

Finance and People Committee Minutes

Meeting	Finance and People Committee	Date	Tuesday, 26 th November 2024
Location	The Yarrow Hotel	Time	1.30 pm
Membership	Ollie Laughton (OL) - Chair; <i>Graham Razey (GR)</i> ; Paul Sayers (PS); Alison Gray (AG)		
In Attendance	Tammy Mitchell, (CEO), Chris Legg, Chief Financial Officer (CFO), Summer Macer (COO), Sharon Hollingsworth – Group Director of Governance (GDG), Claire Edgeworth – Note Taker		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	The Chair welcomed everyone to the meeting. Apologies were received from GR. It was AG's first Finance and People Committee meeting.	
2	Declarations of Interest	There were no declarations declared other than those standing.	
3	Minutes of the meeting held 25 June 2024	The minutes of the meeting held on the 25 th June 2024, were considered to be an accurate record of the meeting, and the minutes will be signed after the meeting by the Chair.	
4	Matters Arising not covered by this agenda	There were no matters arising not covered by the agenda.	
5	Terms of Reference for the Finance and People Committee	The Terms of Reference for the Finance and People Committee was shared prior to the meeting.	

		<p>The GDG advised that the Terms of Reference needs to be reviewed annually, however these were recently approved by the Trustees when the Committee became the Finance and People Committee. There have been no changes since the last Trustees review.</p> <p style="text-align: center;">APPROVED – The Terms of Reference for the Finance and People Committee.</p>	
6	<p>Management Accounts – Final Year End August 2024</p>	<p>The Management Accounts -Final Year End August 2024 were shared prior to the meeting.</p> <p>The CFO highlighted that the income streams had come in on budget and pay costs were accurately forecast.</p> <p>The CFO reported that all the schools, apart from Palm Bay had advised they needed the full amount of their consumables budget, but it is evident at year end, that they did not. The Finance team will be working with schools on the areas that need improving. The CFO has undertaken two workshop sessions around using the money more wisely in-year, what they want to save money for, e.g. building a project fund or reserves.</p> <p>The EBITDA line is in the green. The Trust exceeded their forecast on interest receivable, and the Trust now knows with more accuracy how much money can be moved into 30-day or 90-day accounts to optimise these returns. It is all low risk and protected money. The interest received and interest paid does not go into the EBITDA, so there is an extra £51,677 in addition to the EBITDA +£158,000.</p> <p>The CFO highlighted the pensions adjustment and explained how this is reflected in the budget. The amounts that are paid out and the notional fund assets and liabilities are not aligned, and the Trust must reflect its share on the balance sheet at year end. The CFO explained that the Trust is in an academies pool, not all local Government pension schemes pay the same employers' rates.</p> <p>The CFO advised that a lot of capital grant funding has come in during the year and a tiny amount is carrying forward, with the remainder expended in-year. The Trust central reserves including schools are £1.4m. The DfE will look at anything above 20% as they feel this is excessive,</p>	

but the Trust is below this percentage. The Trust are below 80% pay costs and the central Trust has low costs. Trustees queried if the CFO is required to explain the figures to the DfE, but the CFO advised as it is below 80% he is not required to do so. The CEO reminded Trustees that due to the area the schools are in, they have more staffing costs. The Chair queried if the Trust had the right mix of staff particularly at Churchill, and the CEO advised that the COO had undertaken some work around this to look at how Churchill could reduce their overheads. The COO reported that she had looked at contracts and how to manage them and as a longer-term piece of work to make changes.

The CFO highlighted an anomaly, that when a new school joins the Trust, their carry-in reserves must be included as an income. Trustees queried how Sheppey Secondary would be managed next year as the Trust has gained the asset, and it is a different process. The CFO advised it will be the same. The Trust has a 3-year support package for Sheppey Secondary and the Trust are using this package.

A breakdown per school was included in the papers as at Q3. There is some element of variance, mainly due to equipment and consumables not being spent. Churchill are being cautious with their spending as they are aware of their financial situation

Some schools have missed their high needs funding target. The Trustees queried if Queenborough Nursery income goes back into the nursery or to the wider school. The CEO advised this was up to the Headteacher, but as they have a baby unit, a lot of the money is reinvested.

The CFO advised that the bottom line shows where the schools are with their budget.

Queenborough have had a good year, and Trustees questioned what they do differently to get it right. The CEO advised that Queenborough is over-subscribed, so they have optimal income available to them and they get more per pupil due to the deprivation funding rates and the CFO shared the varying rates. The Trustees queried whether Queenborough were spending their reserves. The CEO advised that Queenborough have undertaken some amazing projects. Queenborough would like to replace the mobile classrooms and build an early year's extension in

