

Finance & General Purposes Committee 03.19

Minutes: 5 July 2019

Present: Mr Roy Gillard
Mrs Isabel Cherrett
Ms Nicola Dunford
Ms Cheryl Mathieson

In attendance: Matt Matthew – Trust Business Manager (TBM)
Becky Ames – Clerk

Welcome and Apologies for Absence

Roy Gillard welcomed everyone to the meeting.
Apologies from Fiona Walters were accepted.

Declaration of Business Interests

There were no declarations of business interest.

1. **Minutes of the previous meeting**

The Minutes of the meeting held on 5 May 2019 were approved and signed as an accurate record.

2. **Matters Arising**

2.1 **Item 2.1 Risk Register**

Mrs Cherrett (IJC) confirmed the Risk Register would be updated once the Standards & Curriculum Committee had had an opportunity to comment.

2.2 **Item 2.2 Internal Audit Report**

The TBM confirmed the amendment to the Financial Procedures Manual had been completed.

3. **Finance**

3.1 **Month End Reports for the Trust and Academies**

The TBM presented the Trust's month end financial accounts to 30 June 2019 (Period 10 of 2018-19). This included an analysis of individual schools' Budget v Actuals v Commitment reports, cash flow report, management report, bank reconciliation and trial balance. These reports had been collated to provide Trust level figures, with a top level dashboard for Directors.

The Committee sought reassurance on the accuracy of the figures and predicted out-turn. The TBM explained that those schools who had exceeded their budget position had faced additional challenges this year including unbudgeted maternity cover, staffing changes and additional curriculum revenue expenditure; three schools had started the financial year with a deficit budget.

The TBM acknowledged that he was working with Academy Heads to improve their budget planning and budget monitoring and acknowledged that schools must keep within their budget once it had been approved by the Board. Where unexpected expense arose, early intervention was required to re-assess the budget. He reassured the Committee that he had seen a general improvement in practice over the last 12 months.

IJC asked the TBM to provide a Trust-wide profiled graphical explanation of the current year's income, expenditure and cash balance to date with a comparison with the previous year. This could then build up a pattern each quarter showing a profile across the 12 months of the year; once figures for two or three years were available, Directors would be able to identify periods when high or low cash balances were held and the impact that changes during the budget year would have over future years. **ACTION** TBM and Roy Gillard to meet to discuss the preparation of a graph showing historical and forecast income, expenditure and cash balances. .

IJC reminded the Committee of the Internal Auditor's recommendation that Directors should minute more closely the discussions on finance, including the current financial position. Currently, at the end of Period 10, the total cash position at the end of Period 10 is £779,647 with a forecast cashflow position at 31 Aug 19 is £1,029,430

3.2 Payroll Provider

The TBM and HR Officer confirmed that the level of service was improving and a new client manager had been assigned to the Link. He would keep the Committee informed.

3.3 Catering

TBM has confirmed plans to look into improving catering facilities for Landscope and Broadhempston, following the successful running of the in house kitchen at Hennock. After a welcomed inspection from Environmental Health that found standards were high throughout, the plan is now to implement this across other schools within the Trust.

3.4 Budget Report 2019/20

The TBM presented a detailed document showing the outcome for 2017-18 and the draft budget for 2019-20 and forecasts to 2022-23 for each school, the Business Unit and the overall Trust. This included a summary of each school's financial performance against key performance indicators

Overall the report showed a budget surplus of £44,771 at the end of 2019-20 with a surplus the following year although the Committee noted with concern the forecast out-turns reduced with a cumulative deficit from year 3 onwards. The Committee endorsed the use of the key assumptions provided by ASCL, which are:

- Teachers' pay increase to 2pc with pay award included year on year.
- Support staff 2pc pay award year on year.
- TPS ER – Increasing to 23.68pc from 1 September 2019 with the DfE Pension grant payable only until March 2019-20
- LGPS ER – 1pc increase applied to 2019-20 only.

