



Finance & General Purposes Committee

MINUTES : 30th June 2023

9.00am

Held at Landscope School House

Present: Ben Thorne (Chair) (For the first 30 minutes)
 Nicky Dunford (CEO)
 Chris Norman (CN)
 Cheryl Mathieson (CM) (Chair for the remainder of the meeting)

In attendance: Matt Matthew (DCEO)
 Angela Hughes (AH)

No	Item	Action
1.	Welcome and apologies The Chair opened the meeting. There were apologies from Paul Waterworth. The Chair offered his apologies as he was only able to partially attend the meeting. These apologies were accepted . The meeting agreed that Cheryl Mathieson would resume the role as Chair in Ben Thorne's absence.	
2.	Declarations of interest 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. There were no additional declarations.	
3.	Any other business There was no other business	
4.	Approval of meeting minutes The Part I minutes of the meeting held on 5 th May 2023 were accepted as a true record.	
5.	Matters arising from minutes of 5th May 2023 not on the agenda No matters arising	
6.	Finance 6.1 Financial performance to 31 st May 2023 - Month 9 – to include update and possible impact of any staffing pay award, energy provider billing issues and Consortium. 6.2 3-year budget update 6.3 Use of reserves/spending priorities update <u>Items 6.1, 6.2 and 6.3 reports were circulated to the Trustees before the meeting and discussed as a whole. The Chair's response to the financial results and budgets was also discussed (attached)</u> 6.4 Early indication of 2023/24 draft budget if available AH presented the financial performance – the reports were circulated before the meeting and the following comments were made.	

- *The Chair (BT) informed the meeting he had met with the DCEO and AH to discuss the current financial position of the Trust and provided the following observations:*
 - *Budgeting was becoming even tighter and very difficult whilst waiting for government announcements.*
 - *When staff leave it should be looked at critically before approving an automatic replacement.*
 - *The Chair said that he would like to see zero based budgeting across the schools – to ensure that the budget was being spent effectively but still maintaining the best education. Diptford loan repayment needs to be factored in. Catering remained challenging although he welcomed the steps taken going forward. Need to make sure that all the income had been accounted for. Thought needed to think of ways of balancing budgets across the Trust.*
 - *Currently the accounts show reserves on a school-by-school basis – this caused risks and suggested that there was consideration around how this was presented and in future pooling the reserves.*
- CEO commented that the SLT meet weekly to consider staffing closely – teaching staff must be in place and PPA is creatively covered to try to keep costs down. HLTA training was to be offered to TAs so they could lead a class. The TAs would continue to be paid at their current rate but in future when a TA led a class, they would be paid at the HLTA rate solely for that time.
- The CEO reported that the Trust was still struggling with capacity within the EIT team and central business team.
- Catering – The CEO reported ‘free’ staff meals would cease at the end of the summer term in order to save costs. They would be replaced with an offer of a meal for £2. For those staff struggling with the cost-of-living crisis then further support would be considered on an individual confidential basis.
- The CEO agreed that the reporting of the reserves needed to be reviewed.
- The CEO suggested that an income generation post could be a possible way to consider increasing the income across the Trust – this post would not only cover the cost of the post but generate additional income. It was added that this might not affect income but could provide the extras which in turn generated an overall gain.
- *The Trustees said that they could see a lot had been looked at and savings had been made and asked what else could be done? The Chair (BT) agreed that this had been done and raised concern that harder decisions might need to be made if the funding does not come through. The CEO said that historically the Trust had always had a carry forward and commented that over the year there were incomes that would come in which could positively affect the budget. It was noted that not knowing the outcome of the pay announcement was making it difficult for the budget to be set. The budget had been stripped down – it was added that energy costs were unknown as well. The DCEO added that the finance team had scrutinised all the income areas which only left the staff budget line. The meeting agreed that staffing was the most important area, and the CEO assured the Trustees that at the Academy Heads’ meeting there were discussions to ensure that the Academy Heads had an awareness of costs of staffing especially around the supply budget. Monitoring of the supply spend was to be an ongoing scrutiny by the CEO and HROM. *The Trustees asked about the floating staff and whether they could help cover? The CEO said it should help and said that the next step was to require Academy Heads to seek approval before employing supply staff. The CEO added that some of the schools were frugal with their supply spending. One idea was to create a group of supply teachers known to each school that could be employed direct when needed, making savings on agency costs.**

