

**Strategic & Finance Committee meeting
Held on 12 Dec 2024 at 7.50 pm via Teams
Part I Minutes**

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

In attendance: M Platten (DoF), A Gavin (DoPO) 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.	
2. Declaration of Conflict of Interests	
Declarations of conflicts of interests were invited by the chair. None was made.	
3. Minutes of the last meeting of the S&F committee	
3.1. To approve the minutes of the last meeting of the committee (held on 21st Nov 2024)	
The draft minutes of the last meeting, Part I and Part II, were circulated ahead of this meeting. They were agreed to be an accurate record of the last meeting and signed by the chair.	
3.2. To review matters arising not otherwise on the agenda	
The list of matters arising was circulated ahead of the meeting. Matters arising were either on the agenda or had been responded to. Information about the capital programme were tabled at the meeting.	Appendix 1
4. To review and discuss the Director of Finance (DoF) report	
The DoF report, Trust and individual schools forecast reports, and management accounts for Sep and Oct 2024 were circulated ahead of the meeting. <u>Management accounts:</u> M Platten highlighted that: <ul style="list-style-type: none"> • More in-depth preparation will take place for the next set of management accounts, but time was limited to produce the Sep and Oct ones, due to workload from new joiner schools and the external audit. • The Trust in-year deficit in the first two months totalled £76K, £54K above the expected £22K in the agreed budget. This is mostly due to the cancellation of the TCAF funding (divided by 12 months). • There are some variances that need to be investigated further but the overall figure will not be materially different. • The management accounts are due to be reviewed in detail with A Walmsley. <u>Trust and schools forecast reports:</u> M Platten highlighted that:	Appendices 2 – 6

- These reflect the higher-than-expected school budget grant and higher than initially expected reserves from Acorn but these have been offset by other areas, with the main difference being the cancellation of the TCAF funding.
- The forecast shows the Trust financial position reflects materially where he expected the Trust to be given the above known matters.
- There are still some details to work on within the forecast reports, but the financial position is in line with expectations.
- The central contribution necessary from the Acorn schools is in surplus (because the contribution is lower than they set in their budget) but it is the reverse for Chickerell because this contribution was not included in their budget.

The committee queried what the Trust approach will be to this, as the financial context is different given the Trust has less reserves and therefore is less able to accommodate deficits for a period of time.

The Trust will have to review this carefully to reflect some function & responsibility changes. Where rolls are decreasing elsewhere, Chickerell pupil numbers are very stable. The Trust is working on staffing structures generally and what can be afforded over time. The central team will work generally with each head around the staff structure for their school so that budgets can be set appropriately for 2024-25 onwards.

The committee asked whether there are any pressures to use reserves.

There are some areas where funding is included in the reserves but will be spent for the purposes intended. Acorn schools were in deficit and therefore using reserves.

Acorn have approved their accounts subject to a minor change regarding Axminster. Total reserves were as expected. Chickerell reserves are also in line with expectations.

There are a few schools that need monitoring because of variance vs budget. In some cases, this is because the Trust has deliberately decided to fund additional TAs, for example at Hawkchurch, Portesham and Newton Ferrers.

M Platten proposed that **a detailed forecast be done three times a year**, because it is a time-consuming process, with the forecast also being monitored informally in between. **The committee agreed this approach.**

The Trust had reserves of £1.36M at the end of 2023-24, therefore if the in-year deficit is £700K as currently predicted, reserves would drop to £660K by the end of 2024-25 but the Trust is looking at addressing this.

The finance team will review the actual flow of cash (when funds are coming in and going out, rather than accruals) monthly. March/April is typically the lowest point in cash and then the cash flow increases because several grants are paid at that time and again during the summer term. The finance team has no concern about the actual cash flow.

The committee enquire how the announced teachers 2.8% pay award and it being unlikely to be fully funded announcement from the government compare with the 2025-26 budget assumptions.

For 2025-26, the budget assumed that GAG inflation would match staff cost inflation, so this will need to be reviewed when more information is available. Typically, recently income has not matched inflation.

Cash management and investments:

M Platten sought approval to change the current approach to investments, in order to ensure a better balance between having enough funds freely available for larger payments and payrolls and maximising investment income. The Trust could use external platforms that would potentially typically offer a little better return but have more risks. Lloyds offers a **4.2% interest for a 3 months investment** which gets nearer other rates and is safe. The Trust could also have an **instant access account with a rate of 1.7% where funds from the Trust current accounts would moved to overnight and then back in**. The Trust current 32-day account where £1M is invested does not have a high rate of return.

M Platten

Some members of the committee were aware of experience in the sector of getting a good rate with the trust bank without running the risk of external providers.

The committee checked whether the Trust had any payment going overnight.

Faster payments are the only payments that may happen overnight, and these required two people authorisation so the Trust central team would be aware of them. In addition, M Platten had had reassurance from Lloyd that funds would be released if need be as they are held within the same bank.

The committee agreed to proceed with this approach and to delegate authority to M Platten to invest within these parameters.

