

Finance Committee Minutes

<b>Meeting</b>	Finance Committee	<b>Date</b>	Tuesday, 25 <sup>th</sup> June 2024
<b>Location</b>	This meeting was held online via Teams	<b>Time</b>	2.00 pm
<b>Membership</b>	Ollie Laughton (OL) - Chair; Graham Razey (GR); Paul Sayers (PS):		
<b>In Attendance</b>	Tammy Mitchell, (CEO), Chris Legg, Chief Financial Officer (CFO), 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.  No apologies were received.	
2	Declarations of Interest	There were no declarations declared other than those standing.	
3	Minutes of the meeting held 27 <sup>th</sup> March 2024	The minutes were considered 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	Item 5 – Gender Pay Gap Reporting male senior leaders pay compared to female  The paper was shared by the Chief Operations Officer (COO) prior to the meeting but was not available to attend the meeting today to present the item.  At the last meeting the Trust Finance Committee requested a more detailed review of the Gender Pay Gap. The CEO reminded Trustees that the data is based on 2022/2023 and the Trust has grown during the last year, so the data is not reflective of the current position.	

		<p>The CEO confirmed that there is not a Trust pay issue between male and females. The female average mean is higher but the figures are skewed by one male Headteacher who joined the Trust on a higher rate than other Headteachers. The male Assistant Headteachers are lower paid than the female Assistant Headteachers. The CEO reminded Trustees that under Tupe staff come across on the salary that they were on. If they come across on a higher band, then their pay is frozen. The Pay Policy was again shared with the Trustees which includes the pay scales. Inherently, the Governing Board reviewed the Headteacher pay year on year and would put the Headteacher up a pay point, which pushed some above the pay band.</p> <p>Trustees were reassured and did not need any further clarification but acknowledged that each time a school joins the Trust, we will always be at this point.</p>	
5	<p><b>2024/25 Budget Strategy including review of Reserves Policy</b></p>	<p>CFO shared a summary from Lisa Hogan, Group Head of Financial Planning that showed a school-by-school summary and this would be the position if nothing changes. The CEO is working with the Headteachers to review the summary. The work the CFO is undertaking on Sheppey Secondary has not yet been completed. The CFO advised that schools are able to use their reserves and set a deficit budget if it is only for one year, but not if they continue to have a falling roll. The summary shows that some of the schools in the Trust will have a deficit budget, but the CFO predicts the Trust will break even as there is estimated GAG funding and there is still work to be done on the Sheppey Secondary budget. The CFO feels that Sheppey Secondary should come back as a zero and this is low risk. The CFO advised that if we were to present a deficit budget this would require explanation to the ESFA.</p> <p>The CEO went through each individual school and discussed the challenges.</p> <p>Briary (Thornden Wood) – the Trustees had been made aware that the school had some challenges and part of the marketing campaign is to increase the school roll. The CEO will meet with Lisa Hogan to discuss. The pupil numbers have increased.</p> <p>Bysing Wood – the summary shows that Bysing Wood will pay back £51k. The school has been supported for a couple of years and is now paying this back into the central fund.</p>	

		<p>Churchill – when the school joined the Trust we were aware they had a falling roll and they have been hit quite hard this year and are taking action to rectify. The CEO and COO met with them last week and have reviewed the budget. It is hoped they will return a zero budget, but discussions are taking place regarding reducing support staff hours and cancelling zero-hour contracts. Trustees queried that the non-pay contribution was high compared to the other schools and the CEO advised she was unsure why this was the case. The challenge for the school is there are not enough children for the staff they have. The CEO advised that by the time the budget is ready for approval, they will be at a zero balance.</p> <p>East Stour – The CEO has not met with the Headteacher who has been away on an Ofsted inspection. East Stour have a large reserve so can utilise these reserves in the short-term. The school will have higher pupil numbers in September so their GAG funding in 25/26 will be increased. The CFO will look at their non-pay as it is too high.</p> <p>Palm Bay will set a balanced budget.</p> <p>Queenborough will be setting a surplus budget.</p> <p>Sheppey Secondary – there is just under £300,000 coming in from the DfE to support the post-opening period and significant cash flow support available to underpin any further deficit.</p> <p>Trustees queried if £1,000 non-pay per child was standard and the CEO advised that £800 would be the standard.</p> <p>The CEO advised that the falling rolls for schools has hit hard. This could mean making cuts, reducing staffing and cutting provisions.</p> <p>The CFO advised that the Trust should end up with a balanced budget. Some schools will go into their reserves and Bysing Wood will be paying back their reserves so there will not be a deficit budget overall.</p>	
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6	<p><b>Management Accounts – May 2024</b></p>	<p>The May Management Accounts were shared prior to the meeting.</p> <p>The CFO advised that there was not a lot to report. Income is positive due to Teacher Pension Grant income. Once money for Sheppey Secondary is received, this will take us over £1.1m ahead of the income budget by the end of the year. The CFO shared an updated version of the accounts, which detailed the income broken down to show changes and Pupil Premium has some variability. Queenborough have more high needs funding than was budgeted for. The CEO reminded Trustees that there had been an in-year change to high needs funding, moving from 28% to 45% which hit the most vulnerable schools, and this is reflected in the spreadsheet. Queenborough were not applying for high needs funding so were not affected. The CFO acknowledged that this has left some schools with a hole in their budget.</p> <p>The CFO advised that they had to estimate the pay for Churchill and Sheppey Secondary. Under non-pay, the professional fees/legal fees for Sheppey Secondary were very high. Other than this there was nothing to note.</p> <p>Churchill's income looks very high, but this mainly due to the rollover received from KCC in-year.</p>	

