

## Finance & General Purposes Committee

02/19

Minutes: 17 May 2019

**Present:** Mr Roy Gillard  
Mrs Isabel Cherrett  
Ms Nicola Dunford (items 1 and 7)  
Ms Cheryl Mathieson  
Mrs Fiona Walters (items 1 and 7)

**In attendance:** Mr Matt Matthew – Trust Business Manager  
Ms Becky Ames – Clerk  
Mrs Susan Howard – HR Officer

### Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting, there were no apologies.

### Declaration of Business Interests

No declarations of business interest were made.

#### 1. Minutes of the previous meeting

With one minor editorial amendment for the sake of clarification, the Minutes of the meeting held on 29 March 2019, Parts I and II were approved and signed by the Chair.

#### 2. Matters Arising

##### 2.1 Trust Risk Register

The Committee thanked IJC who had reworked the Trust-wide Risk Register into separate sections. The document was discussed in depth under item 7.

##### 2.2 Internal Audit Report – Purchases & cash payments, financial budgeting and monitoring

The Committee received and noted the report from the initial visit of the Trust's Internal Auditors, Griffin Accountants, which had previously been reviewed by the Audit Committee. The recommendations were discussed and the Committee noted in particular that more detail of the discussions on financial performance and budget preparation should be recorded in the F&GP Minutes.

The Committee noted there had been some discrepancy in understanding of the limits for obtaining quotes as stated in the Financial Procedures Manual. The Committee agreed:

- Supplies up to £1,000 required one quote
- Supplies from £1,000 to £5,000 required two quotes
- Supplies over £5,000 required three quotes

The Committee asked the TBM to implement this amendment to the Financial Procedures Manual with immediate effect and to report back to the Audit Committee that the recommendation had been addressed.

#### 3. Finance

##### 3.1 Month-end reports for the Trust and Academies – to April 2019

The TBM presented the Trust's financial position as at 30 April 2018 (period 8) for Central, each academy and Trust-wide. The traffic light system of Red, Amber, Green (RAG) rating identified visually any areas which were of concern. Where some academies had spent over their profiled expenditure, purchases would be closely monitored, noting that there remained four months of income yet to receive. Currently, there were no issues of concern

### 3.2 Budget 2019/20 preparation

The Trust Business Manager (TBM) presented the early draft Trust Budget for the next financial year 2019-20. The key assumptions for the year are:

- 1% staff salary increase applied each year
- Double Sports Grant funding continuing in 2019/20, single award 2020/21 onwards
- The TPS ER increase from 16.48% to 23.68% from 1 September 2019 had been applied. Schools would be funded in 2019/20 but there was no certainty of funding from April 2020 by which time the Department for Education would have undertaken a Spending Review. The detail of the impact of these increases over five years on each school was noted.
- Staff salary Increments, where eligible, had been applied.
- The All Weighted Pupil Unit (AWPU) value remains as currently funded

The Committee challenged the TBM regarding percentages for salary increases each year.

The Chair explained that he, Mrs Cherrett and Ms Mathieson had met with the CEO on 10 May 2019 and reviewed the current staffing in each of the nine schools and the two in Management Partnership, the possible staff movements between schools and those likely to progress to the Upper Pay Scale in 2019-20. He summarised some of the key changes and the meeting had agreed that additional funding is needed to deliver School Improvement.

In response to questions, the TBM reassured Directors that all known changes in income and expenditure at the current time have been included in the draft budget. The Committee recognised the importance of fund raising and applying for grants and welcomed the proposal for the TBM to work closely with the PTFA's to support them in enhancing their grant application expertise to supplement the 1.0 fte Trust Fund Raiser. All additional funds that could be identified would ensure more could be spent on the schools.

The financial position for each of the nine academies for the next five years was noted; in most cases, years 3, 4 and 5 were less positive, requiring the use of reserves. This emphasised the importance of maintaining pupil numbers, as demonstrated in a number of schools which had successfully recruited additional pupils.

The Committee noted with concern the income and expenditure forecasts for the two schools of the Raleigh Federation; the CEO and TBM were investing significant time to improve the five year budget for Otterton and Drakes and the schools were being marketed vigorously to attract more pupils for September 2019.

