

Strategic & Finance Committee meeting
Held on 30th January 2025 at 6.45 pm at Brixington Primary Academy
Minutes

Present: A Walmsley (chair), P Walker (CEO), A Denner, M Williams and I Thomas

In attendance: M Platten (DoF) and I Candy (Co Sec)

Quorum: the meeting is quorate

Circulation: Directors (through GovernorHub), FFT website

	Decision		Action due
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	1. Welcome & apologies	
	All committee members were present. Apologies were received from A Gavin (annual leave).	
	2. Declaration of Conflict of Interests	
	Declarations of conflicts of interests were invited by the chair. None was made.	
	3. Minutes of the last meetings of the S&F committee	
	3.1. To approve the minutes (Part I and II) of the last meeting (12 Dec 2024) and updated minutes (Part I and II) of the previous meeting (21 Nov 2024)	
	The draft minutes of the last meeting, Part I and Part II, were circulated ahead of this meeting, as were the updated minutes (Part I and Part II) of the previous meeting (21 Nov 2024). All these minutes were agreed to be an accurate record of the last meeting and signed by the chair. The 21 Nov 2024 meeting minutes were amended to correct some wording.	
	3.2. To review matters arising not otherwise on the agenda	
	The list of matters arising was circulated ahead of the meeting. It was discussed that the school interested in joining the Trust is currently not in a financial position to join and is taking action to recover from their deficit.	Appendix 1
	4. To review and discuss the Director of Finance (DoF) report	
	The DoF report and Nov 2024 management accounts were circulated ahead of the meeting. <u>Compliance:</u> M Platten confirmed that: <ul style="list-style-type: none"> • The Trust annual report and financial statements were filed with the ESFA by the deadline, as were the academy accounts returns (AAR). • Acorn and Chickerell accounts were also filed with the ESFA by the deadline. They will need to complete a one-day AAR. Bishop Fleming were due to support Acorn with this as were the accountants for Chickerell. <u>DoF report and management accounts:</u> M Platten highlighted the following key points: <ul style="list-style-type: none"> • The management accounts were tracking the Trust initial budget that was submitted to the ESFA for the 21 schools that were in the Trust last school year. 	Appendices 2 – 3

- There was a separate, more meaningful comparison for the updated budget for the 29 schools which allowed more effective monitoring of the Trust current financial position.
- This forecasted a £694K in-year deficit, which was significantly higher than the initial budget because of the cancellation of TCAF. This predicted deficit would mean that the Trust reserves would drop down to about £666K by the end of the year, when the Trust would need about £1.5M to match the DfE required reserves level (at least 5% of the trust income).
- The Trust was therefore monitoring costs very carefully e.g. staffing replacement and recruitment. There were also some potential smaller saving areas e.g. around after school club and nursery income
- The team would have a better understanding of the Trust position by the end of March when a detailed forecast would be done.

The committee queried what actions the Trust would need to take this year in order to continue to be sustainable given that that the total number of pupils on roll in 2025-26 was expected to decrease by about 200 pupils.

The Trust is particularly aware of the lagged funding and was due to share that information with staff more widely. The change in pupil numbers is sizeable but could roughly be matched by a decrease in class numbers. The Trust could also find additional savings elsewhere. The Trust took the decision last year to continue funding some classes in 2024-25, those will not continue in 2025-26.

Some areas such as Alternative Provision need to be managed better e.g. by reducing costs through managed moves.

The Trust will also be reviewing funding figures with heads and what the funding is meant for, to help them to understand their school financial position. Schools that hit the minimum funding guarantee get a 0.5% uplift, but this is well below the level of inflation. This was the case this year at Chickerell for example.

The Trust will also be more explicit about the ballpark figure of the funding lost to the decrease in pupil numbers.

The committee enquired how the Trust approached the fact that some schools have larger deficits compared to other similar size schools.

The Trust has more concerns about some schools than in others. For example, at Sidmouth, there was a loss of EHCP income and the use of agency staff.