Capital programme:

Information about how the SCA is being spent was tabled at the meeting. This included:

- A summary of the SCA spent in 2023-24 which showed that the Trust has spent more than seven twelfth of the amount granted in the seven months from April. (The SCA funding goes from April to March, but the Trust accounts it on a school year basis.)
- A list of items that the SCA may be spent on, pending further investigation on costs and priorities:
 - Newton Ferrers roof
 - The financial risk around the new build at Sidmouth
 - Fences to enhance site security at a number of schools
 - Catering equipment for some kitchens where equipment has been identified as reaching its end of life
 - Failed CIF bids (e.g. fire alarm) / other issues in new schools

It was highlighted that:

- Funds had already been committed towards installing a lift at Willowbank to match a new pupil's needs (which was also part funded by Devon LA).
- Given previous spend, the Trust was likely to spend about £150K on boilers annually.
- The Trust was also likely to need to consider more environmentally friendly heating, but currently this is not affordable due to the difference in costs.

5. To review and discuss the Director of People and Operations (DoPO) report

The DoPO report, Sep 2024 joiner schools' teacher pay increase anonymised summary, updated pre-Sep 2024 schools' teacher pay increase anonymised summary, ICT Moxton review executive summary, and Coms & VOIP tender outcome report were circulated ahead of the meeting.

Sidmouth project:

A Gavin reported that:

- The MUGA project had been handed over to the Trust on the day of this meeting. Fencing need to be added to prevent access.
- The Trust and project manager have been spending a lot of time at stage 4 of the design to try and identify more savings. They are still hoping to bring the project as close as possible to budget but this means that time has slipped.

The committee wanted to know the reason for the delay.

This is due to looking at options to bring the overall costs down. This means that the tender will now go out at the end of Jan 2025. The DfE has requested that this be a full tender.

A Gavin further reported that:

- Exeter Diocese is in discussion with the DfE land transaction team around how they can help support with costs.
- Devon may also be able to help support.

M Williams reported that he was involved in the board that discussed this but had withdrawn from that discussion at that board because of his conflict of

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interests. However, he was aware that Exeter Diocese wished to support the Trust if possible.

MIS tender:

A Gavin reported that:

- the Trust has not received any question or challenge within the set "stand still" period.
- K Rajpurohit (Trust data analyst) would be leading on moving to the new MIS. A "kick-off" meeting was due to take place before Christmas.

Managed Service Provider:

A Gavin reported that that:

- The Trust is still within the "stand still" period until 16 Dec 2024.
- She had clarified that the number of on-site support days listed was calculated based on an average per school and was a total pot across the schools that can be used as necessary.
- If RM were awarded both the MSP and Coms & VOIP contracts, there would be a reduction in the total cost of £30K.

The meeting went into Part II to discuss a confidential matter linked to this tender.

The meeting went back into Part I.

Coms and VOIP tender:

The chair emphasized the need for information to be circulated with enough notice for committee members to have time to read and fully understand it, so that informed decisions can be taken. This was particularly relevant for large tenders and/or commercially sensitive areas. Whilst there are occasionally circumstances requiring fast decisions, the committee may need to have more time to make a decision as the information was not circulated a week in advance for this matter.

A Gavin reported that the updated report had been shared as soon as it had been available and included:

- Updated quality and pricing information, calculated separately
- Additional explanation about how the scoring worked
- Corrected the error noticed by the committee in the pricing table

This updated had not changed the top scorer and therefore not changed the outcome of the tender that was discussed by the committee at their last meeting. In addition, as the Trust was still in contract for this service it was not critical for the committee to agree the award of the tender at this meeting.

It was agreed that the tender would be discussed at the board meeting taking place a week after this committee meeting, together with the additional information requested as part of Part II matters.

The meeting went into Part II to discuss the options available to the Trust.

The meeting went back into Part I.

Costs of services provided by PHP Law:

The meeting went into Part II to discuss this (in order not to prejudice commercial interests).

The meeting went back into Part I.

Brixington nursery grant application:

Having considered the recommendation provided, the committee agreed the grant application to extend the nursery provision at Brixington to provide a better continuous provision in bad weather.

In response to a question from the committee, it was explained that the Trust is awaiting LA approval for several other nursery locations within the Trust as this is required before the application can be made. The approval is dependent on the LA agreeing that there is a local need to extend the provision and that the proposed provision would meet that need.

Thorncombe and Axminster CIF related invoices:

The committee noted that:

- Two invoices which were above the FFT £100K delegation limit had been paid by the Trust because the work was commissioned by Acorn as part

A Gavin

<p>of their CIF funding, the schools were satisfied with the work, CIF funding was being received as expected and covered the cost of the invoices.</p> <ul style="list-style-type: none"> • The decision to make the payments had been taken in consultation with the chair and the Trust governance lead, because the work had not been commissioned by the FFT and had been approved by Acorn. <p><u>Mrs Ethelston's potential building project:</u></p> <p>A Walmsley reported that:</p> <ul style="list-style-type: none"> • Trust representatives had met with representatives from the Bestic trust, Exeter diocese and Devon LA to discuss the potential project. • The project is externally led, by the Bestic trust, and not part of the DfE building schools programme or based on demand for additional local school places. • The Bestic trust may be able to fund some building, e.g. a hall, which the school could make use of, even if their longer-term aim to fund a completely new building for the whole school cannot be achieved without further funding or support from relevant external parties. 	
<p>6. Policies and compliance</p>	
<p>The policies and compliance report was circulated ahead of the meeting. There were no policies to approve. The committee noted the matters brought to its attention.</p>	<p>Appendix 13</p>

Meeting times: start: 7.50 pm, end: 9.20 pm

Date of next meeting: 30th January 2025

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

Signed:.....

Date:.....

Chair of S&F committee