Finance & General Purposes Committee

10th July 2026
At 11:30am
Held online via TEAMS

Invited: Ben Thorne - **Chair**
Cheryl Mathieson (CM)
Tom Parkin (TP)

In Attendance: Rachael Sharpe - **CEO**
Charlotte Roe- **Governance Professional**
Matt Matthew- **DCEO**
Louisa Taylor - **Finance Manager**

Minutes: Nicol Bush- Clerk to the Trust

No	Item	ACTION
1.	**Welcome and Apologies** The Chair opened the meeting with a welcome to Trustees. Apologies were received and **accepted** from PW. **Reflection –** Vision and Values *"Flourishing schools for all at the heart of our communities"* The Chair reaffirmed the Trust's vision and values and reminded Trustees, that all discussions during the meeting were expected to remain aligned with them.	
2.	**Declarations of interest** • Paul Waterworth is Director of Gerrard Stuart Financial Services Ltd • Tom Parkin is Headteacher of South Molton Primary School, part of The Harbour School Partnership Trust There were no new declarations brought to the meeting	
3.	**Any other business** There was no other business brought to the meeting.	
4.	**Approval of meeting minutes held on 15th May 2026 (Circulated before the meeting)** **For approval:** • The part I draft minutes of the meeting were reviewed by Trustees, **approved** as a true record and signed accordingly. • The **part II** minutes of the meeting were circulated privately via email to those who had attended, approved as a true record and signed accordingly.	
5.	**Matters arising from minutes of 15th May 2026 not on the agenda** • There were no matters arising	
6.	**Risk Register (Circulated before the meeting)** Trustees reviewed the key risks within the Trust risk register. It was noted that the red risk relating to pupil numbers and the impact on grant income would be considered as part of the budget discussions later in the meeting. Trustees noted amber-rated risks relating to buildings and estates, general financial uncertainty, data breaches and potential associated fines, sustainability and capital infrastructure, and the reserves policy. It was recognised that these matters were covered by items elsewhere on the agenda, including estates, finance, and financial planning discussions.	

	The Committee agreed to revisit the risk register later in the meeting to consider whether any discussions or decisions made during the meeting required amendments to risk ratings or mitigations.	
7.	**Finance** **7.1 Financial performance to 30th June 2026 – Month 10:** The Finance Manager (FM) advised that there had been no significant changes to the forecast position since the previous month. The forecast surplus remained broadly consistent at £75,000 compared with £79,000 reported previously. Following redundancy costs, the Trust was forecasting a year-end surplus of £39,275. The FM advised that the main variances from budget related to additional EHCP funding received during the year, increased grant income and savings in staffing and leadership costs arising from restructures and vacancies not being filled. The FM further advised that supply staffing costs remained a key area of pressure, with expenditure primarily attributable to unplanned long-term sickness and absence. While discretionary supply expenditure continued to be monitored closely, there was limited opportunity to mitigate costs arising from long-term staff absences. The Committee discussed the financial impact of long-term staff absence and the associated supply cover costs. Trustees considered whether opportunities could be developed through school clusters to provide additional staffing support where appropriate. It was noted that, as cluster arrangements become more established, greater sharing of resources between schools may become possible. The Committee also discussed the potential creation of a centrally held contingency budget to support schools facing exceptional supply costs arising from prolonged staff absence. It was raised that routine absence should continue to be managed within individual school budgets, but that schools could face significant financial pressures where staff are absent for extended periods due to serious illness or injury. The FM reported that the nursery position had improved and was forecasting an overall surplus of £23,000. She highlighted that the overall nursery outlook was more positive than in previous months. The FM also advised that the capital forecast had been updated to reflect expenditure incurred during the year. The FM provided an update on the Trust's capital position. Based on the June 2026 figures and taking account of School Improvement Fund (CIF) contributions, the Trust had unspent capital funding of £165,675 available prior to the completion of any summer capital projects. She noted that a separate schedule of proposed summer works had been circulated, identifying potential capital expenditure of approximately £60,000. It was agreed that the detail of the proposed works and associated spending would be considered under the Estates item later in the meeting. **7.2 Trustees to be updated on the progress of financial recovery plan and agree any variations.** Trustees reviewed the summary report (circulated before the meeting) and no questions were raised. **7.3 Trustees to be updated on any government announcements, including any national pay awards** **7.4 Draft budget 26/27** The DCEO provided an update on the 2026/27 budget assumptions and advised that recent announcements regarding national pay awards had been incorporated into budget forecasts. He noted the proposed teacher pay award of 3.5% and indicative uplifts over subsequent years, together with the support staff pay offer of 3.3%, which remained subject to consultation and negotiation. The Committee was advised that the budget had been subject to a detailed review, including line-by-line scrutiny of income and expenditure assumptions. Particular attention had been given to EHCP funding allocations across schools. A review of current EHCP records had identified several discrepancies, including instances where funding allocations no longer reflected pupil circumstances. Work was	

