

Minutes of meeting

Financial Oversight and Risk Committee – extraordinary meeting

Date:	26 June 2020	Time:	10:00 – 12:00
Location:	TEAMS meeting	Clerks:	Rebecca Okey and Jennie Gardner
<p>Present: Peter Murray, Founding Chair and Trustee (PM) Andrew Jones, Trustee and Chair (AJ) Ian Brookman, Trustee (IB) Frances Hall, Trustee (FH) Nick Hudson, Chief Executive Officer and Trustee (NH)</p> <p>In attendance: Jo Dawson, National Director of Finance (NDoF) (JD) James Miller, National Director of Estates and Technology (JM) Rob Pritchard, National Director of Education (RP)</p> <p>Apologies: Sarah Vout, Head of Finance (SV) Claire Lovell, Head of Compliance and Reporting (CL)</p>			

	Item	Action
1.	Welcome and apologies	
1.1	AJ, Chair, welcomed the FOR Committee. Apologies were received from SV and CL.	
2.	Approval of minutes from previous meeting of 13 May 2020	
2.1	AJ noted an improvement in quality of the papers submitted for this meeting. <i>AJ requested RO to condense draft minutes from previous meeting. AJ to review and approve on behalf of the committee.</i>	RO/AJ
3.	Matters arising (FOR Committee action log/tracker)	
3.1	The committee discussed the action log and the following points were noted: <ul style="list-style-type: none"> • There is a meeting with EPM in July. • Decisions for post-16 must be made by Autumn 2020 for 2021/22 closure 	

	The Trustees confirmed they had no further queries regarding the tracker.	
4.	Summary from Chief Financial Officer	
4.1	The NDoF had circulated the May 2020 financial update, an extract of a larger strategic and financial document that would be condensed into the July 2020 Board Strategy and Financial plan.	
5.	Three-year plan and 2020/21 budget	
5.1	<p>The NDoF advised the DfE has extended the budget submission date from the end of July to September 2020 to allow for extenuating circumstances due to COVID 19. The NDoF advised it is unlikely that the academy budgets and reserves target will change significantly. The main area of uncertainty is funding levels.</p> <p>A secondary budget has been prepared if schools do not open as planned in September 2020.</p> <p>The Trustees agreed the following course of action: to review budget at Board level on 9 July 2020 but delay submission until approval at Board on 10 September 2020 and use the extension to allow for changes in government policy. An interim FOR will be arranged in August 2020 if significant changes need to be made to the budget.</p> <p>The NDoF presented slides for an integrated three-year financial plan. She advised the Trustees that certain academies will be challenged to find cost savings and the Committee required those savings to be agreed and reflected in Academy budgets before the overall budget could be approved. Pupil catch up funding will be ring-fenced but details are still awaited as to when it will be received and how it can be applied. Surplus savings are to be carried forward into next year with every spending decision optimized.</p> <p>There was detailed discussion about the delivery of £606k “task” and it was agreed that the NDoF will supply a schedule to support this for the Trustees to consider at an additional meeting to be held on 2 July 2020.</p> <p>There was a detailed discussion on the repurposed use of funds to support greater investment in educational improvements, how this would be managed and what the potential impact on partnership fees.</p> <p>The Trustees requested details around Transformation assumptions. It was agreed that this would be discussed further at the meeting to be held on 2 July 2020.</p> <p>NH advised that, following discussion with Paul Hann (Chair of Trustees), the high-level financial plan would be discussed at the July Board meeting.</p>	
6.	Governance, risk, and compliance	
6.1	Decision Framework	
	To be reviewed at additional meeting to be held on 2 July 2020.	
6.2	Risk Framework	
	To be reviewed at additional meeting to be held on 2 July 2020.	

6.3	<p>Reserves Policy</p> <p>The Trustees reviewed the reserves policy.</p> <p>Reserves Policy approved by the Trustees. <i>Approval subject to amendment at 4.1 (addition of wording along the lines of "in accordance to our normal protocols, processes and procedures.")</i></p>	JD
6.4	<p>Incorporation Policy</p> <p>AJ emphasized the importance of due diligence, primarily a discovery process. Due diligence must be designed to identify any compelling reason(s) not to proceed or to modify our approach.</p> <p>Incorporation Policy approved by the Trustees. <i>Approval subject to amendment at Appendix 2 of decision framework.</i></p>	JD
7.	<p>Exit of Head Office lease</p> <p>The National Director of Estates and IT, James Miller (JM) joined the meeting. A briefing paper had been circulated outlining options for head office accommodation. He advised the lease for 144 Newall Street, Birmingham office expires in September 2020. The office has been closed since COVID 19 lockdown with staff working from home successfully. For several months, the Executive have been exploring various options including exiting the lease and moving to a combination of serviced city centre office accommodation (circa 20 desks) and using NEW academy in Wolverhampton for larger meeting and training events.</p> <p>Dilapidations costs of £110-£150k will need to be met, but costs to convert space at NEW are minimal and this would be a risk adverse opportunity to reduce ongoing costs by 20% while the rental market and travel behaviour is unpredictable .</p> <p>The Trustees agreed that JM should agree dilapidations figure with the landlord and move forward with plans to consult with staff and secure serviced accommodation and space at NEW academy.</p> <p>Approved by the Trustees.</p>	
8.0	<p>Update on cyber security</p>	
8.1	<p>A briefing paper had previously been circulated outlining the increase in cyber-attacks in phishing, malware and ransomware since the March 2020 COVID 19 lockdown.</p> <p>JM's team has recently rolled out training in Head Office and so far there has been a 71% completion rate. Non completers are being chased and JM is in discussion with a provider to develop random testing for those who have completed the training.</p> <p>The Executive have agreed the cyber security should become part of the mandatory training suite for all staff (along with safeguarding, fire awareness and other training).</p>	
9.	<p>A.O.B</p>	
9.1	<p>None.</p>	
10.	<p>Date and agenda for next meeting.</p>	

10.1	<p>An additional meeting will be held on Thursday 2 July 2020, from 17:00.</p> <p>Thereafter an additional meeting to be held on 23 September 2020, the same day as the Audit Committee.</p> <p>The September agenda to include a discussion of the reporting framework, KPIs, transformation and finance systems.</p> <p>AJ praised the quality of the information discussed at the committee and reminded those present that the function of the FOR committee is to scrutinize, review and approve, rather than engage in management discussions.</p>	
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Table of action points		
2.1	<i>AJ requested RO to condense minutes from previous meeting. AJ to review and approve on behalf of the committee.</i>	RO/AJ
5.1	NDoF to create supporting schedules for 3 year planning transformation numbers and 20/21 task. These are to be shared for consideration with Trustees prior to the additional meeting to be held on 2 July 2020.	JD
6.3	<i>Approval subject to amendment at 4.1 (addition of wording "in accordance to our normal processes and procedures. NDoF to amend.</i>	JD
6.4	<i>Approval subject to amendment at Appendix 2 re decision framework. NDoF to amend.</i>	JD