Strategic & Finance Committee meeting
Held on 2 July 2026 at 5 pm
in person or via Teams
Draft Parat I Minutes

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

In attendance: H Warren (Director of Operations – DoO), M Platten (Director of Finance – DoF) and I Candy (Lead Governance Professional, LGP)

Quorum: the meeting was quorate throughout (including before the CEO joined the meeting)

Circulation: Directors (through GovernorHub), FFT website

	Decision		Action due

1. Welcome & apologies	
Apologies were received from I Thomas (work commitment). P Walker joined the meeting late as expected because he was travelling back from London.	
2. Declaration of Conflict of Interests	
Declarations of conflicts of interests were invited by the chair. M Williams reminded all present of the school attended by his grandson as this was relevant for one agenda item. A Walmsley reminded all present of his role on Exeter Diocesan Board of Education. As these were not related to decisions, neither was asked to withdraw from the meeting.	
3. Minutes of the last meeting of the S&F committee	
3.1. To approve the minutes of the last meetings of the committee (held on 19 May and 18 June2026)	
The draft minutes of the last meetings 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 All matters arising were covered on the agenda, except the update about the Marshwood Church Lease which the DoO was following up.	**Appendix 1** **DoO**
4. To receive and discuss the CEO report To include: • Update on growth • Update on pupil numbers and class structures	
This agenda item was discussed after agenda items 5 and 6, to enable the CEO to be present. The CEO report, a consultation document about the closure of a school outside the Trust and correspondence about this topic were circulated ahead of the meeting. The meeting went into Part II to discuss growth. The meeting went back into Part I. <u>Pupil numbers and class structures:</u> The CEO confirmed that:	**Appendices 2 – 3**

• Pupil numbers were continuing to decrease year-on-year due to demographics as anticipated. Updated pupil number predictions were due to be circulated after the meeting. • Class reductions were based on current anticipated pupil numbers over the next three years and would be kept under review and put in place based on actual pupil numbers.	**CEO**
5. To receive and discuss the DoF report To include: • April 2026 management accounts • Draft budget for 2026-27 • Capital spending plan	
This agenda item was discussed before agenda item 4. The DoF report, draft 2026-27 budget including key budget assumptions, three year budget information, April 2026 management accounts, a summary of the Academy Trust Handbook around budget setting and approval, and examples of questions to ask about budgets from GovernorHub AI assistant were circulated ahead of the meeting. <u>Management accounts and 2025-26 budget forecast return (BFR):</u> The DoF reported that: • The April management accounts were showing a £39K surplus, tracking to a £155K surplus for the year to date. This was positive and mostly driven by higher than anticipated backdated high-need funding. • The team had re-forecast the end of year position, including the back-dated income for EHCPs for one of the Trust larger schools and the recently announced Inclusion Mainstream Fund grant, and was now forecasting a £371K end-of-year surplus. This would mean that the Trust reserves would be about 4.7% of income. • The cancellation of the TCAF grant and the onboarding of the former Acorn schools had been the main factors that had affected reserves previously. ***The committee queried whether all the expenditure linked to the higher ECHP funding had already been incurred.*** Staff expenditure had already been allocated as there was already staffing in place to support relevant pupils. There was sometimes backdated funding awarded when EHCPs were granted, to reflect schools having put support in place ahead of the EHCP being granted. ***The committee probed about the May 2026 management accounts.*** The DoF was expecting these to continue to show the same position, although there was some one-off expenditure but that was likely to be offset by other variations. The meeting went into Part II to discuss a confidential one-off expenditure. The meeting went back into Part I. The committee discussed that: • The Trust tended to budget prudently and made difficult decisions accordingly which may not have been needed to the same extent retrospectively. • The budget process also had an impact on temporary staff contracts and when final decisions were being made about those. • In order to make budget planning closer to actual, the finance team was reviewing learning from this year around additional or backdated funding. • It was difficult to predict gaps in recruitment which had a cumulative positive impact on expenditure. • The Trust needed to be mindful of lagged funding, so that there would be no surprise when the number of pupils started to level or increase again, ahead of funding increasing. <u>Capital funding:</u>	**Appendices 4 -7**

The DoF highlighted that the updated version of the capital funding planning summary was based on the decisions made at the last meeting of the committee and the Trust was continuing to retain the same level of contingency to cover emergencies.
The DoO highlighted that the Trust needed to look at how to manage estates during periods of extreme weathers, even if it could not address the issues caused by extreme weathers due to lack of funding.