	underway with schools and Trust inclusion leaders to improve the accuracy of EHCP funding information and strengthen future budget forecasting. The DCEO advised on the projected pupil numbers and noted a forecast reduction from 1,564 funded pupils in the previous year, reflecting a decline of approximately 2 to 3%. The Committee was advised that falling pupil numbers continued to present a significant financial risk due to the corresponding reduction in funding levels. While national pupil number declines were reported to be higher, the Trust would need to continue managing expenditure carefully to address the impact of reduced income alongside increasing staffing costs. The DCEO also reported that the Government's Inclusive Mainstream Schools Funding allocation had been incorporated into the budget, providing approximately £134,000 of additional funding for the Trust. He noted that the funding would support SEND and inclusive practice provision, including central inclusion capacity and a ring-fenced budget to be managed through the Trust's inclusion arrangements. The DCEO advised that additional budget provisions had already been incorporated within school budgets, including a £5,000 allocation to each school to support improvement and supply costs. It was noted that, should a central contingency for exceptional supply costs be established, consideration would need to be given to avoiding duplication of funding between central and school-level budgets. The Chair indicated support for further consideration of a dedicated provision for exceptional supply costs, subject to ensuring that arrangements remained fair and financially sustainable. The DCEO agreed to undertake further work and circulate proposals to Trustees via email for consideration. The CEO raised a query regarding the anticipated increase in teachers' pension contributions and whether this should be reflected within the budget forecasts. The DCEO advised that national guidance indicated that the change should be cost neutral, with additional funding expected to offset the increased expenditure. However, the detailed modelling had not yet been completed. The DCEO noted that, due to the timing of national announcements and budget submissions, it had not been possible to incorporate all changes before the meeting. He confirmed that further modelling would be undertaken and that the Budget Forecast Return (BFR) submission would include the teachers' pension adjustments. The Committee **agreed** that the budget could proceed on this basis, with any material changes arising from the final modelling process to be reported accordingly.	**DCEO**
8.	**Due Diligence** The DCEO said there were no issues to report.	
9.	**Estates** **9.1 Proposal for summer works for approval** **9.2 Update on CIF bids – appointment of CIF technical advisor** The FM provided an update on current CIF projects at Harbertonford and Hennock. Trustees were advised that both projects were progressing well and no significant issues had been identified. The main installation works were expected to be completed by the end of the summer term or prior to the return of pupils and staff in September, although upgrades to electrical capacity from Western Power may take longer to complete. The DCEO noted that preparations were underway for the next and anticipated final round of CIF bidding. Trustees discussed the Trust's capital reserves and **agreed** that maintaining a balance of approximately £100,000 remained a cautious approach. It was recognised that significant unforeseen capital issues could arise and that retaining an appropriate contingency fund would provide flexibility to respond to future needs. The DCEO presented a proposal to formalise the Trust's approach to appointing CIF technical advisers. He noted that advisers were engaged on a "no win, no fee" basis to prepare bids, coordinate supporting evidence and manage the application process. It was confirmed that adviser fees form part of the successful funding bid and did not represent an additional cost to the Trust.	

	The DCEO explained that documenting the rationale and process for appointing CIF advisers would strengthen governance arrangements and reduce reliance on individual knowledge. The Committee supported the proposed documentation of the Trust's process for appointing CIF technical advisers and noted the rationale for the approach. **9.3 Feedback from LAC Meetings** There were no issues raised from LAC meetings.	
10.	**DfE meetings** The DCEO reported that there were no significant issues to raise.	
11.	**Internal / External Audit** The DCEO advised that internal audit reports had been received and that preparations for the external audit were underway. Trustees noted that governance and compliance matters, particularly website content, declarations of interest, attendance records and statutory disclosures, needed to be kept up to date. The CEO highlighted the importance of clarifying responsibilities for governance compliance requirements and ensuring outstanding actions were completed ahead of the external audit. It was noted that previous audit findings had related primarily to compliance and administrative matters rather than financial controls.	
12.	**Safeguarding** The CEO said there were no specific issues to note	
13.	**Policies for review** 13.1 Gifts and Hospitality policy- The Committee reviewed the Gifts and Hospitality Policy and discussed the appropriateness of including a financial threshold for declaring gifts. Trustees agreed that professional judgement should be exercised rather than applying a fixed monetary value, with staff encouraged to seek advice from their Headteacher or line manager where there is any doubt. Trustees also noted the potential risks associated with gifts or hospitality offered by suppliers and the need to avoid any perceived conflicts of interest. Trustees **approved** the policy, following minor wording adjustments. The DCEO advised that the Trust was proposing to introduce a "No Purchase Order, No Payment" process to strengthen financial controls and ensure commitments were recorded on the finance system before expenditure was incurred. The DCEO also considered the proposal to establish a central contingency fund to support exceptional supply costs. Trustees agreed that it was important to maintain an appropriate level of reserves while recognising the significant progress made in improving the Trust's financial position. Following an in-depth discussion, Trustees **agreed** the creation of a central provision of approximately £40,000, noting that this reflected historic variances between budgeted and actual supply costs and would provide a reasonable level of protection without materially reducing the Trust's forecast surplus.	
14.	**Risk register RAG review** Trustees considered whether a separate risk should be added in relation to staffing and financial variances. They agreed that the matter was already captured within the existing risk relating to maintaining strong financial management, information systems and oversight. It was noted that staffing and budget variances were regularly monitored through F&GP Committee meetings and through the work of the Remuneration and People Committee. Trustees **agreed** that the current arrangements provided sufficient oversight and that no amendment to the risk register was required at this time. The Committee **agreed** that the position should continue to be monitored and could be reviewed in future if it became a more significant or recurring concern.	

15.	**Evaluation of governance impact** The Chair reflected that the Committee had held a productive and focused meeting. Trustees had considered the key strategic and financial matters, provided appropriate challenge where required, and asked relevant questions to support effective oversight. The Chair, on behalf of the Committee, thanked the DCEO for his significant contribution to the Trust and wished him every success in his future role.	

The meeting ended at 12.50pm

Signed by the Chair of the Committee.....on.....