	<ul style="list-style-type: none"> • The DCEO updated the meeting on the pay awards situation explaining the current UPS and MPS offers and the government current position on the available funding. The threat of strike action continued. There was a push for an earlier announcement from the STRB to allow trusts to work on the budgets. To try to accommodate the uncertainty AH provided 3 comparisons. They were: <ul style="list-style-type: none"> ○ Scenario 1 - No pay award ○ Scenario 2 - Teachers 30k starting M1, UPS & LS 5% with 1% funded whilst NJC awarded £1925 per pay scale. ○ Scenario 3 – Teachers 30k starting M1, UPS & LS 6.5% with 2.5% funded whilst NJC awarded £1925 per pay scale. It is believed that this is the most likely assumption following leaked reports on the STRB. • The meeting discussed the scenarios and it was confirmed that the budgets being presented included all the income/expenditure across the Trust – the changes in the figures were to reflect the different scenarios in the pay awards. • <i>The meeting asked questions of clarification around the presentation of the accounts.</i> It was noted that on the advice of the Chair of Finance, the loan for the Diptford build had now been taken out of the budget and added to the reserves. <i>Following a question from the Trustees,</i> it was confirmed that the reserves budget line included the successful CIF bids and respective contributions from the Trust. • The DCEO reported that the Trust was a going concern for the next 18 months and needed to work hard to continue to bring in income and scrutinise the spending. • The DCEO reported that the BFR return (31st August 2023) would set a balanced budget as required by the Academies Trust Handbook but would also incorporate a small use of the reserves. However, it was noted that the government needed to see that nationally trusts/schools were struggling to achieve balanced budgets. It was agreed that once the STRB announcement was made a discussion of the Finance Committee needed to be held to look at the implications. • The DCEO reported that in September there would be a clearer picture on the available funds for the capital rolling programme once the CIF bids and planned works had been completed. • The DCEO updated the meeting on the plans for next year’s CIF bids and which schools would qualify. <p>AH reported that the finance team had looked at ways for cutting costs avoiding the staffing budget line. Reductions of 10% across the areas such as building repairs, cleaning, energy and printing costs could give a £40,000 saving – it was noted that this might not be achievable with the cost-of-living crises and contract costs increasing. <i>The meeting suggested taking cleaning in house</i> – this was felt not to be practical. The meeting discussed how the building repair & maintenance was spent. AH also shared other potential savings areas, it was noted that some of these were ring fenced. Conversations with the academies had been had on the level of ordering supplies. The meeting agreed that in future there would be 3 ordering points through the academic year. It was noted that staff must be encouraged to consider whether the items were needed. The central team must be rigorous and have a tight system on the spending in the schools. It was further noted that Academy Heads could access their finance reports to monitor their spending. The CEO agreed to share at the next Academy Head meeting the message to encourage that surplus supplies were offered to other schools.</p> <p>AH then shared the staff costs and possible future areas of savings. AH suggested that when staff left, the Trust looked at creative ways of covering the post. One consideration was the adult/pupil ratio. There was an argument though for an</p>	<p>FC</p> <p>CEO</p>
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	<p>increased ratio in some academies. <i>The Trustees asked questions around safety and impact</i> – it was felt that safety would be maintained. It was noted that the ratios could be looked at on a school-by-school basis and discussions with academies with higher ratios needed to be had. It was noted though that in some schools there were reasons for higher ratios such as the needs of the pupils. The DCEO shared the LLC cohort data for the future years and the impact on pupil numbers – The CEO said that this data was only an indication and it was accepted that out of area pupils do join, adding that the Admissions Committee need to meet every week to hear requests.</p> <p>The Trustees accepted and agreed the budget as presented.</p> <p>The DCEO reported that there would be a discussion with SMRA to look at savings.</p> <p><i>Following a question from the Trustees</i>, the DCEO confirmed that both the energy provider and consortium issues had been sorted.</p>	
7.	<p>Financial impact of Trust Growth – CEO / DCEO to raise any issues for discussion.</p> <p>The CEO outlined the future possible school joiners and the financial impact on the Trust. The DCEO updated the meeting on the support he had given schools in East Devon. The CEO shared the future ideas for growth, and it was agreed that this was a wider discussion at an Away day.</p> <p>The DCEO outlined the financial position of the two schools due to join the Trust in the Autumn Term; he added there might be a delay with one of the schools due to land issues. The Trustees discussed this further from a financial perspective.</p>	
8.	<p>Property – DCEO to raise any issues for discussion</p> <p>The Trust was successful in 5 CIF bids, one of which is pending further approval. The DCEO said that the Trust had appealed one other bid. The total project cost was expected to be 1.2 million. Site meetings had taken place and contracts were being written. The projects would be done during the summer holidays though Morchard Bishop's project may overrun. It was noted that AH would re-look where to allocate the energy efficiency grant funding – this could help reduce any deficit. The DCEO updated the meeting on the building repairs programme.</p> <p>8.1 Update on Diptford build – There was a project meeting arranged for Monday 3rd July 2023 – the walls were now being erected. It was expected that completion of the project would not overrun. There were additional costs due to groundworks and building and fire regulations. The DCEO had made some suggestions on how to save money however this would still mean that there would be an overspend.</p> <p>8.2 Update on Widecombe proposal – The proposal was out to tender. 2 companies had turned down the tenders. This project was expected to overrun into the Autumn term which the Academy Head was aware of and was planning to ensure it did not negatively impact the pupils' education.</p> <p>The DCEO added that the gable end at Ilington was to be completed over the summer.</p> <p><i>The Trustees asked that in future there was a report with an update on the AMP</i></p>	DCEO
9.	<p>Human Resources – CEO / CM to raise any issues for discussion</p> <p>CM updated the meeting on the Estates Manager interviews. There was one strong candidate who had since been offered the job.</p>	
10.	<p>Health and Safety – DCEO to raise any issues for discussion</p> <p>New RAAC guidance had been released outlining that concrete panels (circa 1950's) were known to deteriorate – Inspections on the academies over the years had not identified there was an issue. However, DfE have pushed for confirmation and the DCEO had reported to them that the definitive position of 3 schools was unknown. The DfE had consequently funded surveys of these 3 schools.</p>	
11	<p>Data Protection – CEO / DCEO to raise any issues for discussion</p>	

