

## Minutes of meeting

### Finance and Capital Committee meeting

Date:	Wednesday 24 February 2021	Time:	10:00 – 12:30
Location:	TEAMS	Clerk:	Jennie Gardner
<p><b>Present:</b>            Andrew Jones, Trustee and Chair (AJ)            Frances Hall, Trustee (FH)            Nick Hudson, Chief Executive Officer and Trustee (CEO) (NH)            Ian Brookman, Trustee (IB)            Alistair Thom, Committee Member (AT)</p> <p><b>In attendance:</b>            Jo Dawson, National Director of Finance (NDoF) (JD)            James Miller, National Director of Estates and Technology (NDoET) (JM)            Sarah Vout, Head of Finance (SV)            Claire Lovell, Head of Compliance (CL)</p> <p><b>Apologies:</b>            None</p>			

	Item	Action
1.	<b>Welcome and apologies</b>	
1.1	AJ welcomed everyone to the meeting as committee chair and welcomed AT as an official member of the Finance and Capital Committee.	
2.	<b>Approval of minutes of previous meeting</b>	
2.1	The committee marked the minutes from 25 November 2020 as approved.	
3.	<b>Matters arising from previous minutes/action tracker</b>	
3.1	NDoF highlighted that some items which "on-going" and would be covered in future agendas as appropriate. For example, post 16 would be reviewed again as part of the integrated financial review at the next Finance & Capital meeting in May.	
3.2	<p>The Trustees highlighted the number of old items and some items for which the deadline had passed.</p> <p>The NDoF stated that all actions were reviewed and updated on an on-going basis with updates provided in blue. All items closed between one meeting and the next should be highlighted in grey so that Trustees could approve these as closed. Also, a column had been added to show the date that the action was raised to drive focus on faster closure.</p>	

	The NDoF committed to review all open items and refresh deadlines as appropriate.	NDoF
<b>4.</b>	<b>Update from the National Director of Finance</b>	
4.1	<p>The NDoF presented on 20/21 Financials highlighting that the forecast for the year was better than budget.</p> <p>The NDoF highlighted the following:</p> <ul style="list-style-type: none"> <li>▪ significant contingencies had been built into the budget to allow for COVID-19 related expenditure and that while some of this had been required to offset COVID-19 related costs and lost lettings, not all of this was required due to savings on items such as cleaning and travel.</li> <li>▪ a detailed forecast was being performed with decisions being made around remaining choices for the year e.g., ICT expenditure. These were being made with consideration to the short and long term.</li> <li>▪ COVID-19 catch-up funds were being tracked in detail at an academy level with oversight from the centre.</li> <li>▪ further COVID-19 catch-up funds had been announced on the morning of the committee meeting and that this would potentially result in a further £750k of income for OAT.</li> </ul> <p>Trustees requested oversight of changes to spend by cost type, particularly regarding investment in ICT.</p> <p>The NDoF highlighted that all this detail would be included within the monthly management accounts. Details of spend on actual/ planned ICT expenditure reflected in the Feb/ March management accounts once the forecast had been completed.</p>	NDoF
4.2	<p>The NDoF presented on the financial planning process.</p> <p>The NDoF highlighted the following:</p> <ul style="list-style-type: none"> <li>▪ very positive progress made around both CLFP by academies and regional teams.</li> <li>▪ draft HO budget planning completed.</li> <li>▪ increased focus on 3 years vs budget year only</li> </ul> <p>The NDoF highlighted the need to replicate the top-down/ bottom-up approach seen on people spend to non-people spend e.g., ICT and Estates and that this was now becoming an area of focus.</p>	
4.3	<p>The NDoF presented on other areas of control including Project Governance, Wider Governance and Risk.</p> <p>The Trustees noted the progress that was being made and supported the intention to improve project management and governance across the Trust.</p>	
4.4	<p>The NDoF provided an update on the Finance Transformation including the procurement of a new Finance System. While the Finance team have made progress on this, the procurement is now paused due to a few factors, including consideration of key dependencies e.g., potential change to payroll provider and wider ICT strategy.</p> <p>The NDoF highlighted that this was not due to cost and the funds originally budgeted for this were being ring-fenced and carried forward to 21/22.</p> <p>Overall, it is unlikely that the procurement pause will have a considerable impact on final go-live deadline. COVID-19 has had an impact on other factors such as Data cleansing which will now</p>	

