

The Link Academy Trust

Finance & General Purposes Committee Extraordinary Meeting

Minutes 11 March 2022
1.00pm

Held online using MS Teams

Present Ben Thorne – Acting Chair (BT)
Nicola Dunford – Chief Executive Officer (CEO)
Cheryl Mathieson (CM)
Christopher Norman (CN)

In attendance Matt Matthew – Deputy Chief Executive Officer (DCEO)
Elaine Clarke (Clerk)

1. **Welcome and Apologies**

Paul Waterworth was absent – sanctioned.
BT welcomed the trustees and those in attendance to the meeting.

2. **Declaration of Business Interests**

The CEO is a trustee of South Dartmoor Multi Academy Trust and also a trustee for the Bearnas Educational Foundation. Christopher Norman is a director and shareholder of CANE Properties Ltd. Ben Thorne is a trustee of Tor Bridge High Academy Trust. Cheryl Mathieson is parent to two children who attend a Link MAT academy.

3. **Use of the reserves – to be discussed**

The DCEO shared a paper on screen which he had written to summarise the current reserves position, the forecast budget for the next three years and government proposed pay awards to 2024. This was followed by a table listing capital and staffing projects with considerations, options and approximate costings included. (The paper/table was circulated prior to the meeting and is available in the meeting documents on SharePoint.)

The DCEO talked through the forecast budget position for individual academies and for the MAT overall for the next three years, based on recent forecast of pupil numbers, receipt this week of GAG statements and predicted staffing costs. At present the figures indicate the overall reserves stand at approximately £1.5 million. This may increase by the year end by up to £250K. He went on to advise that while the figures for 22/23 and 23/24 could be considered reasonably accurate the 24/25 figures were less so. It was expected that going forward new budget forecast software would provide a more accurate picture as it can be used to build budget scenarios more quickly and in greater depth than current software

Trustees questioned whether there were any indications that there would be government funding for staff pay awards. The DCEO responded that there was a lot of uncertainty going forward re funding, or part funding of pay awards.

The CEO expressed concern that the reserves held at present are substantially above the £850K general reserve level set in the Trust's Reserves and Investment Policy and proposed that the Trust needed to at least be able to show plans to spend the surplus should this be questioned by DfE. Bearing this in mind trustees agreed that this meeting should go forward to agree on what to spend the surplus reserves for the next eighteen month period. They also agreed that they were looking at big projects and the surplus reserves would be effectively pooled for these.

The DCEO then explained the proposed, possible capital projects - which included CIF bids, building and rebuilding projects, ICT, works on the Estate and the Environment - in more detail. He advised that there was also other potential funding to be taken into account when looking at some of these projects such as possible successful CIF bid funding. Applications

were also due to be submitted to the Rebuilding Schools Programme for Widecombe and Diptford. In addition Bailey Partnership has been commissioned to write supporting bids for these programmes as well as being commissioned to undertake a Trustwide in depth condition survey to inform the need for refurbishment and/or replacement.

Regarding surplus reserve spend on staffing, the CEO advised that she is working on a leadership model to support Trust growth. A diagram – embedded within the table – was shared on screen showing the existing central leadership structure with current staffing costs followed by the proposed changes, including the additional staffing costs. The proposed changes will be gradual / phased in as other schools join the Link and involve dividing the individual schools into three geographical hubs with an additional layer of leadership for each hub above E/AHs, in addition to the existing central leadership hub. It is also planned to recruit additional specialists to the central hub eg a speech and language specialist.

Trustees asked if there would be an immediate cost impact in putting the new model into practise? The CEO responded that this should not be a large amount as it was envisaged that schools joining will have existing leadership level staff and specialists – bringing their own funding - who can be utilised across the Trust, then backfilled at school / classroom level with less expensive NQT /MPS level teachers and other support staff. There would need to be some spending on additional central staff including a further floating teacher and TA, and specialists. The timescale for the proposed changes was expected to be three to five years.

Trustees then went on to question whether the level of the general reserve set in the Reserves and Investment Policy was appropriate. The DCEO advised that the policy had been recently reviewed and the general reserve increased from £650K to £850K based on six week's staff salary costs. BT advised ESFA guidelines were for a general reserve to be set at 4 – 8% of income which, based on an approximation of £7million GAG funding this year would be £280K – £560K. If settling on a figure of £500K, this would leave £1million free to be spent.

Trustees discussed the means by which they could prioritise projects for spending. It was suggested that various aspects of the projects could be scored, with priority going to those with the highest scores, however newer trustees were concerned that they did not yet have adequate knowledge of the Trust to carry this out accurately. Other issues discussed were how best to spend to support school improvement and the priorities for spend on schools new to the Trust.

In conclusion the trustees agreed the following actions:

- The DCEO to confirm an accurate amount for to be retained for a general reserve at 4% of GAG. The surplus to then be divided into ringfenced amounts for staffing / Trust growth and capital and environmental projects.
- The DCEO and CEO to establish the amount required for central staffing and general Trust growth including the ability to provide initial improvements for schools new to the Trust.
- To allocate an amount of £5K per school to be used for environmental projects that may also involve the school councils, PTFAs and wider community.
- As the individuals with the best knowledge of school improvement and estate aspects of the Trust, the CEO and DCEO to produce a page per capital project listing advantages / disadvantages, a suggested best value 'future proof' spend on the project, timescale, and potential impact on the individual school and the Trust as a whole, including canvassing opinion with the school improvement team in the process.
- Once compiled, the project pages to be circulated to trustees for consideration before a further follow up meeting to allow the trustees to question and challenge the project information and from there decide on priorities to recommend to the Full Board.
- Deadline for the project pages to be circulated to trustees - 01 April 2022

- Follow up meeting - 29 April 2022. It is hoped that this will tie in with the outcome of CIF bids and the condition survey report. It will also allow time to adjust the new year's budget plan and set up agreed projects for the summer holidays if appropriate.

4. **Dates of Future Meetings**

29 April 2022

25 March 2022

06 May 2022

01 July 2022

The meeting ended at 14.35