

Finance Committee Minutes

<b>Meeting</b>	Finance Committee	<b>Date</b>	Wednesday, 27 <sup>th</sup> March 2024
<b>Location</b>	Trust Executive Boardroom, Broadstairs	<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 Guest – Summer Macer, Chief Operations Officer (COO) – Item 5		

	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 23 January 2024	There was one minor amendment needed to the minutes. Under Review of Capital Expenditure, it should read proactive (line 9). With this one minor amendment, the minutes were agreed as being an accurate record and will be signed after the meeting.	
4	Matters Arising not covered by this agenda	There were no matters arising that are not covered by the agenda.	
5	Gender Pay Gap reporting	The COO shared the Gender Pay Gap paper prior to the meeting.	

		<p>The Gender Pay Gap reporting legislation requires all employers with 250 or more employees to publish statutory calculations every year to show the size of the pay gap between male and female employees.</p> <p>The COO has advised that this is challenging due to a small sample group of males in the organisation (typical of primary education). Other Trusts vary considerably due to their size and sector, so it is hard to make a comparison. The COO advised that the relatively positive picture reflects the outcomes from the Trust's Leadership survey, and we continue to reflect on how we 'grow our own' and have male role models in both support staff and teacher roles. It is interesting to note that we have moved this year from 100% female School Business Leaders to now having employed 2 male SBLs.</p> <p>The Trustees queried if our male senior leaders were being paid more, and the CEO advised this was not the case. Trustees felt they would like evidence of this, and the CEO agreed to undertake this piece of work.</p> <p>The Trustees discussed the value of encouraging males into the lower quartile. The CEO acknowledged that the lowest quartile were cleaners and learning support workers and the figure was 5.3 male%. The Trust's plan is to increase this to 10%. The CEO will undertake some marketing to hopefully encourage more males to apply. The current recruitment campaign promotes the school holidays and bringing children to school and stay to work. The Trustees queried whether we needed to bring down the number of senior male roles and the CEO advised that the senior males were the Headteachers at Bysing Wood and Queenborough, plus a senior leader at Palm Bay and Holywell, but they were not the highest paid, this being the CEO and COO. Trustees questioned whether any males are paid disproportionately, and the CEO advised that all pay points are set and we have Support Staff pay, so this would not happen. The CEO acknowledged that it was difficult to recruit men in primary education roles, but those that do, are more likely to be given promotion. The reasons around this were discussed. The Trust have 10.7% men in the upper quarter in the last year, so the number is higher, but the position has now changed. The COO advised there was not an exact correlation, as the lower support staff would not be qualified to go for promotion but would have to have a career change.</p>	<p>CEO/ COO</p>
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6	<p><b>Management Accounts February 2024</b></p>	<p>The CFO advised that the Q2 reforecast is in the accounts but is not materially different from Q1. The Trustees had asked the CFO to separate out the project funding and this has been separated out from the schools. There has been £139,000 income received for the secondary school and the rest of the income relates to the schools themselves. The figures have been slightly skewed by Churchill, as the Trust has had to treat the payment of reserves from KCC as income, but this money is their reserves. Churchill has a break-even budget, but they will have a deficit for the part-year that they will be within the Trust, offset by slightly higher reserves coming into the Trust from the part of the year Churchill was a KCC school. The CFO advised that the overall budget for Churchill is where it was expected to be when we discussed their conversion.</p> <p>The CFO advised that the reduction in high needs funding is causing problems at a couple of schools and the Trustees queried what this related to. The CEO advised that previously schools had to evidence they had spent up to 28% to get their top up, but this figure is now 40%. The two schools with the highest level of challenge and deprivation had relied on this money coming in, due to the volume of additional needs and had put this in their budget. The CEO explained that this had been agreed at the Schools Funding Forum, but this was not communicated, so the CEO had contacted them to enquire what communication had been circulated. The CEO had since found one line in the Schools Funding Forum minutes of the meeting, where it mentions</p>	

