

Finance and People Committee Minutes

Meeting	Finance and People Committee	Date	Tuesday, 21 st January 2025
Location	Burgess Hodgson	Time	2.00pm
Membership	Ollie Laughton (OL) - Chair; Graham Razey (GR); Paul Sayers (PS): Alison Gray (AG)		
In Attendance	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.	
2	Declarations of Interest	There were no declarations declared other than those standing.	
3	Minutes of the meeting held 26 November 2024	The minutes of the meeting held on the 26 th November 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	Management Accounts December 2024	<p>The Management Accounts for December 2024 including the Q1 Forecast was shared prior to the meeting.</p> <p>The CFO advised there was a lot of movement against the budget. The CFO did not receive adequate information from Oasis for EKC Sheppey Secondary (EKCSS). The structure has changed but the support from the DfE will cover this. There is a possibility that the Trust is not going to use all the money received from the DfE. The CEO advised that she needs more information, but this</p>	

		<p>will be reviewed quarterly and will check again at Q2. The Trust has a 3-year plan and have reset year 1. There are more pupils than were planned in the worst-case scenario. There has been a discussion to bring forward some of the year 3 staffing a year earlier. The package received is a total amount and does not break down into yearly amounts. By year 3 the Trust should have all year groups in place so the academy should break-even as a minimum.</p> <p>Income is forecasted to be £875,000 ahead of budget. This is due to an increase in the Sheppey Secondary financial support grant drawdown of £197,000 and increase in high needs income across several schools of £184,000. All schools in England were given a Core Schools Budget Grant (CSBG), and the Trust received £488,000. The CSBG is to cover increased school running costs and includes meeting the cost of teacher pay awards for the period September 2024 to March 2025.</p> <p>The guidance around what type of evidence to send for the grants was not clear, but the CFO thinks that this has now been resolved. The Trustees queried if this should now be an easier process going forward, and the CFO confirmed it would be and will be picked up by the Finance Business Partner going forwards.</p> <p>The pay costs are running above budget and forecasted to continue to do so. Some of this is down to the pay award and some due to the change in National Insurance rates in April. The CFO is due to meet with one of the Headteachers where there is a material cost pressure.</p> <p>The accounts showed that in November 2024 the Trust's income was ahead of budget and in December 2024 way ahead, but this is mainly due to grants. As the Finance Team have raised the invoices to the DfE, this is showing in the accounts.</p> <p>There are no material concerns around non pay, but there are some cost pressures on catering costs, and this will be looked at in Q2. The CEO advised that this was down to food prices increasing. The Free School Meals (FSM) are centrally funded but rates have not met the cost of inflation, and as some of the schools are in a significantly disadvantaged community, a lot of families rely on FSM. The schools are having to cover the gap. The CEO felt that even if the meals went up by 15p per</p>	
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pay costs. The reserves are shown as a percentage of total turnover, and if these go over 20%, this raises a red flag. The Trust is currently at 6% to 7% and are also healthy enough not to be a concern. The ideal percentage is over 5% and under 8%. The Trustees discussed the reserves and how the DfE could go about a cash sweep if they felt the Trust reserves were too high.

The Trustees agreed the next 2 years will be interesting around the policy decisions the Government is making. The CEO felt that some Academy Trusts could potentially fall over and there is no way they can be picked back up. Trusts cannot grow as Government are not encouraging growth but want Trusts to work more with the Local Authority. Discussion followed around the future of academies and how they will be governed.

The CFO advised that there was a mistake on the balance sheet that was sent out. The year end position showed debtors as £1,773,176 including Sheppey. This figure disappears from next years year end and the model has assumed it is cash. This will be updated and the amended balance sheet published.

The CFO discussed the individual school financial breakdown and advised that all school income was up. EKCSS will benefit from increased cash support and there is some other high needs funding included. It will take a full year to get budget certainty for EKCSS.

The pay costs are up due to pay awards and EKCSS. There are no concerns regarding non-pay but there are extra costs to pay for alternative provision. The EBITDA shows an improved position of £100,000 and this is not to do with EKCSS.

Aylesham is due to join the Trust on the 1st February 2025, they have sent their headline figures and Lisa Hogan has met with them to discuss the detail. The CEO advised that the Business Manager has previously worked for an Academy Trust so has some idea how Academies work, and the Headteacher has worked in the Trust previously. The CFO advised that it is felt that Aylesham might have more reserves than initially thought. There might be some costs going out in the latter part of the year, but the CFO has been working with them, so it is hoped this will not be the case.

