

Strategic & Finance Committee meeting
Held on 27th June 2024 at 7.30 pm
in person at Brixington Primary Academy and via Teams
Draft Part I Minutes

Present: in person: A Walmsley(chair), A Gosling, M Williams, and P Walker (from item 4)
 Virtually: A Denner

In attendance: A Gavin (DoPO), M Platten (DoF) and I Candy (Co Sec) (all in person)

Quorum: the meeting is quorate

Circulation: Directors (through GovernorHub), FFT website

	Decision		Action due
--	----------	--	------------

1. Welcome & apologies	
Apologies were received from P Walker who was expected late (family commitments).	
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 9th May 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. The following matters arising were raised and discussed: <ul style="list-style-type: none"> • <u>Rockbears IT issue</u>: the issue is around matching the IT curriculum with the resources/provision available currently before the school is migrated. This could have easily been addressed had the school be aware that they would not be migrating until the next academic year. Instead they have had to adjust their IT curriculum to cover part of the IT curriculum in KS2 that they had initially planned to cover in KS1. This should have been better communicated. • <u>Exeter Road JMP agreement</u>: the latest version requires minor tweaks before it can be signed. • <u>Challenge Partners project</u>: it is now believed that this will not take place until the next academic year. 	Appendix 1
4. To receive and discuss the Director of People and Operations report	
The DoPO report was circulated ahead of the meeting. <u>Sidmouth project</u> : The committee asked for clarification of what a 3D pitch is and how that relates to the project. The project includes putting a new sports pitch in, the 3D pitch, behind the new part of the building. This needs to be done so that work starts before the	Appendix 2

<p>planning permission expires, not for building reasons. It is anticipated that the pitch will be completed in October 2024.</p> <p>A Gavin confirmed she was confident the project is on track to start on time, because Norse SouthWest have tested the market before in previous projects and therefore are confident with costs and deadlines. The design for the building has now been finalised.</p> <p>The committee was reminded that the project had initially started about 4 years ago, when the DfE prompted the Trust to bid for funding.</p> <p><u>Cleaning and catering tender:</u> The committee queried whether joiner schools would have to change providers too because of the tender.</p> <p>Joiner schools will not have to change providers immediately, but the Trust will be looking at aligning contract dates in due course. The contract will also be reviewed when it comes to an end based on the schools in the Trust at the time. Based on due diligence, Chickerell are likely to move provider sooner than the Acorn schools.</p> <p>The committee queried the impact on school budgets as one has expressed concerns about value for money.</p> <p>All schools are being treated equitably. It is better to have one contract across the Trust rather than individual contracts for each school in terms of contract management and addressing any issues. At the school that raised concerns, the caretaker position was extended in terms of contract time in order to attract applicants because there was a recruitment issue. Small schools benefit in some areas, e.g. where work time is allocated by school rather than proportionally to pupil numbers, which needs to be better communicated. [P Walker joined the meeting at this point.]</p> <p><u>Moxton review:</u> The committee asked for an update on progress on the Moxton review.</p> <p>M Platten and A Gavin have been working with the company around their proposal, which costs could be reduced, and how. They have looked in more details as to what can be done to divide the work in phases, and the costs for various aspects of it, e.g. the initial audit, with the aim of having staged options and making a commitment to an initial spend.</p> <p>The committee discussed the need to take a strategic view, that other MATs have found the review very useful, and that the FFT and Acorn currently use different system. They felt that it would therefore be useful to be able to do this review in stages with clear break points.</p> <p>M Platten explained further that the Trust is looking at whether the costs can be linked to savings in procurement. It was noted that the Trust will need to document the single supplier assumption.</p> <p>The committee enquired whether the Trust would have the expertise to be able to carry on the process if the review stopped at an early stage.</p> <p>Some of the review will be around procurement, which the Trust can work on. Some elements will need to take place regardless, e.g. MIS procurement. The £30K option includes writing a report on each school, which would be a useful starting point.</p> <p>It was recommended that the committee agree to commit to an initial stage of the Moxton review, at a cost of approx. £30K plus some travel expenses to visit the schools. This was agreed by the committee.</p>	<p>M Platten</p>
<p>5. To receive and discuss the Director of Finance report</p> <p>The DoF report including a draft budget for 2024-25, the March and April 2024 management accounts and the June 2024 SCA capacity summary report were circulated ahead of the meeting.</p> <p><u>Budget position for the current year (2023-24):</u> M Platten highlighted that:</p> <ul style="list-style-type: none"> • Management accounts are hovering around break-even, but there are indications that the May position may be a little worse than budgeted 	<p>Appendices 3 – 6</p>

for at that point of the year. This is not unexpected and not concerning but needs to be noted.