		<p>this. The CEO is concerned that schools are being less inclusive as they are not taking in high needs children or suspending them. Some Trusts are changing their Inclusion Policy as they cannot afford to take in the children and KCC are not holding the non-inclusive schools to account. Trustees acknowledged that it was a shame as parent were not aware of the situation.</p> <p>The CEO had previously advised the Trust Board that the Trust is now receiving formal complaints where parents want their child to receive one-to-one support. Some special schools are turning down children as they have complex needs, and the children are being moved to mainstream schools.</p> <p>The CFO advised that where Bysing Wood have had 30% growth, but do not receive the funding until next year, and the Trust will need to support them financially in the short-term. As the growth has slowed, hopefully they will begin to put back into reserves next year. The CFO shared the increase in income for Bysing Wood for next year is from £1.1m to £1.27m.</p> <p>Trustees queried the teacher pay award and the CEO advised that the Secretary of State for Education had mentioned 3% but the DfE update said 2.2%. The Unions have already started to contact members to discuss balloting. The CEO advised that the Support Staff Unions were becoming aggressive and threatening union action at KCC and some larger Trusts in the country.</p> <p>Income is forecasted to be £957,000 ahead of budget. This is mainly due to two new ESFA grants relating to Sheppey Secondary (£375k). Additionally, there are increases in relation to Teachers Pension Grant effective 1<sup>st</sup> April. Churchill reserves have now been received from KCC adding a further £223,000 income to the Other Income line.</p> <p>Nursery staff costs are overspent, mainly at Queenborough, as they have a large increase in numbers so have had to increase their staffing.</p> <p>The CFO advised the Trust finances are strong , the Trust remains sustainable and negates the need to put the school's contribution up.</p>	
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7	Sheppey Capital and Revenue	<p>Dan Lewsey, Project Manager, shared a paper prior to the meeting, to update the Trustees on the EKC Sheppey Secondary Capital Project.</p> <p>The Capital bid has now been agreed in principle. We are now at RIBA Stage 3 and can now obtain more information from contractors and the final agreement will come from ESFA Capital Department. As this has only been agreed in principle, if things change, we can increase the request for funds. The Trustees queried what evidence was needed and the CEO advised we need to send invoices as we go along. The plans include new Creative and Engineering suites, new signage, and installations. These will be student-friendly and not corporate. The COO has worked with different companies who will sponsor different areas for us.</p> <p>Trustees queried how the money would come into the Trust and the CEO checked that the CFO was being kept up to date with what was happening, who confirmed he was. Trustees queried if the Trust spent less money, whether the remainder would be taken back, and the CEO confirmed this was the case.</p> <p>The CEO advised that she had received confirmation of the revenue. The letter states that as a condition of funding, School Resource Management Advisors (SRMAs) from the DfE would visit the Trust. Initially when the CEO discussed this, she was advised as we had just had a full Audit, this would probably not happen. The Chair of Trustees advised that he thought the SRMAs would not just look at Sheppey Secondary but look into the Trust as well and the Trustees agreed this would be difficult due to capacity. The meeting agreed that the CEO would draft a letter from the Chair of the Trustees, to see if this will just be a tick box exercise. The CEO advised that the Revenue bid included supporting safeguarding as this will be high but should reduce over time. They have agreed to give us all the money over 2 years, not 3 years as requested. The CEO to also ask for clarity around this in her letter.</p>	CEO
8.	Matters considered confidential	There were no matters considered confidential.	
9.	Any other business	The Finance Committee agreed that from September 2024, the finance committee meetings, when workable, will be held at the Chair's place of work in Canterbury.	

		<p>The Chair advised that the DfE have taken the decision to remove the conversion grant for academies from 1<sup>st</sup> September 2024, unless the Trust is approved to take on three or more schools in one go. The CEO submitted the application for Aylesham today, in the hope this gets on the agenda for the June Advisory Board, to be eligible for the funding. The Trustees discussed the impact of the decision, which is likely to mean schools will have to use their reserves to support conversions in the future which could impact on growth plans. The CEO felt this was a political move around the growth of Trusts and a shift to supporting large Trusts. Trustees discussed different ways to support schools including giving the conversion money as a gift by putting £25k into their reserves or they do not pay a contribution for the first year.</p> <p>The CEO would like to continue with the Associate Membership model and the Trustees agreed Aylesham would be a good advocate for this.</p>	
10.	Date and time of next meeting:	Tuesday, 25 <sup>th</sup> June 2024	

There being no further business the meeting closed at 3.30pm

Signed: 

Print: O Laughton

Date: 25<sup>th</sup> June 2024