

Minutes of meeting

Finance and Capital Committee meeting

Date:	Wednesday 25 November 2020	Time:	12:30 – 14:00
Location:	Teams	Clerk:	Jennie Gardner
<p>Present: Andrew Jones, Trustee and Chair (AJ) Frances Hall, Trustee (FH) Nick Hudson, Chief Executive Officer and Trustee (CEO) (NH) Ian Brookman, Trustee (IB)</p> <p>In attendance: Alistair Thom, Advisor pending membership approval 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>Apologies: None</p>			

	Item	Action
1.	Welcome and apologies	
1.1	<p>AJ welcomed everyone to the meeting as committee chair and introduced AT formally to the committee. AT's status on this committee remains observer pending board approval.</p> <p>AJ acknowledged Peter Murray's retirement from the committee on the 14th October 2020. The committee recognised Peter's years of service and expressed thanks for his commitment over that time.</p>	
2.	Previous minutes	
2.1	The committee marked the minutes from 23 September 2020 as approved.	
2.2	<p>NDoF raised the point about agency costs in the action tracker and stated that OAT is working with EPM to improve sickness and absence reporting, linking into the resultant increase in agency costs. This will be covered in the People Committee.</p> <p>No other matters arising.</p>	
3.	Update from National Director of Finance	
3.1	NDoF stated Ormiston Academies Trust (OAT) is in a satisfactory position in terms of its balance sheet and cash balance and is in a good position with ESFA, with quarterly meetings being carried out.	

	<p>NDoF stated that the year-end position is lower than predicted because of the enhanced pension provision.</p> <p>NDoF stated that the outcome for 20/21 is far more difficult to predict because of COVID-19, and there are significant variations in spend depending on the location of the academies. However, COVID 19 associated costs, such as increased cleaning and PPE spend are being reviewed and tracked monthly. NDoF reassured the committee that Regional Finance Leads, NDoF, Regional Directors and Principals are working together to ensure that academies achieve budgets.</p> <p>The Trustees queried how NDoF is keeping control of all the current uncertainties, such as lettings, catch up funding, Covid costs and contingency planning. NDoF stated that OAT is improving its reporting in terms of the above variances and November will show a good set of results. The Contingency will not be allocated to academies now.</p> <p>The Trustees led a discussion on reserves and if there are any planned projects / known spending that can be flexed to ensure academies meet their 3% reserves budget. The NDoF stated that non-critical spend was being deferred where appropriate.</p> <p>The Trustees requested sensitivity analysis to be included within monthly management accounts.</p> <p>The Trusteed asked the position of Head Office reserves. NDoF stated that each recruitment was being made with careful consideration to the benefits provided by incremental roles (mainly school improvement/ front-line focused lead practitioners) and the wider risks and reserves position.</p> <p>The NDoF proposed and the Trustees agreed that the committee have visibility of proposed contingency allocation before it is allocated to the academies. This will be reviewed in the next F&C (February).</p> <p>NDoF to share management accounts monthly with the committee and will add in a page on sensitivity.</p> <p>NDoF is preparing a paper on finance systems strategy for the next committee meeting. NDoF is also working on the current financials' management pack. This will be shared regularly with the committee.</p> <p>The NDoF presented the communication of top-down targets and the current work on CLFP. The Trustees questioned if the benchmark data shared with executives and trustees was available to principals. The NDoF stated that the analysis shared via the DfE View My Financial Insights was consistent with the analysis performed by the finance team as part of the budget process. The NDoF also stated that the finance teams, RDs and principals were already working to address those areas highlighted by the DfE as focus areas.</p> <p>The Trustees discussed project governance and the new Projects Board outlined in the NDoF's update. NDoF explained that the purpose of the board is to identify any constraints and be able to bring then to the executive's attention.</p> <p>NDoF advised the committee that work was progressing with regards to TBAP. Exploratory due diligence is being carried out.</p>	<p>NDoF</p> <p>NDoF</p>
4.	Decision/ Consultation papers	
4.1	<u>Paper 4 – Meadows</u>	

	<p>The NDoET presented paper 4 and outlined the project. NDoET explained that a third party “Stars and Sparkles” will be sub-letting Ormiston Meadows Academy’s recently converted area to deliver a childcare service (nursery).</p> <p>The committee and NDoET confirmed that there is to be a note added in the contract to include OAT’s right to exit the lease if performance is compromised.</p> <p>The Trustees also asked for a note on permission for Jane Nolan (Director of Primary and SEND) to inspect the nursery periodically.</p> <p>The committee marked this paper as approved.</p> <p><u>Post 16</u></p> <p>NDoF discussed both Ormiston NEW Academy and Ormiston SWB Academy and will present these two academies in the next committee meeting with a clearer decision.</p> <p>NDoF explained the financial impact of Ormiston Sudbury Academy’s Sixth Form. The paper presents the decision to mothball the Sixth Form and possibly create partnership with another post -16 education provider, with OAT as a host.</p> <p>The committee agrees with this decision.</p>	<p>JM</p> <p>NDoF</p>
5.	Update on IT Transformation	
5.1	<p>NDoET presented the paper to note for information.</p> <p>It was noted that the IT and Estates strategy had not progressed and that a programme management approach was required to include key deliverables/ milestones etc.</p> <p>The Trustees asked if IT transformation could be placed as higher priority in Finance and Capital committee meetings in the future. The committee agreed.</p>	
6.	AOB	
6.1	<p>The Trustees asked NDoF for a forward view of what the committee will be covering each meeting. The NDoF agreed to add a section for this in future meeting agendas.</p> <p>The Trustees asked if committee meetings (Audit and Risk, Finance and Capital) could be held on different days, taking place in the morning only. The committee agreed.</p> <p>The chair closed the meeting, thanking the OAT finance team for continued hard work.</p>	<p>NDoF</p> <p>NDoF</p>
7	Date of next meeting	
7.1	Wednesday 24 February 2020.	