Chickerell had budgeted for the school before it became part of FFT and had not budgeted for the cost of the Trust support.

The committee asked whether Chickerell had previously procured some of the services provided centrally by the Trust, externally or internally, and therefore this would mean staff could be re-deployed or areas of savings identified.

This will need to be reviewed carefully to identify areas of savings. There will be savings around not having to do accounts and not running a separate bank account.

The committee probed whether the Trust needed to address deficits more quickly now due to its financial position that previously when the Trust would have had more time to address this in the past.

M Platten has visited the school to explain some of these aspects and the financial pressure.

The committee queried whether the Trust budget included the 0.5% SEND draw down by the County Council for Devon schools. (This amount will be transferred from the school block to the high need block).

This is not included in this year's budget because it would not take place this year. Devon is appealing the decision not to do this with the Secretary of State who is due to decide on this, having had representations from Devon CEOs.

The rise in NI contributions also came after the budget was agreed but this was due to be funded, although there may be a small risk that it is not fully funded.

This means that the situation for 2025-26 will be harder than anticipated, particularly for Devon schools. It also appears very likely that there will be very little growth in school funding, based on the current messaging from the DfE.

Capital planning:

The DoF report gave confirmation of the various projects that were under way. The roof that blew off during the recent storm at Mrs Ethelston's would need to be added to the list.

There is also the need to plan for cyclical replacement such as boilers.

Finance policy:

This was meant to be circulated ahead of the meeting but was accidentally uploaded in the folder for another meeting.

M Platten highlighted that the policy had been reviewed and updated as follows:

- Data protection sections were added to ensure DPIAs are conducted at the right point in the process.
- A cybersecurity section was added to reflect that the Trust is aiming to meet the recently published DfE cybersecurity standards. The Trust will need to understand the impact of the IT changes linked to the recent tenders and develop a separate, standalone cyber security policy.
- Executive leaders wording was replaced by the existing terminology of educational directors.
- A delegated authority table for lettings was added to reflect the lettings policy.

It was proposed to increase the level of delegated authority for the value of purchases / invoices:

- The historical a limit of £5K for Trust BMs and Educational Directors was now too low, therefore the suggestion was to increase this to £10K to ensure more efficient processes, taking into account inflation and the Trust growth.
- The thresholds to evidence value for money steps did not reflect the public sector threshold for tenders (£214K). Changing this would give the Trust more flexibility on to manage some purchases.

The committee agreed the principles of this approach.

It was also agreed that the proposed policy would be circulated to the full board for approval with an explanation of the proposed changes, so that it could be approved by written resolution.

The Trust may also need to look at its approach to educational subscriptions which tend to be bought individually by schools and therefore are different across the schools. This year the Trust has bought three specific products at Trust level price for which there are no other equivalent. So there may need to be some nuance in the policy to reflect this, using appropriate wording.

The Trust will also be looking at curriculum-based subscriptions, how cost effective they are and whether costs for those could be negotiated centrally to gain better value for money. It is unlikely that all subscriptions will be appropriate for all schools, due to differing sizes and context. It may also be useful to try different systems to see how they work in practice and how they evolve over time.

The Trust will also be looking a developing a separate procurement policy.

Financial procedures:

M Platten reported that these had been updated to reflect the updated finance policy, and some changes in processing, particularly the income being handled centrally rather than in schools. The aim was also to simplify the financial procedures e.g. removing the central team processes that are not used in schools.

Accounting system:

M Platten reported that:

- PSF, the Trust current accounting system, is a sector standard
- The Trust contract would expire at the end of the current school year.
- He was starting to evolve Trust systems to be more efficient and it looked like PSF could enable this so his preference would be to retain the current system to see how it would work.