The Committee noted the uncertainty over whether the DfE's pension grant would continue into 2020-21 but agreed to make the assumption that it will be funded. The TBM presented a brief overview of the Teachers' Pension grant to the Committee and its individual cost to schools. As payments would be made on the basis of 100 pupils, some of the smaller schools would benefit though others would have to absorb the additional cost.

RG and the TBM would meet prior to the full Board to discuss further detail of the draft budget and forecasts. Subject to this discussion, the Committee recommends the Board approve the budget for 2019-20. IJC welcomed the positive recruitment which schools had achieved; this level of recruitment had to be maintained for the future along with all other elements such as education standards, health and safety, safeguarding etc. The CEO reported that pupil intakes continue to rise and nearly all schools within the MAT are exceeding their Pupil Admission Numbers (PANs).

The TBM identified three schools facing particular financial challenges and provided the various reasons to the Committee.

The Chair Roy Gillard – thanked the TBM for his work on the budget report. He would work with the TBM to develop the high level commentary which would provide the headlines for the Committee and the Board, with the more detailed financial data underpinning these. .

ACTION the AFH references to Audit to be discussed at the next Audit Committee Meeting.

Action: IJC reminded Directors that Bishop Fleming would require Board members to complete a Related Party Declaration as part of their preparation for the external audit. She asked the TBM and Clerk to ensure these forms were available at the Board's meeting on 15 July to speed up the process.

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:

- 4.1 **The new Accounts Direction for 2018-19**
TBM confirmed that there are no changes that will affect the MAT in the future but he continues to monitor this.
- 4.2 **The new Chart of Accounts from the ESFA**
TBM confirmed that we are not changing to the Chart of Accounts but he continues to keep up to date with any changes. TBM will make the Committee aware when we may need to change this.
- 4.3 **Academies Financial Handbook**
The Committee noted that the 2019 version of the AFH had been published recently. The Board Chair agreed to prepare a summary of the principal changes over the summer for presentation to the Board in the autumn. The main changes related mostly to audit arrangements and the requirement that Multi-Academy Trusts to have a Risk Register. In general, the Trust was in a good position but the focus on governance would be reviewed to see how improvements could be made to ensure compliance.

5. **Property**

- 5.1 **Bearnes Structural Survey**
TBM updated the Committee on the Bearnes' temporary classroom which had found that the building is safe for use.
- 5.2 **CIF Bids 2019**
TBM reported that three appeals had been submitted against the unsuccessful Condition Improvement Funding (CIF) bids in 2019/20.: Hennock, Bearnes and Yeoford; we are still awaiting the outcomes. The Committee recognises the need to plan CIF bids for 2020 and the TBM would be working with consultants on this. IJC asked that the TBM involve Mike Fisher.
- 5.3 **School Nurseries Capital Funding**
TBM advised that the Bearnes funding for Schools Nurseries Capital Funding (SNCF) was unsuccessful. TBM and CEO will continue to source alternative available funding but also draw up an affordable plan to provide the additional teaching space. Mr Gillard asked the TBM to seek feedback but Mr Matthew felt this will be unlikely.

6. **HR**

The CEO, Cheryl Mathieson and Sue Howard (HR Officer) had met to discuss the MAT recruitment process. They were working to introduce a set of standard questions which would

be used across the Trust to ensure that procedures were more equitable. This should enable the Trust to recruit staff more effectively. The application form would also be reviewed.

7. **Policies**

7.1 **Professional Development Policy**

The CEO wished to link this Policy more closely with the CPD Policy and approval was therefore deferred to the next meeting.

7.2 **Travel and Expenses**

No significant changes had been made to this policy which is working very well. The Committee recommended approval to the Board of Directors.

8. **Dates of future meetings**

The Committee agreed to meet at 9.30 am at Landscope as follows:

Monday 30 September 2019 (changed from 16 September)

Friday 29 November 2019

Friday 7 February 2020

Friday 27 March 2020

Friday 1 May 2020

Friday 3 July 2020

9 July 2019

RG/BA/IJC