the last section of 6.1 RAG rated red as it has not been completed as yet.

Overall the committee is working forward with 6.1 and 6.2 of this plan.

## **7. Internal Audit**

7.1 The TBM advised that he had received the report from Griffin for their last internal audit which covered the Spring term. This was an internal review of the Trust's financial monitoring, budgeting, payroll, income and cash receipts. Only one issue was raised - this being a recommendation to undertake monthly accruals. The TBM advised Griffin that the Trust had previously considered this but due to the minimal amount of monthly accruals the

Trust would continue to make these entries at year end. Griffin had agreed to this. The committee extended their thanks to the Finance Team for their work on the internal audit.

8. **Risk Register**

- 8.1 Review of F&GP sections:
- Finance & Financial Stability
  - Infrastructure Estate
  - Infrastructure IT
  - Infrastructure H&S

CM noted that the F&GP sections had been reviewed in September 2020. The CEO agreed to update the F&GP sections with minor changes to make it relevant as of today's date and alter the next review dates to September 2021.

**Action CEO**

9. **Human Resources**

There were no issues to raise.

10. **Health & Safety**

There were no issues to raise.

11. **Data Protection**

The CEO reported a minor breach. A case had gone to Court. Following this the solicitors involved had been asked to destroy the paperwork. Subsequently new solicitors had been appointed. The newly appointed solicitors requested a copy of the paperwork. The CEO had redacted all names from the paperwork and then sent it to the newly appointed solicitors who then advised the paperwork was no longer required.

12. **ESFA Bulletins**

The CEO reported that she had recently attended a seminar themed around early career teachers. The ESFA are looking to improve retention in this area. It had been an interesting seminar with issues fully addressed and researched and materials produced to sit alongside this.

13. **Policies**

13.1 Equality Statement

CM reported that it is a statutory regulation to have an Equality Statement on the website. As the Link did not have one the HR Officer drew one up. This has been checked by Wolferstans. All Trustees have been asked for their comments. As the next Board of Trustees meeting will not be until May the suggestion is that the Equality Statement is approved in principal by the F&GP committee, placed on the website and then approved at the May 2021 meeting of the Board of Trustees. CM recommended that in future the Equality Statement is looked at in tandem with the Equal Opportunities Policy.

The F&GP committee approved in principal the Equality Statement.

**Approved**

14. **Any Other Business**

14.1 Wolferstans

It was agreed to renew with Wolferstans for HR and Legal Services for a further 12 months as their fee is reflective of the support provided and comparable with what the Trust has been quoted previously.

**Agreed**

The TBM agreed to make a date in the diary at the end of January 2022 to review legal services.

**Action Clerk/TBM**

PW suggested that if there were concerns about aspects of Wolferstans' performance then a member of the committee should discuss this with them.

15. **Dates of Future Meetings**

Digital Strategy meeting, 14.00hrs Monday 26 April 2021  
Friday 7 May 2021, 9.30am  
Tuesday 6 July 2021, 9.30am