NOTED - Management Accounts December 2024

6	Arbor Contract Renewal	<p>The CFO shared the Arbor Contract prior to the meeting.</p> <p>The Trustees queried that Aylesham was not included and the CEO advised that they have taken out their own contract, but on the same terms as the Trust. They will be included in the next renewal.</p> <p style="text-align: center;">APPROVED – Arbor Contract</p>	
7	Review Income from Interest	<p>The CFO shared a Review Income from Interest paper prior to the meeting.</p> <p>The Bank of England base rate is pivotal on the interest the Trust receives, so Trustees need to be mindful if the base rate changes. The school contributions over the next 2 – 3 years and the income from EKCSS will act as a slight buffer should there be a decrease in the interest rate by 1% to 2%. Trustees agreed that the Trust needed to manage the Reserves Policy in the short term. It is hoped that the Bank of England rate will stabilise at some point, so the Trust needs to work around this as the long-term strategy is based on this. Trustees agreed that if there is a long-term decision to be made, a meeting will need to be held with leaders to work out what they want from the central Trust.</p> <p>Trustees queried what the interest had been spent on over the last few years. The CEO advised it had enabled the Trust to recruit a Director of Projects, Safeguarding and Compliance and a PA for the CEO. Jason Howard is also paid for 2 days a week for school improvement work. The Trustees queried that these roles were being resourced from the interest and the CEO confirmed this was the case.</p> <p style="text-align: center;">NOTED – Review Income from Interest</p>	
8	Support Staff Pay for April 2025 update	<p>The Support Staff Pay had been added to the agenda for Trustees approval. Due to the changes in grants and teachers' salaries, the CFO and COO are working together and meeting with the Unions to interpret the landscape, so there was not a paper to bring to the meeting. The CEO confirmed that the Trust will meet the legal requirements regarding the new minimum wage. The paper will be brought to the March meeting for approval. The CFO will align with Q2.</p>	

		<p style="text-align: center;">ACTION – Support Staff Pay to be brought to the Finance and People Committee in March.</p> <p>Trustees queried if there were any pressures, and the CEO advised the pay is not a problem, but it is pay against other peoples that is the problem. Palm Bay have reduced the number of support staff and employed more teachers.</p>	
9	Sexual Harassment Legal update	<p>The COO shared a Sexual Harassment Legal Update paper prior to the meeting.</p> <p>The CEO advised that recent amendments to the Equality Act have strengthened protections against sexual harassment in the workplace. There are a couple of ways to approach this, and one would be to write a policy around this, and the other would be to include it into all necessary policies. The Trust have decided on the latter. All the relevant policies have been updated. There will be an explicit section in the handbook, and the CEO met with the Headteachers last week, and they are developing some training for staff and the Director for Safeguarding will present the training.</p> <p>The paper was brought to the Finance and People Committee for Trustees to adopt the changes and updates to the Equality and Diversity Policy, Staff Code of Conduct and Staff Disciplinary Policy.</p> <p>The CEO and COO have undertaken a full risk assessment and considered all the implications.</p> <p style="text-align: center;">ADOPTED – Changes and updates to the Equality and Diversity Policy, Staff Code of Conduct and Staff Disciplinary Policy.</p> <p>Trustees queried what was happening with HR and the new legislation, and suggested this would be a good time for the Group and Trust to work together so all the relevant people are around the table. The CEO acknowledged that previously the Trust had relied on the Group, but it might be helpful for there to be a regular get together with someone from the Group. The COO is undertaking training and so the work is probably being doubled up. The Trustees were all in agreement.</p>	<p>CEO/ COO</p>

		NOTED - Sexual Harassment Legal update	
10	Review of School Reserve levels incl. Reserves Policy	<p>The Reserves Policy was re-sent to the Trustees prior to the meeting. The CFO shared a Review of School Reserve Levels paper during the meeting, but advised it was not 100% complete. The paper showed the Trust turnover with the GAG funding for 2026-2027 but advised if there is a slight drop in the interest rate, the figures will not be the same. The figures included the nursery income.</p> <p>The Group contribution does not need to continue so the Trust is now self-sufficient. The plan was to 25-26 but reverted to 24-25 as the Trust had a year to deliver it. By March 26 the original school's contribution to the Trust will be up to 3% and Queenborough have already moved up to 3% early. All new schools joining the Trust will start at 3% and the CFO has also factored in the trajectory of EKCSS based on pupil numbers and the increase in year groups. This should go up again the following year, and when current year 9s have left, all the other year groups will be bigger so the numbers will go up again.</p> <p>The CFO will amend the paper and add the income.</p> <p>The interest income will ensure the Trust can undertake short-term projects. The Associate schools are included in the figures. The central team pay costs have gone up due to the new roles. The CEO advised that Queenborough do not need us to pay for Jason Howard, but this is a decision for the future. Emma Law, Executive Head, is not paid out of the central Trust as she undertakes Ofsted work which attracts income. The 26-27 central funds are forecasted to have a material surplus, so the Trust will be covered if the interest rates drop to a certain extent. The CEO advised that by 26/27, it is hoped the Trust will be paying for services from the Group that they do not currently pay for. The Trust undertakes some work for the Group and vice versa, but the CEO is aware that the Trust uses the Finance Team's time, and the Trust should be paying for that service. The original arrangement is that the Trust will start paying in 26/27. This is manageable if the Trust do not need to do anything with the £90,000 in 26/27. Trustees queried that 10% is a high number, and whether the Trustees needed to reflect if this was too high, and what is the risk to the Trust. Trustees acknowledged there was nothing they could think of that</p>	CFO

