

Finance & General Purposes Committee

Minutes

26th January 2024

9.30 am

Held at Landscove House

Present:
 Ben Thorne (Chair) (to item 14)
 Mrs Nicola Dunford
 Mrs Cheryl Mathieson
 Mr Christopher Norman

In attendance: Mr Matt Matthew (DCEO) and Louisa Taylor (Finance Manager)

No	Item	ACTION
1.	Welcome and Apologies The Chair opened the meeting with a welcome. There were apologies from Paul Waterworth.	
2.	Declarations of Business Interests The CEO is a Trustee for the Bearnes Education Foundation. Chris Norman is Director of CANE Properties Ltd.	
3.	Any Other Business <ul style="list-style-type: none"> Timings of future meetings – it was agreed that in future the timings of future meetings would be agreed from one meeting to the next due to the commitments of the Trustees. The next meeting was agreed to be: - 18th March 2024 at 4 pm with Remuneration following. 	
4.	Minutes of the previous meeting The minutes of the meeting held on 24 th November 2023 was circulated before the meeting. The minutes were agreed to be an accurate record of the meeting and approved. The Chair signed accordingly.	
5.	Matters Arising from meeting held on 24th November 2023 (not on agenda) There were no Matters Arising	
6.	Finance Finance update to include: 6.1. Financial Performance to 31 st December 2023 – Month 4 and 3-year forecast – the dashboard and accompanying paperwork was circulated before the meeting. The following questions/comments were made: - <ul style="list-style-type: none"> The FM reported that the catering recharges were now calculated on total pupil numbers instead of FSM reducing the total recharge by £70k for one school. It was also highlighted that the improvement was also due to additional Element 3 funding and reduction in staff costs due to a change in the senior leader structure for that school. The FM outlined the other reasons for the improved financial position across some of the schools as being due to an academy growth payment for introducing an additional class in September 2023, and changes to the calculation of the catering recharges which are now based on total pupil numbers instead of purely FSM pupils. The negative movements on the other schools were due to increase in teaching costs, a larger spend approved on educational materials and reallocation of CIF roof survey costs. The FM updated the meeting on the actual financial position of Wolborough and the recalculations that had been made once scrutinised by the DCEO and herself improving the financial position. Following a question from the Trustees, the FM confirmed that the AH becoming an Executive Head had improved the financial 	

- position and was reflected in the current positions. The DCEO confirmed that all actual staff changes, and proposed contracts were included in the figures.
- The budget had been updated to reflect the extra spending from reserves as agreed by the Trustees.
 - The Chair said that the Profit & Loss information should now support the Trustees to ask more informed targeted questions.
 - *The Trustees asked about one school's financial position which had improved considerably; it was understood this was due to extra funding for increasing the PAN. It was noted that on the school-on-a-page, the EIT rating was red. The Trustees asked with this extra funding, were the Trust planning on spending it on education?* The CEO explained that this school was rated red because of the Ofsted grading and before the new academic year there were significant staff changes about to happen. The school now had an experienced trouble-shooting Academy Head who was currently leading the recovery Tier 3 plan and was meeting all the milestones. The extra spend on staffing ensured the AH had what was needed and staffing was now stable. There was not a real need for additional spending, but the Trust were always mindful that if that was the case, it would be fully considered.
 - *The Trustees approved extra spend over and above the budget for staffing, but the budget position had improved from those original budgets. The full year forecast included this extra spend, but the budget was forecasting a breakeven balance. This meant the Trust was still not really spending the reserves. Given there were 5 schools rated as red on the school-on-a-page, should the Trust be looking to identify further spend from reserves?* The CEO reported that when the additional spend proposal was presented it was made clear that the Trust had tried to ensure it would have little impact on the overall budget, albeit that some of the improved position was related to the changeover of the Finance Manager and a system error which had been identified and rectified. The Reserves spend was allocated into the 4 areas as agreed so actually the balance would be in line with the Reserves policy level of £850k. All 'red' schools were reporting a significant 'settling down' and issues that contributed to them being red were being addressed comprehensively. The EIT were always aware if there was a need for spending that would 'make a difference' it would be considered, but currently the schools were stable and showing a strong position. The DCEO added that the new IMP reporting needed to be embedded before any more substantial spending was agreed to ensure that the financial picture was accurate. It was added that once the meeting was confident with the financial picture, then spending could be agreed.
 - Looking at the 3-year forecast, it was noted that the figures being presented were unreliable as so many grants were unknown looking so far ahead. GAG statements were not released until February each year so until these were received the finance team cannot be confident of the amount. It was added that income to offset pay and pension awards had also not yet been confirmed.
 - *The Trustees asked for an update on the nursery provision.* The CEO said that this was being addressed as it was recognised that further work needed to be done in this area. The FM said that she had scrutinised the figures and discussed with the relevant Academy Heads the costings. This had resulted in some actions.
 - *The Trustees asked about variant payments and funding from Devon County Council.* It was confirmed that this would not affect the Trust's budget as the income was under the national funding formula. The SEN funding from Devon however did affect the Trust's budget as it was difficult to predict when it would be forthcoming.

The Trustees **agreed** the revised budget 2023-2024.