	Nothing to raise	
12.	ESFA Bulletins – DCEO to raise any issues for discussion The main bulletin was BFR return dates.	
13.	Risk Register – DCEO to raise any issues for discussion No update. The Trust level risk register was now being worked on with the EIT. The schools were updating – The Chair of Trustees asked for a summary for the General Meeting on 17 th July 2023	DCEO
14.	Strategic / Business Plan – DCEO to raise any issues for discussion Meeting 11 th July 2023.	
15.	Internal / External Audit – Chair / DCEO to raise any issues for discussion Internal Audit - Finance, HR and risk registers were the focus with a few minor issues. There was a discussion around compliance and the depth of scrutiny. The DCEO said that he would discuss with Westcotts on the service, the impact on the procedures within the Trust and added value.	DCEO
16.	Policies for review 16.1 Gifts and Hospitality Policy - There were some minor amendments – there was a discussion around a register and an approval mechanism for hospitality received and it was agreed to create a system with the finance team overseeing it. The meeting agreed the Gifts and Hospitality Policy 16.2 Travel and Expenses Policy – There were some minor amendments. The meeting agreed the Travel and Expenses Policy	
17.	Evaluation of governance impact Review performance and value of meeting - to summarise the effectiveness of the meeting and how this will positively impact the pupils. The depth of work the FM had done in relation to the budget was acknowledged,	