<u>Budgets for 2026-27 onwards:</u>

The board noted that there were some small differences in pupil numbers between reports because they had been prepared at different times while pupil numbers for 2026-27 were still changing.
The DoF reported that:

- The budget presented did not reflect the teachers' pay scale rise announced the day before this meeting.
- The budget presented was projecting an in-year deficit of £122K for 2026-27 (compared to an anticipated in-year surplus of £200K when the last three-year budget was approved) but that position would be improving due to the impact of the teachers' pay rise being smaller than anticipated.
- Factors affecting the draft budget were as follows:
  - The loss of the PE Premium which would not be fully compensated by costs not being incurred. The committee noted that relevant activities would become funded directly by the DfE through partnership networks rather than funds allocated to schools from next year, but the total funded amount had roughly halved and would also cover all schools, not just primaries. The government made the change because they felt that the expected impact on children obesity and level of activity had not materialised.
  - Saving in teachers costs
  - Savings in costs by transferring expenditure to capital
  - Inflation costs which are not all known and some have been estimated
- Key assumptions were as follows:
  - Teachers pay scale increase of 3% from September 2026 but it had now been announced that it would be 3.5%, with schools having to fund 1% and a DfE grant to cover the remaining 2.5%. This meant there was an opportunity to improve on the predicted in-year deficit but, based on previous similar grants, it was likely that the grant would cover only approximately 80% of the actual cost increase (possibly 1.7%).
  - Wraparound care: there were grants available and some grants would be ending as well as the provision.
  - Utilities costs being slightly lower than anticipated.
  - Employer contribution to the teachers pensions scheme were likely to decrease but the DfE funding for pensions would drop accordingly because grants were given when contributions had increased. Therefore, it was assumed that this would be cost neutral.
  - Support staff pay scale increases were unlikely to be covered by a grant, therefore the budget assumed that the Trust would bear the cost of the full increase in cost. The increase was assumed to be 3.1% from April 2026 but a figure of 3.3% was currently being talked about. A further increase in pay scale from April 2027 was assumed to be 3%.
  - The full IMF grant was included as amounts had now been confirmed
  - The PE Premium grant which was £0.5M previously was down to approximately £170K

- Some assumptions on pupil SEND funding (EHCP funding and top up of GAG funding where SEND pupil numbers are higher than the ones included in the notional budget) based on this year's learning, approximately £150K. The backdating of funding showed that the SEND system was not working as well as it should, because of delays in allocating EHCPs. The situation had improved in Dorset but not in Devon.

- The aim of the draft budget was to show the most pragmatic and accurate position for the Trust.

The committee probed around potential new joiners and whether the Trust could only afford to take schools that had a balanced budget.

The DoF pointed out that there was a strategic positive impact in growing, however there was often a short-term negative impact. The CEO added that:

- the Trust would have to find out the budget situation of potential joiners when undertaking due diligence.
- Pupil numbers were continuing to decline over the next few years, and it would require joint thinking and partnership to manage successfully.
- There was also an element of the impact of school improvement activities.
- There would also be legal conversion costs, but the schools interested in joining the Trust were believed to be in a good position.
- Growth would have to form part of the next strategic session.

The committee discussed that:

- Based on anticipated pupil numbers, 2027-28 would not see too much of a drop in lagged funding, but 2028-29 would be more difficult.
- Growth opportunities would contribute to the budget position, as would staffing allocations carefully managed to match pupil numbers.
- The agreed teachers' pay award would affect the budget positively, but due to school needs, some of the staffing structure plans may need to be reviewed.
- Based on the draft budget, the Trust was looking at roughly breaking even for the next three years.

The committee queried how the Trust was getting the "buy-in" of heads during the complex process of budget setting, now that the position of trust business managers did no longer exist.

The Trust ran sessions on budget principles at meetings attended by heads. In practice, heads had limited control over budgets because of the proportion of expenditure that was linked to staffing costs.

The committee asked how cover for sickness absence worked, as committee members had been asked questions about this during a recent Ofsted inspection.

The number of teachers for each school was set up centrally based on pupil numbers. Some schools had an inbuilt supply capacity. Where that was not possible, absence would create incremental costs and heads would talk to their link director to ensure cover was funded under the long-term absence budget line.

The committee asked how sickness absence was approached for support staff.

