

Finance and People Committee Minutes

<b>Meeting</b>	Finance and People Committee	<b>Date</b>	Tuesday, 25 <sup>th</sup> March 2025
<b>Location</b>	Virtual Meeting via Teams	<b>Time</b>	2.00pm
<b>Membership</b>	Ollie Laughton (OL) - Chair; <i>Graham Razey (GR)</i> ; Paul Sayers (PS) – joined from 2.30 pm: Alison Gray (AG)		
<b>In Attendance</b>	<i>Tammy Mitchell, (CEO)</i> , Chris Legg, Chief Financial Officer (CFO), Summer Macer (COO), Sharon Hollingsworth – Group Director of Governance (GDG), Claire Edgeworth – Note Taker		

*Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	The Chair welcomed everyone to the meeting. PS will join for part of the meeting from 2.20 p.m. - 3.30 p.m.  Apologies had been received from the CEO and GR.	
2	Declarations of Interest	There were no declarations declared other than those standing.	
3	Minutes of the meeting 21 January 2025	There was a mistake in the minutes, where minimal should be minimum. This will be corrected.  The minutes of the meeting held on the 21 <sup>st</sup> January 2025, were considered to be an accurate record of the meeting, and the minutes will be signed after the meeting by the Chair once the amendment has been made.  <b>AGREED – Minutes from the meeting held 21<sup>st</sup> January 2025</b>	
4	Matters Arising not covered by this agenda	There were no matters arising not covered by the agenda.	

5	<p><b>Energy Suppliers and Contract Changes</b></p>	<p>The COO had shared her paper prior to the meeting.</p> <p>The COO advised there was now an energy procurement programme. There has been a benchmarking exercise across 7 of the 9 schools. The two schools not involved in the benchmarking are Sheppey Secondary and Aylesham. The exercise across the 7 schools revealed there are savings of £89,000 based on last years billing cycle. The schools are primed and ready to complete the paperwork, if approved, as the termination period is at the end of this week.</p> <p>The Chair advised he was conscious of the short turnaround time but felt that there would be other benefits regardless of the savings. The COO advised that the benchmarking had been turned around quickly, and everyone is ready to move ahead.</p> <p>The Finance and People Committee agreed the change of contract .</p> <p style="text-align: center;"><b>AGREED - Change of Energy Supplier and Contract</b></p>	
6	<p><b>Consultation and Developments of Trust People Strategy</b></p>	<p>The Trust People Strategy paper was shared prior to the meeting and was brought back today for information only.</p> <p>The COO gave an update on the work that has taken place. There has been a series of meetings and activities, and the COO will continue to keep Trustees updated during the course of the year.</p> <p>The Chair advised that one of the Trustees had spoken about the positivity of this strategy in the Trust Board Meeting and suggested it should help to retain staff.</p> <p>The COO advised that there are some strands to this, for example, the Manpower Project, engagement from across the Trust and she is working her way through and developing a careers tool and resources to promote schools and the Trust to a wider audience.</p> <p>The COO will continue to keep the Committee up to date at each meeting.</p>	

		<p>Trustees queried that at the last meeting there had been a discussion around the possible synergy with the Group around the Employment Rights Bill. The COO advised she had made contact and hopes the work will open up moving forward.</p> <p>The GDG queried how the Committee wished to receive updates. The Chair advised it was good to see the consultation and the progress and would be good to have an update every meeting.</p> <p style="text-align: center;"><b>AGREED – Update on Trust People Strategy to be added as a standard agenda item moving forwards</b></p> <p style="text-align: center;"><b>NOTED - The update on the People Strategy</b></p>	
7	Gender Pay Gap 2024	<p>The Gender Pay Gap was shared prior to the meeting.</p> <p>The COO advised that this had been presented previously but the Finance and People Committee wanted a deeper dive into the leadership roles to understand if there are any particular issues or challenges.</p> <p>The gap has gone down but is not a like for like comparison, and another school has joined the Trust. The Trust still have positive female representation in leadership and exceeds the national benchmark, however this is a moveable picture, and it is whole schools joining the Trust that change the landscape. The results are positive and when conversions have settled there will be like for like comparisons.</p> <p>Trustees advised that now the People Strategy has been adopted this is the key focus and that the gender pay gap will be continually changing.</p> <p>The paper was brought for information only.</p> <p style="text-align: center;"><b>NOTED – The Gender Pay Gap paper</b></p>	
8	Management Accounts – February 2025	<p>The February Management Accounts were shared prior to the meeting.</p>	