The TBM outlined the next steps

- Confirm staffing and training programme
- Confirm estimates of catering income/expenditure
- Check 'Other Expenditure' lines
- Profile budget
- Test drive with schools
- Budgets to be finalised – metrics produced

The Chair confirmed that the next meeting, on 5 July, would focus on the budget prior to submission to the Board for approval and submission to the ESFA.

### 3.3 New Payroll Provider

The TBM reported that there had been improvements and Mrs Howard confirmed that the number of amendments had reduced to eight in the May payroll though this was a quiet month for changes. The Chair agreed it may now be time for him to contact HCSS to resolve the disappointing level of service.

### 3.4 Catering provision for the Trust

The TBM updated the Committee on the recent catering changes at Bearnese and Hennock with the provision brought in-house, the kitchen at Hennock servicing Bearnese. The Committee discussed the proposals for 2019/20 including investigation for catering at Broadhempston and Landscope and authorised the TBM to develop the proposals further, reiterating that decisions will be based on a qualitative as well as an economical basis, to ensure a healthy and nutritional service for pupils.

## 4. Education and Skills Funding Agency (ESFA)

The Chairs of the Board and the Committee received the weekly ESFA bulletins; the following issues were raised:

ESFA of 17 April 2019: IJC noted the new Accounts Direction for 2018-19 had been published and asked the TBM to report any changes to the next meeting. ACTION: Clerk

ESFA of 1 May 2019: Workload Reduction Event 17 May 2019 – Action HR to feedback any relevant information to Remuneration Committee 5<sup>th</sup> July 2019.

ESFA of 15 May - IJC asked whether the MAT is taking part in Green for Grenfell on Friday 14<sup>th</sup> June 2019. Action ND to advise

ESFA of 15 May - The Committee requested that the new Chart of Accounts from the ESFA is on the agenda for next F&GP meeting on 5 July 2019. ACTION: Clerk

ESFA of 15 May and previous weeks - The TBM informed the Committee that the Budget Forecast Return Output (BFRO) due by 21 May 2019 had been submitted to the ESFA before the deadline.

## 5. Property

The Committee noted with disappointment that all CIF applications have been unsuccessful across the Trust for this year. The TBM had submitted three appeals in respect of Tedburn St Mary, Yeoford and Hennock based on the feedback received.

The outcome of the Schools Capital Nursery Fund (SCNF) bid for Bearnese was due in late March and is expected at any time.

TBM had been made aware that playground equipment at both Diptford and Hennock had been removed following their annual inspection. Plans were being developed to provide alternative equipment.

## 6. HR

The HR Officer proposed that she include details of the option to have an Exit Interview when sending Resignation Acceptance letters to ensure staff are able to take up this facility if they wish to. This was agreed by the Committee.

It was agreed the HR Director and HR Officer would liaise prior to future F&GP meetings to propose any agenda items necessary. It was suggested Resignations and Staff Absence should be made a standing agenda item for all F&GP meetings.

## 7. Trust Wide Risk Register

The Committee reviewed and discussed the following sections in detail and the initial risk scores awarded to the following sections associated.

- Staffing and Employment
- Finance and Financial Sustainability
- Infrastructure – Estates, Buildings and Maintenance
  - ACTION for TBM to appoint a structural survey in respect of the temporary classroom at Bearnese.
- Infrastructure – Business Unit
- Infrastructure – Health & Safety

Directors refined some Probability and Impact scores and noted the risk of Flooding at Bearnes had been identified by the Audit Committee and should be added. The Chair of Directors would add a section on Staffing to note the risks that may be associated with new schools joining the Trust.

Mrs Cherrett would amend the document in the light of the discussion in preparation for the Board's meeting on 20 May when further comments or amendments would be debated.

As the Standards & Curriculum Committee had not been able to discuss the Register at its meeting on 1 May, Mrs Cherrett would ask the Committee Chair to consider the *Quality and Reputation* and *Safeguarding* sections prior to the Board's meeting in July.

The Trust Risk Register and any newly identified risks are to be a standing agenda item for all Committee and Board meetings.

8. **Related Party Transactions**

Mrs Howard reported that new forms would replace the current Register of Business Interests with immediate effect. Mrs Cherrett would draw this to the attention of Directors at the Board's meeting. The Clerk would circulate the new forms with guidance notes

9. **Dates of future meeting**

04/2019 – 5 July 2019

Future dates to be discussed and to be planned in alignment with the financial year and the Board's meetings.

Drafted: 17 May 2019 – updated 19 May 2019  
BA/IJC