- The Trust continues to predict an in-year deficit of approx. £600K. The Trust will improve on this if possible, and messages have been sent to schools to that effect.
- Reserves at the end of the current year are therefore expected to be around £1.2M.

The committee asked whether Blackpool would be getting back to break-even next academic year, given that they are contributing significantly to the in-year deficit this year when they had balanced previously.

Blackpool will continue to be in deficit next year, but there is a plan in place to address this over time, as there is for other schools such as St Budeaux and Mary Dean's. The Trust is trying to fairly assess the level of TAs and is also looking at a class reduction the academic year after next.

Blackpool have had several changes of leadership which has meant additional leadership support costs, has some children with needs that have escalated quickly and therefore have resulted in alternative provision costs. In addition, there was a critical member of staff on maternity leave who needed to be covered. Whilst in the past Blackpool has always balanced, there were unexpected issues, and ongoing issues with some children whose needs should attract more funding in future or possibly move to a specialist provision.

Where new joiners have an in-year deficit budget, this deficit has been partly offset with their positive carry-forward balance which was paid to the Trust post academisation.

M Platten pointed out that the Trust has more work to do around identifying where investments and/or cost opportunities are, e.g. doing analyses around the staff pay distribution and how that affects different schools.

Draft budget for 2024-25

M Platten explained the graph shown in appendix 2 of his report, from left to right:

- The first blue bar shows the expected outturn, a £600K in-year deficit
- The next box of three red bars identified the significant one-off aspects in this year's income: inherited reserves from joiners, TCAF funding, and recovery and national tutoring funding ending this year (although schools did not participate much because of funding not being sufficient). This is about £662K in total.
- The above two combined takes the Trust to a - £1.2M position.
- The next box looks at the significant cost/income changes for 2024-25:
 - the costs of Brixington new SEND base.
 - the impact of pupil numbers reduction on a lagged basis: a 3% drop overall which is almost offset by the 2.9% increase in per pupil funding. The national position is a 1.8% increase in GAG income, so the trust is above this overall (although that varies from school to school). However, with inflation taken into account, this is still an issue.
 - the increase in PP and nursery income.
 - the assumption that teacher pay increases will be funded through a 1% grant, although typically the grant does not full cover the increase.
 - the increase in average pay point of teachers due to them moving up the pay scale by one increment point mitigated by recent recruits who were on temporary contracts not being renewed and at earlier stages in their careers (£110K).
 - the increase in pay for NJC staff from April, which will have about a 5% impact and will not attract a funding grant (£340K).
 - the reduction in the number of TAs based on the TA calculator tool.
 - the central element which includes the replacement of CFOO.
 - savings on utility on price and also on consumption though targeted saving programmes.
 - saving on educational supplies by reducing commitments.
 - one-off cost savings.

- the challenges in costs are almost offset by savings / changes in income, and therefore in total take the Trust back to a position of an approximate £800K in-year deficit.
- The last box shows significant sources of one-off income for 2024-25:
 - expected reserves from Chickerell and Acorn based on their budget figures.
 - conversion funding for Acorn schools rated requires improvement twice in a row which has not been confirmed yet due to purdah but is not expected to change
 - a portion of the amount bid for TCAF, as the bid may not be fully successful.
 - this would bring back the Trust to a position of an approximate in-year deficit of -£500K.

The committee asked what the Trust expected turnover would be including joiners.

It will be around £33M.

A Walmsley explained that his understanding was that others in the sector were in a similar position, both in terms of assumptions and of percentage of in-year deficit and reserves to turnover. The Trust will need to explain the level of reserves and plan for building them again in the accounts, as well as the degree of uncertainty linked to the joiner schools.

The committee fed back that it was useful to have the assumptions clearly documented so that there are triggers for action if they are not met and to compare with the government autumn spending review.

The committee asked whether any early projections were available for the Trust budget for the two following years (2025-26 and 2026-27).

M Platten explained that the Trust had been working on headlines for those years taking into account:

- The expected in-year deficit at the end of the next academic year.
- The lagged impact on funding due to pupil number decrease: -£500K.
- Some assumptions on funding, around GAG increase per pupil: £115K.
- The impact of wider class reductions, based on average teacher costs: a reduction of about £830K in costs.
- Further TA reductions based on the existing model.
- Efficient savings around new joiners and efficiency through having a larger trust: £300K.
- Funding to help with growth, sponsored schools, in-house alternative provision management (which could be cost saving and possibly income as well) and further resource bases (which generate marginal income and some cost opportunities).
- There are no assumptions on inflation.

This added together would mean that the Trust would start to recover and increase reserves.