6.2. Admissions forecast September 24 and 2024/2025 budget planning. The admission forecast was circulated before the meeting. The DCEO reported that based on the

	<p>information available (with one school's missing) the forecast was for 137 reception admissions (1st choice) – last year there was 206. <i>The Trustees asked how many Year 6 were leaving across the Trust.</i> The DCEO said it was expected to be approximately 219. The Trustees scrutinised the numbers and discussed options moving forward. Regarding budget planning, the GAG statements will start coming out towards the end of February. Once that information has been received, budget planning could start. Budget forecasting was increasingly becoming more difficult. The CEO added that the Trust must keep in mind the demographics – primary numbers were expected to drop nationally. Another aspect to consider was the new schools joining the Trust. The meeting noted that this could mean that difficult decisions might need to be made areas such as class sizes and staffing.</p>	
7.	<p>Audits</p> <p>7.1 External Audit and 7.2 Internal Audit - DCEO reported that Bishop Fleming action plans had been addressed. <i>Following a question from the Trustees,</i> it was confirmed that the Audit committee were responsible for the audit action plans.</p>	
8.	<p>Property</p> <p>The H&S report from the Estate Manager and H&S Officer was circulated before the meeting. The following questions/comments were made: -</p> <ul style="list-style-type: none"> • At the Admin meeting it was shared that the schools were feeling more protected now the support from the Estate Manager and H&S Officer was in place. • Asbestos had been found in one school which was to be removed in line with compliance. • Heating system had been installed in one school which was not working as expected, this was being addressed at no cost to the Trust. • The Trustees asked for an update on the recently reported accidents. The CEO said she had made contact with the parents who were satisfied with the Trust's response. The Trust were now doing a trust-wide review to ensure that finger guards were on doors in all schools. <i>The Trustees asked for confirmation at next meeting.</i> <p>8.1 Grid of contribution level for CIF bids was circulated before the meeting. The DCEO outlined the projects with the two main priorities being Harbertonford and Cheriton. The DCEO explained the Trust's contribution levels. The Trustees approved the contribution levels. The Trustees asked questions of clarification around timings. The DCEO said that it was hoped to be in May. It was noted that if cashflow could not support the contributions, then the Trust could postpone or cancel.</p>	GP
9.	<p>Due Diligence</p> <p>DCEO reported that the progress against due diligence was ongoing. The DCEO illustrated the Due Diligence planner and how the tasks were addressed and rated. It was noted that this then informed the due diligence reports for the Trustees. <i>The Trustees asked who checked the quality.</i> The DCEO confirmed that he managed the central business with the DoE overseeing the educational implications. The Chair of Trustees asked for access to the planner which was agreed. It was agreed that the Chair of F&GP would also be given access to oversee the financial implications. <i>The Chair of Trustees asked for a report on due diligence at every Board meeting.</i> The CEO and DCEO updated the Trustees on the Littleham due diligence. The Trustees discussed it further.</p>	DCEO DCEO/ GP
10.	<p>Human Resources</p> <p>The CEO updated the meeting on Human Resources aspects. The Trustees asked questions of clarification on one of the issues – (Part II)</p>	
11.	<p>Health & Safety</p> <p>Discussed under Item 8</p>	
12.	<p>GIAS</p> <p>The GP confirmed that this was a compliance 'must' and the register had been updated accordingly.</p>	
13.	<p>Risk Register</p> <p>13.1 Trustees to review and discuss the current monitoring process outlined by the Audit Committee. The GP explained that the ToR which was circulated before the meeting now had all the duties that the F&GP committee were responsible for. The Trustees</p>	

	<p>agreed the list, making no additions. The Trustees raised questions around item 6.7. It was felt that the level stated was not substantial enough. The Trustees discussed this further – it was agreed to add an extra line ‘If a contract already approved in the budget by the Trustees, then it does not need to be reapproved’. It was added that the figures needed to be in line with the Financial Procedures Management which the FM agreed to do.</p> <p>13.2 Trustees to review report on the following risk register categories:</p> <ul style="list-style-type: none"> • Financial • Estate • Operational <p>It was noted that the biggest financial risk to the Trust was falling pupil sizes. <i>Ben Thorne left the meeting.</i></p>	GP FM
14.	<p>Strategy Plan</p> <p>Trustees to update on:</p> <ul style="list-style-type: none"> • Financial strategy and control – Ben Thorne (not available) • Estate management – Chris Norman reported that he was meeting with the Estate Manager on 26th January 2024. • Growth and Capacity – Paul Waterworth (not available) 	
15.	<p>ESFA Bulletins and Returns</p> <p>DCEO reported the next ESFA deadline was school resource management self-assessment due in March 2024.</p>	
16.	<p>Policies</p> <p>16.1 Fair Processing Notice – this policy was circulated before the meeting. The Trustees approved the policy.</p> <p>16.2 Financial Procedures Management (including Procurement and Tendering Policy) - this policy was circulated before the meeting. It was noted that this policy was an amalgamation of two policies. The Trustees said there were minor amendments needed which were agreed. <i>Following a question from the Trustees</i>, the DCEO and FM confirmed that the Trust were complying with it. The Trustees approved the policy.</p> <p>16.3 Central Fund (including Reserves and Investment Policy) - this policy was circulated before the meeting. It was noted that this policy was an amalgamation of two policies. The DCEO said that the Trust had invested £1 million over 9 months and 6 months – this would be reviewed regularly. The Trustees approved the policy.</p>	
	<p>Evaluation of governance impact – Principle 2: Leadership</p> <p>Review performance and value of meeting with Principle 2 in mind</p> <p>‘The Academy Trust is led by an effective Board that provides strategic governance in line with the aims and values of the Academy Trust and engages effectively with its Members’</p>	