		<p>could happen to the schools that would not be covered. The CEO advised that the ESFA checklist advises that 7% and 5% is considered vulnerable and 8% is the top end. The Trust had planned on 7% from the beginning so if all projections are met, the Trust will be a couple of percent over. The CEO advised that it is £25,000 per form of entry, and Sheppey has 5 forms of entry. The CFO has not adjusted the Trust turnover, so moving forward the turnover will be closer to £20m, so likely to be around 8%. The CEO suggested that it could be capped at a fixed amount. Currently this is not an issue but should be looked at again next year. Trustees agreed that more work needed to be undertaken around this, but it was not urgent.</p> <p>The CEO advised that if we take on Church schools, the articles will change the picture.</p> <p>Trustees agreed the Trust was in good shape financially.</p> <p>There are two schools that are not there yet with their reserves. There was a “re-payment” plan agreed with Bysing Wood a couple of years ago and they are on track to pay their contribution and will have £17k in reserves this year. Churchill is more complex. They are forecast to have a £40k deficit with a falling role next year.</p> <p style="text-align: center;">NOTED - Review of School Reserve levels including the Reserves Policy</p>	
11	Estates Strategy update	<p>The CFO advised that the Estates Strategy has not been completed. The CEO has written the strategic objectives.</p> <p>The Estate Strategy should ensure the Trust:</p> <ul style="list-style-type: none"> • Accommodate growth – and ensure they can meet complex needs of children. • Can meet curriculum for local needs. • Each school maximises letting on premises. • Making everything fit for purpose. <p>Trustees queried how much space the central Trust have and whether they could expand. The CEO advised that the Trust did not need more space as a lot of the work is remote, and the CEO</p>	

		<p>encourages staff to work from home. The CEO thanked the Group for the use of the space and is grateful for the offices the Trust uses. GR advised that with a new Group CEO being appointed there might be further discussion around space.</p> <p>PS advised that there is an objective in the Group around the adult strategy and provision for adults, and queried whether the Group could look at community provision including schools and delivering on school premises. The CEO advised that all the schools have agreed in principle for adult provision to happen on their site.</p> <p>The CFO advised there are currently some high risks at Aylesham around the CCTV and fencing and the repair to the fence is manageable.</p> <p>The CFO advised that some work has needed to be undertaken for CIF bids. Trustees queried if this could be handed to the Local Governing Boards, but the CFO advises they have to provide specifics. The CEO advised that the Trust is becoming too big to apply for CIF bids and will fall under different capital funding arrangements from 2026/27.</p> <p>Trustees agreed that that the Estates Strategy will be brought to the next meeting.</p> <p style="text-align: center;">ACTION – Estates Strategy to be an agenda item for the Finance and People Committee meeting in March.</p>	
12	Equality, Diversity and Inclusion update	<p>The COO shared the Equality, Diversity and Inclusion Update paper prior to the meeting. The CEO advised that this is for information only and gives evidence of what the Trust is working on. The new EDI is reported in the new People Strategy.</p> <p>Trustees agreed due to the values of the Trust, this is already woven into everything the Trust undertakes. The CEO advised that the People Strategy is more meaningful now the Trust is larger. The CEO reported that when this comes back up for debate, the Trust needs to look at what is being focused on. From all the information gathered, it would appear the Trust is very inclusive and there has never been a complaint around ethnicity.</p>	

		NOTED - Equality, Diversity and Inclusion update	
13	Matters considered confidential	There were no matters considered confidential.	
14	Any other business	The CFO provided an update on the School Resource Management Assessment (SRMA) visit to EKCSS. A consultant, Jo Marchant (JM), visited the school and the visit appeared to go well. JM has taken a lot of information away and will provide a report shortly. JM had previously visited Oasis, so can make a comparison. There are likely to be some recommendations. Once received the report will be circulated to Trustees.	
15	Date and time of the next meeting	The next meeting is on Tuesday, 25 th March 2025 at 2.00 pm	

There being no further business the meeting closed at 15.45

Signed: Oliver Lawson

Print: OLIVER LAWSON

Date: 2/4/2025