

Meeting	MAT Finance Committee	Date	Wednesday, 13 th May 2020
Location	Teams Call	Time	3.00 p.m. – 5.00 p.m.
Membership	Tammy Mitchell (TM) – CEO, Jonathan Clarke (JCl), Sharon Hollingsworth (SH), Jonathan Cresswell (JCr)- CFO, Chris Legg (CL), Dave Butt (DB), Claire Edgeworth (CE) - Notetaker		

ITEM	ACTIONS	NAME	TARGET DATE
Welcome and Apologies	Welcome and Apologies No apologies noted.		
Declarations of Interest	None recorded.		
Temporary appointment of the Chair of the Finance Committee	SH explained the process and asked for nominations for the temporary appointment of Chair for the Finance Committee. JCl nominated DB and CL seconded this. DB accepted the nomination. DB appointed temporary Chair of the Finance Committee.		
Terms of Reference for the Finance Committee	The Terms of Reference were circulated prior to the meeting. The Terms of Reference follow the best practice for establishing a MAT Finance Committee. The presented Terms of Reference have been accepted by the Regional Schools Commissioner and will form the guiding principles for this committee going forward. SH asked the committee if they were happy to formally adopt them and everyone was in agreement.		

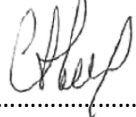
	The Terms of Reference for the Finance Committee were formally adopted.		
Finance Report - Management Accounts including Financial KPIs	<p>CFO had circulated a Finance report to all the members prior to the meeting. CFO advised that the finance accounts are work in progress as the CFO had not yet received the balance sheet from the Kent County Council (KCC). The profit and loss accounts are as it stands with a forecast as at April.</p> <p>There are a few areas that need to be looked at with the School Business Managers to make sure coding is correct and the budgets are aligned correctly. One anomaly is that High Needs Funding is coded against Government Funding. Pay codings are categorised separately so these need realigning.</p> <p>CFO is to meet with School Business Managers during the first two weeks of June to look at the position for the remainder of the year and budget setting, now 20/21 budgets have been released.</p> <p>The Committee queried that the budgets currently show a £121k loss and the CFO advised this may be due to misalignment and some could be due to non-domestic rate relief and the way different areas are dealing with this.</p> <p>The CFO acknowledged that the schools were in a surplus when budget packs were set up, and he will double check the budgets during the first week of June to make sure everything is aligned. The CFO advised that actuals had only been received earlier last week, so these needed to be looked at more thoroughly. CFO has spoken to the School Business Managers and they have flagged any incorrect codings.</p> <p>The CEO advised that the schools had transferred with a surplus on the 1st March and there should not be a deficit and queried if this was due to the rollover from KCC. The CEO explained that the rollover was the underspend from 1st April 2019 to 1st April 2020 and was due to be transferred to the Trust within three</p>	<p>CFO to meet with Business Managers</p> <p>CFO to check budget packs to make sure</p>	<p>End of 2nd week in June</p> <p>1st week in June</p>

	<p>weeks of the schools transition to the MAT. The CFO agreed that he did not think the rollover was in the budget and he had not had close down from KCC due to the current lockdown. The CFO agreed that once we have the budget sheet from KCC then we can start populating our budget sheet accurately.</p> <p>The CFO advised that school Business Managers are receiving their individual pages so they are able to reconcile their budgets and it is hoped that when the CFO meets with them in June, we will have a clear position.</p> <p>The Committee acknowledged that the schools had transferred less than a month when we went into the lockdown period. The school Business Managers are working from home and trying to access systems without having had the training that was planned . The CFO advised that the Business Managers are still getting used to the systems and he is setting up another training session. The Business Managers should be able to produce their own reports rather than wait until they are sent to them. The Business Managers however have reported that they are happy with the support they have received from EKC Group Finance Team and everyone has been supportive.</p> <p>The CEO commended the CFO and his team as they have done well to produce what they have, despite KCC being slow and the data being hard to obtain.</p> <p>The CFO needs to look at Other Income, which is growth funding from Bysing Wood and needs to check that it is sitting in the best place. The CEO explained that this funding was given to Bysing Wood to become a two-form entry, but they are still currently a one-form entry because the building expected from local housing has not yet been completed.</p> <p>The Committee need to agree the Financial KPIs and the CFO asked the members for their thoughts. The Committee agreed that comparing how the school’s budgets are made up would show some benchmarking,</p>	<p>everything is aligned.</p>	
--	---	-------------------------------	--

	<p>and members agreed that they could learn lessons by looking at their rationale. The CEO queried if this was for all four schools or just for similar size schools as the pupil premium is different at each school and it was agreed that this might be important to see the difference. The CEO suggested having a Pupil Premium KPI. The Committee discussed how the KPIs need to have a benchmark and these will be formed as we go along and will need to be linked to the budget. The CFO felt it would be straightforward to look at comparisons as all the schools have the same budget packs and members could look how each school operates their budgets.</p> <p>The Committee acknowledged that having a more accurate phasing of monthly budgets would be useful because at the moment there is a pay cost overspend trajectory and we need to know if the budgeting is wrong or they are over-staffed. The CFO advised that some schools are spending a large amount on agency staffing which was not in the budget from outset but we are seeing this as a trend. The CEO acknowledged that we do need to look at staffing efficiency with all schools over the next 12 months, as it is critical we look at natural wastage and do not have redundancies. The Committee queried if staff could be transferred across schools and the CEO advised that currently all staff are on TUPE and have been guaranteed that we will maintain their contract with host school, so they cannot force staff to move as they have a school contract. The school Heads however, if we were looking at redundancies, would be supportive of seeing if staff could transfer across. If we had a vacancy we would talk to see if there was somebody in another school who could move across.</p> <p>The CFO hoped that at the next meeting he would present a more robust picture. The Committee can start 2021 academic year on a more solid footing and the CFO can provide accurate management accounts going forwards. There are currently transactions e.g. company transactions, third party transactions and pension grants that need to be recorded for this year and this is £95k across all the schools. The Committee discussed how this would be presented and the CFO would like to present a commentary. The CEO asked if this could be presented as a summary paper with headlines and the Committee asked if KPIs could be added. The CFO agreed he could do some headline KPI indicators for approval at the next meeting.</p>	<p>CFO to check other income</p>	
--	---	----------------------------------	--

	<p>The CEO questioned whether expenditure is shown with VAT on the Finance system, as usually the school's budget would not show VAT. The CFO advised that the Trust is not VAT registered as it is below the threshold but we do complete a VAT 126 form. The CFO to check this.</p>	CFO to check if VAT is	
--	---	------------------------	--

		shown on system	
Any other business	Nothing reported.		
Matters considered confidential	Nothing noted.		
	Date and time of next meeting 8 July 2020. DB closed the meeting at 15:40.		

Signed: 

Print: Chief Financial Officer

Date: 01/10/2020