	<p>take place in the Summer Term. Suppliers have supported the pause advising that it is typical across the sector.</p> <p>The NDoF also highlighted that several acquisitions, mergers, and other developments had been made within the sector during the last 12 months including the provision of more integrated financial planning and reporting systems by a few providers.</p> <p>The NDoF committed to provided on-going updates on this project.</p>	NDoF
4.5	<p>Key reporting dates were shared with the committee.</p> <p>The Trustees raised the subject of future agenda items.</p> <p>Regarding the next Finance &amp; Capital Meeting, the NDoF stated that the main area of focus for finance would be the budget/ 3-year plan supported by strategic priority discussions including a focus on financial sustainability.</p> <p>Both the budget and the 3-year plan will be submitted to ESFA in July.</p> <p>Trustees requested early sight of forward agenda items and the creation of an agreed standing agenda (to include review of management accounts). Agendas for the year should be mapped to the “musts for trustees” so that Trustees can be assured that they are fully discharging their responsibilities and have sight of this in advance.</p> <p>CEO clarified that OAT Executive Team are working on a cycle to ensure the alignment of strategy planning, project planning and budget planning.</p> <p>NDoF will bring this to the next Finance and Capital Committee. This will also link in with the ‘musts’ from the Academies Financial Handbook and the Financial Delegation of Authority to ensure that items are included in forward agendas at the correct time.</p> <p>There were no other comments regarding the Update from the National Director of Finance.</p>	NDoF
5.	<b>Non-payroll expenditure</b>	
5.1	The Trustees gave a summary as to why this subject had been raised as an agenda item.	
5.2	<p>The NDoET presented on the Capital Maintenance Allocation (also known and SCA) process including that of the Capital Award Panel.</p> <p>NDoET confirmed that AT will be part of this process and that Trustees will have sight of the outcomes from the Capital Award Panel in forthcoming Finance and Capital Committee meetings.</p> <p>The committee noted that the process has evolved and will continue to evolve.</p> <p>The Trustees asked if Peter Murray will remain on the Capital Award Panel. CEO confirmed that Peter Murray would continue to be a member of the Capital Award Panel. AT will be on the panel to form a direct link back to the Finance and Capital Committee now that Peter Murray is no longer a member of the Finance and Capital Committee.</p>	NDoET
5.3	<p>Trustees requested a review of all non-payroll approval processes.</p> <p>AT highlighted that the Financial Delegation of Authority document that is being created by the Finance Team and recently presented on in the Audit and Risk Committee should act as a framework to this.</p>	

	<p>The NDoF agreed and confirmed that it was designed to do exactly that and bring all the requirements of the Academy Financial Handbook, policies, and governance together.</p> <p>Trustees requested comprehensive high-level process documentation for each major strand of non-people spend including Capital Awards.</p> <p>NDoF and NDoET agreed to present on this at the next Finance &amp; Capital meeting.</p>	NDoF/ NDoET
6.	<b>ICT strategy and priorities</b>	
6.1	<p>NDoET presented a PowerPoint to accompany the report paper.</p> <p>This highlighted that the foundation for transforming ICT in OAT would be in addressing ICT infrastructure and that the following key projects are underway:</p> <ul style="list-style-type: none"> <li>▪ Move to common IT platform across OAT.</li> <li>▪ Broadband, telephony, and content filtering</li> <li>▪ ICT services</li> <li>▪ Common software licenses</li> <li>▪ Common standards</li> </ul> <p>The Trustees discussed the complexity and volume of work involved.</p> <p>The CEO highlighted that this was widely recognised as a key priority of the Trust.</p> <p>The Trustees asked about the centralisation of decision making around some aspects of ICT and how this was perceived by Principals and other key stakeholders.</p> <p>The CEO and NDoF responded to say that the Principal's main area of concern related to the quality and cost of ICT functionality. They highlighted that levels of engagement and satisfaction were improving following the introduction of a regional ICT lead across East, South and Primaries and that OAT were currently recruiting for the same role for the North and West.</p> <p>The Trustees supported the approach being taken around Infrastructure. However, they highlighted that they were unclear on the overall end goal of the ICT strategy in OAT and the lack of a clear delivery plan.</p> <p>They requested brief but comprehensive project management papers to support future reviews. These should include the following:</p> <ul style="list-style-type: none"> <li>▪ Clarity and agreement on the end goal.</li> <li>▪ A high-level plan (a board level summary of the more detailed plans required to deliver such programmes of activity) which should include key milestone dates.</li> <li>▪ Financial business case (financial cost and benefits) including underlying resource plan.</li> <li>▪ Clarity and transparency of Key Assumptions, Risks, Issues and Dependencies.</li> <li>▪ High level stakeholder management plan (a board level summary of the more detailed plan required to deliver such change).</li> </ul>	NDoET
7.	<b>Development papers</b>	
7.1	<p>Cliff Park Infant &amp; Junior</p> <p>The Trustees noted the actions that are being taken to merge Cliff Park Infant &amp; Junior Academies.</p>	
7.2	TBAP	

	<p>The CEO gave a verbal outline of TBAP to compliment the written paper.</p> <p>The CEO advised that the papers were not for approval. However, the CEO did request inputs from the committee about the likely parameters around future decisions regarding TBAP.</p> <p>The Trustees raised several concerns including but not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Capacity of team to oversee integration of TBAP, maintain quality of TBAP, improve existing OAT schools and transform functions such as ICT.</li> <li>▪ Long term financial impacts (beyond first 3 years)</li> </ul> <p>The CEO advised that OAT planned to retain the capacity and experience of the TBAP leadership to oversee the integration and maintain quality.</p> <p>The Trustees queried why TBAP was being split up given the financial implications of this and that the East academies were a good fit for OAT geographically.</p> <p>The CEO stated that OAT have not been offered the East academies.</p> <p>The committee supported the proposals already shared with the ESFA around Financials. However, they highlighted that any final approval decision, would be subject to guarantees around the financial impact to OAT and long-term income flows.</p> <p>NDoF briefly mentioned the following:</p> <ul style="list-style-type: none"> <li>▪ On-going discussions with local authorities around 3-year income agreements for 22/23 – 24/25.</li> <li>▪ The level of contingency built into to allow further decisions to be taken within the first year if required depending on the outcome of the above discussions.</li> </ul> <p>The committee reiterated and emphasised that their concerns extended beyond those of a financial nature.</p> <p>Trustees clarified that any decision taken regarding taking on TBAP must not prejudice the financial stability of OAT in the short, medium, or long term. This will require guarantees over future income as well as the proposed short term financial aid to cover integration and the first three years.</p>	
8.	<b>AOB</b>	
8.1	There was no other AOB	
9.	<b>Date of next meeting</b>	
9.1	TBC	