The school would normally try to manage the absence within its current staffing, at least initially. If the absence became long term, then a plan would be put in place, working with the link director for the school.

The committee enquired what the process was for schools to decide to have an extra class and fewer support staff.

This was based on heads being able to choose how best to meet the needs of pupil premium pupils, for example through smaller classes or support staff or having a family support worker. Some heads felt that funding was

dropping, TA numbers were dropping and found it difficult. The Trust aim was to make the budget setting process "done with" not "done to". The new finance officers would take more of a role in this as they became more experienced. The new DfE supply agency framework was unlikely to have a significant impact on absence cover and costs. The DoF and wider team were thanked for their budget preparation. **The committee agreed to recommend to the board the adoption of the three year budget, subject to the necessary changes being made before the budget is submitted to the board for approval.**	
6. To receive and discuss the DoO report To include updates on: • Estates including H & S • Procurement including PPM tender • IT • School support • Marketing • HR	
The DoO report and information about the tender for Rockbeare new modular classrooms were circulated ahead of the meeting. <u>Sidmouth building project:</u> The DoO reported that: • She had managed to make contact with National Grid (NG) and emailed them the draft letter shared at the last meeting of the committee. • She had met with one of the NG operations manager earlier this week and this meeting had not been encouraging. Then she had had a second meeting with NG on the day of this meeting, and agreed that they would approach the work in three phases, with it starting it earlier than expected and being completed by 27 August 2026 (Phase 1 – 16th and 17th July. Phase 2 – 3-14th Aug. Phase 3 – 17-24th Aug), providing road closure dates were confirmed. This means that some of the other work could be brought forward. However there remained a number of uncertainties and she was maintaining the momentum on this as deadlines were tight and overlapped with the timings of the folk festival. [P Walker joined the meeting at this point]. The meeting went into Part II to discuss some confidential aspects. The meeting went back into Part I. <u>Rockbeare:</u> The DoO summarised the recommendation to award the tender for the modular double classroom at Rockbeare. The recommended option would mean that the cost (just over £0.5M) would be in line with expected costs. The provider was being recommended because they offered a longer warrantee and life expectancy, which meant this was the best value-for-money option. The committee agreed to award the tender to Elite systems for the modular double classroom and Arque for enabling the work, as recommended. <u>Planned Preventative Maintenance (PPM):</u> The committee noted that the tender award recommendation would be submitted to the directors meeting as the Trust did not yet have all the necessary information. <u>IT connectivity:</u> The DoO highlighted that the Trust was getting quotes for the six highest priority schools to ensure best value was obtained. Once these were obtained, a recommendation would be submitted to the board. The DoO would also recommend that these quotes were used to test value-for-money for other schools in future if possible. <u>Marketing:</u>	**Appendices 8 - 9**

The DoO reported that the Trust marketing lead would be leaving at the end of the year, to join a bigger team with more progression opportunities. As a result, she would review the role to ensure the job description fitted current needs. <u>HR:</u> The DoO highlighted that: • There was currently a lot of staff changes and movements, for example around temporary TAs (issuing reminder letters, offers of remaining posts, then changes in contract where retained, all of which generated questions for the HR team). • It was the first time that the staffing process for the following year was being done under the new finance and operations team structure, and the system would be reviewed to ensure the process was smoother next year. • Temporary contracts had now been confirmed. <u>Axminster hub:</u> The DoO reported that the consultation about relocating the Axminster Hub based staff had now concluded and she would continue to work on this together with the Sidmouth project.	
7. Policies and compliance <u>To include a review of the Trust risk register</u>	
The policies and compliance report, proposed policies and latest version of the Trust risk register were circulated ahead of the meeting. <u>Policies:</u> The LGP highlighted that the data protection related policies had been developed using templates from the new DPO. ***In response to a question from the committee***, the LGP confirmed that the Trust general complaints policy had already taken into account the changes in data protection rights when the policy had been updated in April. The data protection policy, data breach procedure, data rights complaints policy, freedom of information policy, freedom of information publication scheme, and subject access request procedure were adopted by the board. <u>Trust risk register</u>: The committee agreed that this would be reviewed by the audit & risk committee at their meeting taking place immediately after this meeting.	**Appendix 10**

Meeting times: start: 5 pm, end: 6.30 pm

Date of next meeting: TBC

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

Signed:…… **Date:……..**
Chair of S&F committee