P Walker added that a meeting had taken place with Devon LA around wrap-around care, including extending existing provisions. There is funding of £15K per school on a tapered approach, for 5 terms, on a decreasing basis to help establish provisions. The first 12 months of funding are guaranteed.

The committee queried whether this would also be available if for example a school already had a breakfast club and started an after-school club or vice-versa.

This would be the case, as the government would like to have wrap-around care available from 8 am to 6 pm.

The committee enquired whether there were enough temporary teachers in the right schools to enable class reductions without redundancies.

That is expected to be the case.

SCA capital summary:

The committee noted that there was not much difference from the previous plan circulated.

<p>The Trust SLT will establish a new process around allocation to make the allocation of SCA funding more transparent.</p>	<p>Trust SLT</p>
<p>6. To receive and discuss the CEO report</p> <p>The CEO report, PHP due diligence reports for Acorn and Chickerell and the Acorn project overview slides were circulated ahead of the meeting.</p> <p>The committee queried whether the position of SI officer to back fill C Fegan's role from September 2024 had been advertised.</p> <p>P Walker explained that the position will be advertised in due course, with a view to recruit a postholder for January 2025 because of leaders' notice periods.</p> <p>The Trust is planning to use several heads to provide capacity during the autumn term and provide CPD to them at the same time.</p> <p>The committee challenged whether there will be sufficient SI capacity.</p> <p>The SI team is looking at a different way to working with schools, so the vacancy should not cause an issue.</p> <p><u>Chickerell:</u> P Walker reported that:</p> <ul style="list-style-type: none"> • The school is being proactive with the transfer process. • School leaders had enjoyed the leadership day held earlier the week of this meeting. • TUPE was due to start the week after this meeting. There will not be any significant changes and therefore no measures other than the changes in responsibilities for the current head and CFO. <p><u>Acorn:</u> P Walker reported that:</p> <ul style="list-style-type: none"> • The TUPE consultation had started. • There are four positions at risk of redundancy. • Getting information for the TUPE process and meeting with relevant staff had been a time-consuming process. The Trust has received good support from PHP. Additional meetings have been held where requested by staff. • If any redundancies were to happen, the consultation would take place after the date of transfer. <p>The meeting went into Part II to discuss further aspects of the transfer. The meeting went back into Part I.</p> <p>P Walker further reported that:</p> <ul style="list-style-type: none"> • An agreement is being worked on to ensure the statutory external audit for Acorn is supported and there is a plan in place for completing and agreeing the annual report and account. • Key FFT and Acorn staff meet weekly. • Acorn heads came to the Trust leadership day, joined in and were positive about the day. • The Acorn schools will work in three different groupings across the Trust to avoid silos. 	<p>Appendix 7 - 10</p>
<p>7. Policies and compliance</p> <p>The policies and compliance report was circulated ahead of the meeting, as were the proposed policy, latest version of the Trust risk register and DPIA.</p> <p><u>Updated CCTV policy:</u> The reasons for the update were noted by the committee. The policy was adopted by the committee.</p> <p><u>Updated special category data policy:</u> The reasons for the update were noted by the committee. The policy was adopted by the committee.</p> <p><u>DPIA for School Comms:</u> The reasons for completing the DPIA were noted by the committee The DPIA was adopted by the committee.</p> <p><u>Nursery admissions policies:</u></p>	<p>Appendix 11</p>

I Candy reported that the nursery admissions policies for all schools with nurseries had been updated to include the extended childcare entitlement, with the exception of Charmouth, due to the absence of the head. The nursery charging policies were available for all schools with nurseries with the exception of Charmouth and Mary Dean's. The committee noted the updates.

Trust risk register:

The committee discussed the following risks:

- Attendance: government expectations are increasing from August, so this remains high risk because all schools are aiming to improve their attendance rate. The Trust generally is just around the national and regional averages but need to continue to work on attendance to keep ahead. Therefore, no change in scoring is required.
- SEND and SEMH needs: the Trust is managing higher needs children and reducing suspensions because the Trust has been investing in support not because the risk is decreasing per se. Therefore, no change in scoring is required.
- Leadership: this is a national problem, as is workship nationally, but not much of a problem generally for the Trust. Therefore, no change in scoring is required.
- An additional risk for next year is onboarding 8 schools which is a risky process.
- Once the Trust strategic plan has been reviewed and agreed, the Trust risk register will be reviewed in depth to match the objectives at the start of next year.

The committee reflected on whether they are satisfied with the level of risk after control generally and concluded that they are, as many risks are sector wide and cannot be eliminated until the sector improves.

Meeting times: start: 7.40 pm, end: 9.10 pm

Date of next meeting: TBA

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

Signed:.....
Chair of S&F committee

Date:.....