		<p>its place and move the classes back into the main school, but do not have enough money yet. The CEO advised that if Queenborough spent all their money, the Trust would look vulnerable, so we need to continue to mitigate the Trust-level risk, while as some schools have less children than their PAN. Trustees queried if the Trust central fund will build up to cover this in the long term. The CFO advised that the Trust needs to keep growing so the Trust does not have to top slice more than they already do and can therefore support the schools. There will be a risk until the Trust can turn around Churchill and Bysing Wood. The CEO advised that the Trust could capitalise some of Queenborough reserves for a capital project. It is hoped that if Queenborough replace their mobile classrooms, then these can be repurposed for the nursery at EKC Sheppey Secondary.</p> <p style="text-align: center;">NOTED - Management Accounts – Final Year End August 2024</p>	
7	Management Accounts – October 2024	<p>The October Management Accounts were shared prior to the meeting.</p> <p>The CFO has added an extra row for Sheppey Secondary as requested. The phasing of the budget needs to be realigned, as the Trust has not received all the money yet and should be receiving most additional grants in February. The high needs funding has not yet been received. The DfE support grant invoicing could not be undertaken until the Finance team have reconciled the funds received for opening the school. Over the summer, some of the decisions that had to be made were could not go through clear processes e.g. no working fire system, and the issues had to be dealt with urgently. The CFO explained that there is a permitted way to procure, and the credit card can be used in an emergency, but it has meant that the CFO and Lisa Hogan (LH) have been trying to allocate expenditure to the right budget line. There were four different streams of income, and a temporary budget so has been problematic to sort out, and this must be presented to the DfE.</p> <p>The CFO went through the pay budget noting that Palm Bay and Sheppey Secondary are both in an unfavourable situation. The CEO queried whether the pay for Palm Bay was around teaching or support staff, and the CFO advised it was teaching. The CEO will liaise with the Headteacher as they needed to replace their inclusion roles with teaching roles, but the move has not happened yet.</p>	

		<p>The CFO highlighted the catering provision at Sheppey and advised this is mainly a timing issue.</p> <p>Thornden Wood are front loading so are in the red.</p> <p>The balance sheet is stable, and the interest is already over what was expected.</p> <p>The CFO advised that the ESFA are being dissolved so the Trust needs to make sure everything has been received prior to this.</p> <p>The Trustees queried Aylesham reserves, and the CFO advised it would be £113,000, based on the information the Headteacher has given. The CFO advised that Sheppey will not have reserves for 3 years. The CEO advised that the Trust has been looking at the Reserves Policy again but feels that 8% is a healthy figure to work with. The Reserves Policy states around 8% but if the Trust keeps applying the same rules, it may not work, so this needs to be looked at going forward, if the Trustees want to remain with 8%. The Trustees acknowledged that the Trust needs central funds in case a school requires support or need extra expenditure e.g. the need to bring in someone if they cannot recruit. East Stour dipped into their reserves last year. Their pupil profile is turbulent and if they have low figures for the census, they will not get as much funding the following year. East Stour is carrying extra reserves to try to counteract this.</p> <p>The CEO will bring a paper to a future meeting regarding the Reserves Policy.</p> <p style="text-align: center;">NOTED - Management Accounts – October 2024</p>	CEO
8	Draft People Strategy	<p>The draft People Strategy was circulated prior to the meeting and the Trustees were asked for their thoughts and to seek agreement to recommend to the Trust Board.</p> <p>Trustees agreed it was very concise and reflects what had been discussed at Trust level. The CEO reminded the Trustees that they had asked for it to be personalised. and the CEO advised they had tested this, and it feels like the Trust.</p>	

		<p>The CEO wants people in the Trust feel valued. Trustees queried to what extent the leadership are going to own this and get involved, and what work had been undertaken to engage them. The COO advised that it was an on-going topic of conversation and in terms of projects and next steps, this is on the agenda for the term 3 Leadership Workshop, which will focus on school specifics and how it is delivered. Trustees acknowledged that the data is quite high and makes it look better. The GDG advised that the Trust Board will be asked to agree the draft People Strategy in the March 2025 meeting. Trustees acknowledged that the page 3 data could not list 0% but wondered if it could say SLT is 100% white. The Trustees queried that whether the focus for years 2, 3 and 4 would be completed in year 1. The CEO advised that the Trust know where they want to be and where they want to get to, they have built an action plan on how to get there, but the CEO does not want to make promises she cannot deliver, as staff could change. Trustees could approve next steps. The COO advised that the Trust are looking at the employment law landscape as it is set to change and the national framework for teachers' pay and are also looking at the staff framework in terms of conditions, and how these will fit into what the Trust are doing.</p> <p>Trustees agreed to recommend the draft People Strategy to the Trust Board. GR had requested a change to the gender pay gap and this has been amended. The COO advised that the employment pay processes for people with disabilities is coming at the end of the next calendar year, so we will need to report this next year.</p> <p>All the Trustees agreed to recommend the draft People Strategy to go to the Trust Board.</p> <p style="text-align: center;">RECOMMEND – Draft People Strategy to the Trust Board.</p>	COO
9	Any other business	There was no further business.	
10	Matters considered confidential	There were no matters considered confidential.	
11	Date and time of next meeting	Tuesday, 21 st January 2025 at 2.00 p.m.	



There being no further business the meeting closed at 2.35 pm

A handwritten signature in black ink that reads 'Olaughton'.

Signed:

Print: Oliver Laughton

Date: 21 January 2025