		<p>Trustees queried why there appeared to be a big drop in income for Bysing Wood but staffing costs remained the same. The CFO advised that income was up by £40k but the big variance was in high needs funding, and they are not overspending on teachers. Bysing Wood will continue to pay back over the next couple of years and the CFO will include a breakdown to the Finance Committee.</p> <p>The CFO noted that the Trust was in a healthy position and the capital work has been mostly completed.</p> <p>The CFO advised that the interest earned is £83,000 which is in central reserves and predicts it will be £107k by the end of the year.</p> <p>The CFO advised that the Trust started the year with £1.9m reserves and £107k is Trust central reserves. Reserves are varied across the schools and most schools have above the required level in the Reserves Policy. Trustees queried as Queenborough were above their reserves, should they be encouraged to spend it. The CEO advised that they initially came to us with an excessive amount of reserves and have undertaken some big projects to spend some of it. The CEO has asked the Headteacher to hold off spending money, if they are spending just to get rid of reserves, as this helps to balance the overall Trust budget and generate interest income. Palm Bay have large reserves and they will use their budget to improve quality. The biggest problem is there are schools with falling rolls although Bysing Wood are growing. The Chair reminded Trustees that Sheppey Secondary will not make a profit and we need to make sure that the Trust central reserves are growing sufficiently. The CEO advised that the Trust cannot have excess reserves otherwise they will be unable to access DfE funding. The CEO advised that the biggest challenge was Churchill and Aylesham, when they join us.</p> <p>Trustees queried if Sheppey Secondary comes with any reserves or whether as it is a Free School this will be zero. It was confirmed there will not be any reserves.</p> <p>The CFO advised that they are taking a risk adverse approach to reserves. One school failure would not be catastrophic. The CEO advised that it is important to note that when the Trust took over these schools, there was no monitoring, strategy or oversight, and if they were not in the</p>	
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7	Academies Financial Handbook Update	<p>The CFO advised the Academies Financial Handbook has not been updated since last August and has not received any updates during the year.</p> <p style="text-align: center;"><b>NOTED: Academies Financial Handbook Update</b></p>	
8.	Matters considered confidential	There were no matters considered confidential.	
9.	Any other business	<p>The Chair and CEO had met to discuss the Terms of Reference for the Finance Committee. It had been noted that a lot of time is spent on education at the Trust Board meetings, and they would like to expand the Terms of Reference for the Finance Committee from just being Finance to Finance and People, and request another Trustee to join the Committee. The CEO will not attend the agenda setting and the COO and CFO will join the meeting.</p> <p>The CEO, CFO and GDG are due to meet after the meeting today, to discuss this further. Trustees queried if estates needed to be included, but the CEO advised that compliance, health and safety and statutory duties go to the RAC Committee.</p> <p>Dan Lewsey, Project Manager is working on a Capital and Estates Strategy, and this will come to the proposed Finance and People Committee in due course.</p>	
10.	Date and time of next meeting:	Tuesday, 26 <sup>th</sup> November 2024 at 1.30 p.m. – this date might be changed.	



There being no further business the meeting closed at 3.00 pm

Signed: Oliver Laughton

Print: OLIVER LAUGHTON

Date: 10/2/2025