M Platten / I
Candy

<ul style="list-style-type: none"> There were some newcomers to the market that were not yet well established / developed. For example, IMP who is the market leader for budgeting software were about to release a finance module which would integrate with their budgeting software but this is not yet ready. Therefore, he would like to look at the feasibility of extending the contract until the end of the next school year (Aug 2026). The committee agreed to seek the extension of the Trust contract with PSF for one additional year. 	
5. To review and discuss the Director of People and Operations (DoPO) report	
<p>The DoPO report and information about the Sidmouth building project and financial assurance linked to a successful were circulated ahead of the meeting. <u>Sidmouth building project:</u> The committee asked for an updated on this project as timings seemed to have slipped further. There were several bidders for the current tender. The Trust was undertaking financial checks (credit scoring) for the bidders. Larger companies tend to rate better on these. Therefore, the Trust had asked for more information e.g. latest accounts to be able to compare like for like. The tender needed to be progressed because the Trust was not making progress with amending the specification, to see how the bids compare to the funding awarded. <u>H&S reviews:</u> The committee noted the red rated actions arising from the H&S reviews. The chair reminded the committee about the point raised during the due diligence process around the filled swimming pool at Membury. This will be followed up to assess whether any work is needed. <u>MIS:</u> The project to migrate to Arbor is led by Krishna Radjuporhit, the Trust data analyst. There has been some additional time to prepare for the change by checking data anomalies and ensure consistency of category labels (e.g a consistent label for foundation rather than foundation, reception, F2) <u>Managed Service Provider:</u> The contract of the current provider has been extended, with the transition from one provider to the other now taking place on 4th April. <u>Trust websites:</u> The current provider for the majority of the Trust websites is changing their system and withdrawing the current style of website, so the Trust will need to look at what providers are available and their costs. <u>PHP support:</u> Opportunities for savings should be identified, given changes in the Trust central team structure and the lack of expected growth. The Trust queried what happened for SATs that join a MAT in terms of legal costs for the equivalent of conversion costs. These costs have to be paid by either the SAT or MAT, which effectively end up being paid by the overall entity. The removal of the conversion grant is not helpful given that remaining maintained schools are mostly smaller schools, and many are Church schools that incur additional legal conversion costs. <u>Microsoft ending support for Windows 10:</u> The committee asked whether this would be an issue for the Trust as this had been an issue in other trusts or sectors. The Trust has been reviewing devices suitability and assessing whether they can continue to be used either as they are or as Chromebook.</p>	<p>Appendices 4 – 6</p> <p>A Gaving</p> <p>A Gavin</p>
6. To review the Trust risk register	
<p>The latest version of the Trust risk register was circulated ahead of the meeting. The following risks were raised and discussed:</p> <ul style="list-style-type: none"> Risk 10 – safeguarding: should the score be reduced as more schools were now RAG rated green? 	<p>Appendix 7</p>

<ul style="list-style-type: none"> • The committee agreed this was already reflected in the green rated post mitigation score. • Risk 11 – increase in the number of pupils with SEMH needs / behaviour issues: should the score be reviewed as the biggest issue is around SEMH because it is where staff feel more vulnerable? It was agreed to leave the score unchanged because mitigating measures include building capacity to better meet SEMH needs. <p>The chair reported that Members during the AGM had asked what the Trust main risks were and that he had replied:</p> <ul style="list-style-type: none"> • Improving outcomes because it is a sector wide issue and FFT were too low • Finance, which is more pertinent for primary trusts because of the decrease in the number of primary school age children • SEND, which is a sector risk, heightened by poor performing LAs where the Trust operates <p>The committee discussed whether the score of risk 1 – fail to provide best possible learning & teaching - should be increased.</p> <p>It was agreed not to change the score because this risk is already rated amber. The committee therefore agreed that not to make any changes to the Trust risk register.</p>	
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Meeting times: start: 7.05 pm, end: 8 pm

Date of next meeting: 20 March 2025, 6 pm

These minutes are agreed by those present as being a true record.

Signed:.....

Date:.....

Chair of S&F committee