		<p>The CFO advised that there are quite a few variances from the budget, but there is a slightly better EBITDA position.</p> <p>The CFO advised that the DfE package has created some variances. Aylesham have joined the Trust, and their budget was set on a KCC format and since then the Finance Business Partner has been working with the Headteacher and School Business Manager on Q2, which is the closest there is to a budget. There are explainable variances, but they have not affected the bottom line. There is £1.26m more income than expected but this was captured at Q1 and is due to Sheppey Secondary and the School Budget Grants. Inflation last year was 2.4%, but GAG funding has not kept pace.</p> <p>On a school-by-school basis everyone is ahead on income, and all are forecast to remain ahead by the end of the year. The extra income is to pay for the increases in pay costs. Sheppey Secondary is showing a £20k positive variance. The school has put more into teaching and less into teaching support, and the figures have ended up more or less back to where they started. All the schools have cost pressures because of the pay awards that were made across the board but there has been extra money from the DfE to pay fund this. When the budget was set, the teacher pay award was an unknown. The Trust is not legally obliged to follow the Teacher Pay Awards, but it is unadvisable not to, as Trusts make themselves non-competitive when recruiting teachers.</p> <p>Aylesham have had £173k additional income that was budgeted for and this is for only half the year, but there were £145k additional pay costs than expected, but this was due to not having the right information. Queenborough, East Stour, Palm Bay and Thornden Wood have all seen bigger pay costs, but each one has seen less increase in pay costs than the extra income that came in to pay for it.</p> <p>The Sheppey Secondary costs are more than expected, but there is the income to fund this. There is £318k more on non-pay costs but £221k relates to Sheppey Secondary so the rest of the schools are more or less as expected.</p> <p>The budget was set on a negative EBITDA, but it has ended up as a small positive this year.</p>	
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9	New School Induction Programme	<p>The new School Induction was on the agenda following a Trustee visit to Churchill.</p> <p>The CFO advised that there is an Induction Programme that LH goes through with the new School Business Managers (SBM), and this had also taken place with Churchill.</p>	

		<p>The CFO spends time with the new Headteachers so will suggest SBMs are included in these meetings in the future. Trustees queried how much training the Governors have on finance as they should be able to understand the figures at a basic level. The CFO advised they are involved in some areas, but it is ad hoc, and they do have some training that is for all the LGB Finance Governors. The training is not run every term so there may be gaps when new schools join so might be better if somebody attends the first LGB meeting or Finance Committee meeting.</p> <p>The CFO identified that the feedback from the SBM was due to LH identifying there was a problem, so the process has picked this up, but there was not enough time for it to be resolved before the Trustees visited.</p> <p style="text-align: center;"><b>NOTED - New School Induction Programme</b></p>	
10	Estates Strategy	<p>The CFO shared the Estates Strategy prior to the meeting.</p> <p>The School Improvement Fund is linked to the Estates Strategy, so this was completed by Dan Lewsey, Director of Projects, Safeguarding and Compliance (DPSC), CEO and COO. The CFO has also had some involvement.</p> <p>The specific objective is to make sure the school buildings are fit for purpose. The CFO advised that they have been cautious about expanding plans, as some schools are heading in the opposite direction and whether schools can afford to invest in new buildings. The strategy is tied into the curriculum and also the strategy has some net-zero intent, as this will be a factor in the future. The use of gas as an energy source will start to wane, and there is the possibility of creating some income streams, especially in Sheppey with the community links.</p> <p>Section 4 of the Strategy details the ideas that have already been thought of and it was hoped these would meet the criteria of the School Improvement Fund bid. These have been ranked, high, medium and low risks. There have been some calculations completed to see if the Trust is big enough to get an allocation rather than the School Improvement Fund bid, and with Aylesham and extra year groups at Sheppey, the Trust is already over the figure. The allocation should come in during September and calculations show it will be just below £500k, so this is a good time to have the Estates Strategy in place. The CFO shared a table which showed the</p>	

