

Minutes of meeting

Finance and Capital Committee meeting

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| Date: | Wednesday 16 June 2021 | Time: | 10:00 – 12:00 |
| Location: | TEAMS | Clerk: | Jennie Gardner |
| <p>Present: Andrew Jones, Trustee and Chair (AJ) Frances Hall, Trustee (FH) Ian Brookman, Trustee (IB) Alistair Thom, Committee Member (AT)</p> <p>In attendance: Nick Hudson, Chief Executive Officer and Trustee (CEO) (NH) Jo Dawson, National Director of Finance (NDoF) (JD) Claire Lovell, Head of Compliance (CL) Sarah Vout, Head of Finance (SV) James Miller, National Director of Estates and Technology (NDoET) (JM)</p> <p>Apologies: None</p> | | | |

| | Item | Action |
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| 1. | Welcome and apologies | |
| 1.1 | The Chair welcomed everyone to the meeting and notified the committee that the NDoET would be joining the meeting for the ICT and Estates update (items 7 and 8) only. | |
| 2. | Approval of minutes from previous meeting | |
| 2.1 | <p>The Trustees approved the minutes of the previous meeting (24 February 2021) as an accurate and true reflection, with no corrections.</p> <p>The Trustees queried the approval process of the minutes and whether they are being received at Board meetings.</p> <p>CEO confirmed that the minutes from 24 February 2021 were uploaded as a paper in the Board meeting held on 11 March 2021.</p> <p>The NDoF stated that the normal procedure is for draft minutes to be reviewed by the Chair and then submitted to the next Board pending formal approval by the full committee.</p> | |
| 3. | Matters arising from previous minutes | |
| 3.1 | The NDoF presented the committee action tracker, which has been amended to clearly show the distinction between closed and open actions. | |

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| | <p>The NDoF highlighted that some actions had been consolidated and transferred to other committees including the People Committee and committed to communicate changes to each committee.</p> | NDoF |
| 4. | <p>Update on the Financial Position of the Trust</p> | |
| 4.1 | <p>The Chair suggested that both papers 4 and 5 be reviewed and discussed together given the inter-dependence between the two.</p> <p>The committee discussed the reserves strategy and use of contingencies.</p> <p>The Trustees discussed how the reserves policy was a change to previous strategy which saw a steady increase from 3% to ~4% over a three-year period. The Trustees asked how this change would be received by the ESFA.</p> <p>The NDoF advised that quarterly meetings are held with the ESFA. During these meetings, latest forecasts and longer-term plans are discussed. The ESFA are supportive of a plan that delivers reserves between 3 and 5% but optimises investment in education. The NDoF highlighted that the next meeting with the ESFA was planned for the Friday 18th June. The NDoF will summarise that discussion within the final paper to the Board.</p> <p>CEO confirmed that the Department for Education and Education Standards and Funding Agency have more confidence in the Trust, regarding how finances are managed.</p> <p>The Trustees discussed the management of the contingency and agreed the proposed use of the contingency. The Trustees requested that any change to the proposed use of the contingency be brought back to the F&C for approval.</p> <p>The NDoF advised that termly forecasts would be performed going forward – in September, January and April and risks and opportunities managed in between. The NDoF advised that allocation of the contingency would be managed via the forecasting process involving Trustees (and in line with the process outlined in the Finance Delegation of Authority).</p> <p>The Trustees agreed the reserves plan and contingency.</p> <p>The Chair invited the NDoF to present the papers.</p> <p>The NDoF highlighted the must do's around forecasting and budgeting, including the level of detail for each year, and the submission deadline at the end of July.</p> <p>The NDoF explained the different types of finance information presented and how they were used by the Finance team and executive team in managing the financial position of the Trust. The NDoF also gave examples of areas of improvement around finance reporting which would be a focus-areas during 21/22 e.g., more detailed payroll analysis.</p> <p>The NDoF explained the reason for the contingency and the link between this and the risks and opportunities around teachers pay, exam rebates, covid grants and other sensitivities.</p> <p>The Trustees queried the future of the partnership fee.</p> <p>The NDoF advised that this was under review and would depend on how much was centralised and the nature of what was centralised. For example, some Trusts recharge ICT and School Improvement costs separately to traditional management fees.</p> | <p>NDoF</p> <p>NDoF</p> |