		<p>figures. The Trust will have achieved the 3,000-pupil threshold which will determine the allocation for the next academic year and is based on £148.50 per pupil.</p> <p>The current plan is that the Trust would keep this as a pool and would look to deliver the Estate Strategy with that money. The money would not be allocated to each school but would be determined at Trust level. In Section 7 of the strategy the CFO had listed the condition and age of each building to help identify the neediest areas first.</p> <p>Trustees queried if anything could be funded at Sheppey Secondary from the current funding, but the CFO advised not. The CFO reported that he fed back to the SRMA Advisor that it would be good to have more opportunity for funding now the school is open, as other areas of need have been identified. The Trustees queried if the Trust had the flexibility to be able to prioritise and spend on whatever the Trust thinks is the best use. The CFO advised this would be the CEO's and Trustees decision. The Trust has identified that not all the buildings are in the same condition and some things are more urgent than others, so the Trust wants to base on need. The Trustees acknowledged that the CEO would have a big task of managing expectations of all the schools. Trustees discussed that the Estates Strategy should be circulated and Headteachers made aware of other schools' challenges. Trustees acknowledged that it is important how this is communicated to the schools. The CFO advised that they would be transparent with whatever process is implemented and would not make it an onerous task. Section 5 of the strategy shows where most of the money will be going in the early years.</p> <p>Trustees discussed whether there needed to be some anticipatory planning undertaken of what might fail in the next 5 to 10 years. The CFO advised this might come in during year 2 or 3. In the first instance priority needs to be given to safeguarding health and safety areas.</p> <p>Trustees agreed that this will be a better process than bidding for the School Improvement Fund.</p> <p>The CFO advised that the document is fairly dynamic, and it has been made operational but there needs to be clarity around the definition of capital and revenue, because the Trust should only be spending the capital budget on capital, for example, replacing a roof is not necessarily</p>	
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11	<p><b>School Resource Management Adviser Report (SRMA)</b></p>	<p>The SRMA report was a condition of funding from the DfE. The report will go to various departments of the DfE, and some are responsible for making future recommendations around future conversions.</p> <p>The CFO advised that the initial draft versions were factual and discussed information that was already in the public domain, and there were some recommendations that could not be completed and some that had already been completed. The draft report went backward and forwards a few times.</p> <p>The CFO directed the Trustees to the recommendations. Recommendation 1 was “That a financial analysis be carried out regarding the setup and on-going revenue costs for an alternative provision inhouse at Sheppey Secondary and compared to the costs of placements at Estuary Academy.” The CFO advised there was an agreement in place that this would not</p>	

		<p>happen, but the Advisor had a background in alternative provision, so wanted to make a point. Recommendation 2 was “That the Trust give notice on its current contract with LASER Energy in order for it to be able to re-tender this contract when the current contracts are due to expire”, however this was already being looked into. Recommendation 3 was “That the Trust explore using the DfE’s Agency Supply framework in future” but the CFO advised this will not happen.</p> <p>The Trustees discussed the benchmarking table which showed the Trust was positive on most things except for staff pay and felt this showed that the Trust invests in people and make good investments in other areas. The CFO advised there is a view that Trusts should not spend more than 80% on staffing but felt that the more that can be spent on people without getting into financial difficulty, the better.</p> <p>The Advisor suggested using Sheppey Secondary theatre as a cinema and the Trustees agreed that if the Trust wished to embed itself in the local community, there was some benefit. The Advisor recommended that Sheppey LGB should organise some fund-raising events.</p> <p>The Trustees agreed the report did not add a lot of value, but it was good there were only a few recommendations.</p> <p>The Chair and Trustees thanked the CFO for all his work.</p> <p style="text-align: center;"><b>NOTED – The School Resource Management Adviser Report</b></p>	
12	Support Staff Pay including Trust central staff	<p><b>Restricted item</b></p> <p>This item was considered confidential and will form Part A of the minutes.</p>	
13	Matters considered confidential	Item 12 was considered confidential.	
14	Any other business	There was no further business.	
15	Date and time of the next meeting	Tuesday, 24 <sup>th</sup> June 2025 at 2 p.m.	



There being no further business the meeting closed at 3.20 p.m.

A handwritten signature in black ink, appearing to read 'Sayers', written over a dotted line.

Signed: .....

Print: .....Paul Sayers.....

Date: ...24<sup>th</sup> June 2025.....