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| | <p>The Trustees asked the NDoF to discuss the academies in deficit.</p> <p>The NDoF discussed the four academies that are budgeting a deficit detailing that the total deficit across these four academies was ~£100k, the underlying reasons, the likelihood of them breaking even and plans to return these to a break-even or surplus position in 22/23. The NDoF highlighted that none of these situations was down to poor financial management – some were due to academies that were growing, and one was an RI school in a turnaround situation. As part of this discussion, the NDoF highlighted the risk around pupil numbers in some primaries due to changing local demographics.</p> <p>The Trustees asked if the impact of COVID-19 and Brexit will create a risk regarding the number on roll in some academies that have a high intake of East-European children.</p> <p>The CEO and the NDoF committed to discuss pupil projections during the next round of Trust/ Local Authority meetings.</p> <p>The Trustees asked the NDoF to discuss the investment in lead practitioners.</p> <p>The NDoF commented on the positive feedback received during academy strategic discussions regarding lead practitioners. The NDoF committed to include an appropriate analysis with regard to increased central FTE/costs in the final board paper to support the wider strategic update by the CEO and in the context of providing an update on the impact of Lead Practitioners.</p> <p>CEO and the NDoF committed to avoid using acronyms where possible in papers.</p> <p>The Trustees agreed that the budget paper should go forward for full Board approval at the Board meeting on the 8th of July subject to the summary table being amended to include the following: total income; costs split between academy, HO and contingency; and impact of TBAP. The Chair of the committee agreed to review prior to submission on the 1st.</p> | NDoF |
| 5. | <p>Review of Integrated Strategic and Financial Plan ahead of submission to the Board</p> | |
| 5.1 | <p>The Financial Plan was discussed alongside paper 4.</p> <p>It was noted that the 2022-24 plan currently comprises reserves target of 3%.</p> <p>The NDoF explained that bottom-up planning has been performed for the academies. Further work is required on these, central activities and in the light of ICT and Estates lifecycle planning to deliver a fully integrated top-down/ bottom-up plan. Key risks such as pupil numbers and future income streams had been reviewed.</p> <p>Trustees requested to see and approve those more detailed plans as and when they become available.</p> | |
| 6. | <p>Update on Finance Transformation</p> | |
| 6.1 | <p>The NDoF presented the 1-ledger Project paper for approval.</p> <p>The NDoF highlighted the inter-dependency between this and other projects including the review of payroll and the timing of activity relating to the payroll project in relation to the 1 ledger project.</p> <p>The Trustees queried if there is a risk of losing Finance personnel in academies.</p> | |

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| | <p>The NDoF stated that this was not considered to be a high risk. However, the level of impact was being carefully assessed and managed at an individual academy level. The paper was approved and noted by the Trustees.</p> <p>The Trustees queries appropriate training and support around this project/ change.</p> <p>The NDoF explained that training and support would be provided on both process and system changes. This was already built into the project timetable.</p> <p>The Trustees approved the project.</p> | |
| 7. | Update on ICT Transformation | |
| 7.1 | <p>The NDoET joined the meeting at 11:40.</p> <p>The Trustees queried why every project is rated amber, what steps need to be taken to move them to green and what can be done differently.</p> <p>The NDoET explained that this was due to timings, workload and capacity within the team. The focus is connectivity, to agree what each academy will receive within the contract. The IT and Estates team are liaising with academies on what their requirements are.</p> <p>The Trustees encouraged the NDoET to develop a “Back to Green” plan and requested that ICT be prioritised for discussion at the next F&C meeting.</p> <p>In particular, the Trustees requested the following for each project:</p> <ul style="list-style-type: none"> - Plan/ key milestones. - Cost of each project. - Scope of each project. - What success looks like for each project/ benefit. - Risks associated with each project. | NDoET |
| 8. | Update on Estates Transformation | |
| 8.1 | <p>The trustees asked when Bellrock is being reviewed for tender. The trustees are not satisfied with Bellrock’s 95% Health and Safety statutory compliance. This should be 100%.</p> <p>The NDoET confirmed that the Trust has a service improvement plan with the supplier which is monitored weekly.</p> <p>The Trustees commented that the compliance of mandatory training is not to a high enough standard.</p> <p>CEO will ensure that mandatory training is on the agenda in the next people committee.</p> <p>The trustees felt encouraged that the funds for building maintenance have been prioritised within the Trust, however a quarter of buildings still require improvement, and it is important that the Trust ensures this stays as a priority.</p> <p>The NDoET left the meeting at 11:55.</p> | CEO |
| 9 | AOB | |

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| 9.1 | The Trustees requested that ICT and Estates be prioritised in the next Finance and Capital meeting. The Chair thanked everyone for their time and closed the meeting. | NDof |
| 10 | Date of next meeting | |
| 10.1 | Wednesday 29 September 2021 | |