

**Uttoxeter Learning Trust
Finance Committee**

Minutes of a meeting of the Finance Committee held in Picknalls First School, Uttoxeter, on Thursday, 15 March 2018 at 5.30pm.

Present:

Mr L Trigg (chair), Mrs E Bell, Mrs V Bennett, Mr S Slater
Mr M Osborne-Town – Chief Executive Officer (and Trustee)

Mr A Storer – Chief Finance Officer for the ULT
Mr R Sheldon – Clerk to the ULT

Also in Attendance:

Oldfields Hall Middle School – Mr C Gliddon (headteacher), Mr T Moore (chair of governors), Mr S Clarke (vice chair of governors)
Windsor Park Middle School – Mrs L Wilbraham-Jones (headteacher), Mr I Johnstone (chair of governors)
Thomas Alleyne's High School – Mrs J Rudge (headteacher), Mr A Storer (business manager)

School Budget Projections:

Trustees had discussed school budgets at the previous meeting of the finance committee and the headteachers and other representatives from the above three schools in the ULT had been invited to the meeting to provide a further update and respond to any questions raised. Copies of a 5 year budget modeller for each of the schools were circulated and the headteachers and chairs of governors went through the detail of them, highlighting in particular current and predicted levels of reserves. Before the updated budgets were presented, Trustees were informed that the ESFA had very recently circulated to schools their new budgets for 2018/2019 and new factors in determining the budgets, including the additional 'Fairer Funding' monies, had been of a positive benefit to the schools. As a result of this, the chief finance officer was currently working with schools to look at the differences and to produce new budget projections.

When outlining the 5 year budget modeller, reference was also made to factors that could have implications for future budget levels and strategies put in place by governing bodies to address any identified concerns. In summary for each school:

Oldfields Hall Middle

The original 5 year model had predicted a significant deficit at the end of the period but this was no longer the case given the revised budget received from the ESFA and the level of reserves received from the local authority had been higher than anticipated. The headteacher, however, referred to the challenges of managing the in-year deficit and reported that governors continued to look at where savings could be achieved particularly with regard to staffing costs, but without incurring additional costs ie redundancy costs. A curriculum re-structure had been undertaken in line with the School Improvement plan to help ensure improved KS2 outcomes.

The number on roll at the school had fluctuated over the years with two current small year groups which had impacted on the budget. The headteacher was pleased to report, however, that admission requests for the next school year were above PAN.

Windsor Park Middle

As with Oldfields Hall, the importance of the school being able to deliver a broad and balanced curriculum remained a priority and the additional funding would help achieve this. The 5 year modeller showed a carry forward figure at the end of each year but the headteacher outlined possible risks that could impact on the level of funding carried forward. Possible risks included payments to provide maternity cover and a fall in pupil numbers. A request was made for the ULT to consider funding maternity cover from centrally held funds.

The number on roll at the school continued to fluctuate and each year group was currently below the PAN of 120. Admissions for the next school year also showed that the intake number would be lower than the number of those pupils leaving the school and this would impact on the future budget.

Thomas Alleyne's High School

The higher than expected student numbers had made a positive impact on the school budget and the headteacher outlined a number of initiatives which, if successful, would increase school funding levels. However, the headteacher also outlined a number of possible risks to future budget levels. These included the cost of maintaining a large school site, the closure of the swimming pool and the cost of repairs to re-open it, and the building of the new school at Tatenhill which could impact on the future number on roll.

The 5 year modeller also indicated a significant in-year deficit for the year 2021/2022 due to the number of students transferring from the middle schools and the headteacher outlined possible strategies that could be implemented if necessary to reduce the deficit.

On behalf of all schools the chief finance officer outlined the budget cycle and confirmed that headteachers will seek approval for their budgets from governing bodies during April or May, before individual school budgets were formally presented to ULT Trustees at their meeting in June 2018. This would ensure that all budgets were submitted to the ESFA before the end of July, as required.

Discussion took place regarding the key issues raised during the budget presentations, including in particular the levels of school reserves and the importance of how schools could achieve in-year balances if necessary; the implications for schools in meeting redundancy costs if it was necessary to reduce staffing levels; other risks that could impact on future school budgets.

It was resolved –

- i) That the headteachers and chairs/vice chairs of governors be thanked for attending the meeting and presenting their school's 5 year budget modellers.
- ii) That Trustees request that future budget modellers should include a reference to potential risks, all presented in a similar format, whilst recognising the need for confidentiality when identifying possible risks.
- iii) That Trustees record their concerns around the levels of some school reserves and request that future budget modellers also show how an in-year balance could be achieved if it became necessary.
- iv) That Trustees note that the future funding of any staff redundancies remained of concern and that this matter be included on the agenda for further discussion at the next meeting of the Finance committee.

47. Declarations of Interest:

Declarations of interest were given from Mr M Osborne-Town (non-executive director of Entrust) and Mr S Slater (DfE employee).

48. Minutes:

Minutes of a meeting of the Finance committee held on 8 February 2018 had been previously circulated and taken as read.

It was resolved –

That the minutes be received and approved.

49. Matter Arising:

Gifts and Hospitality Policy (Minute 54(b) refers

The clerk reported that the governors of Thomas Alleyne's High school had requested that consideration be given to amending the section of the policy relating to the purchase of alcohol from school funds.

It was resolved –

That the policy be amended to make clear that school funds should not normally be used for the purchase of alcohol other than at the discretion of the local governing body.

50. ULT Finance Report:

The chief finance officer presented his report on ULT and school finances and was pleased to report that positive work continued with school finance officers. As previously reported, he was currently working with all schools to help update budgets to take account of the new figures received from the ESFA. He was also pleased to confirm that the budget forecasts for the three schools that had recently joined the ULT had now been submitted to the ESFA as required.

The chief finance officer also circulated a budget summary for the ULT based on the 2.5% top slice funding which was held centrally. He went through the detail of the budget summary and discussion took place regarding central expenditure with consideration also given to the 2.5% being sufficient to generate the required level of reserves. Discussion also took place around the possible future use of central reserves to support individual school budgets and Trustees recognised that the central reserves were for the benefit of all schools and that any decisions around expenditure must be taken in their best interests.

It was resolved –

- i) That the chief finance officer be thanked for providing his finance report and that it be received and noted.
- ii) That the 2.5% top slice be kept under review but that this item be included on the agenda for further discussion at the next meeting of the Finance committee.

51. School Reserves:

This item had been discussed during the presentation of the schools 5 year budget modellers.

52. Risk Register:

A copy of the current risk register had been previously circulated and the chief executive officer confirmed that he continued to update the progress column as appropriate. schools.

It was resolved –

- i) That the updated risk register be received and noted.
- ii) That the future of the swimming pool at Thomas Alleyne's High School be added to the risk register.

53. Policy Approval:

a) Pay Policy for New ULT Staff

Whilst a Pay policy was in place for all staff currently employed by the ULT. Trustees recognised the need to determine a revised Pay policy which would be applicable for all newly appointed members of staff. Discussion took place regarding the contract determined for the impending appointment of a new chief executive officer, which could form the base contract for all other appointments.

It was resolved –

- i) That the Finance committee will work with Insight HR to establish template contracts to be determined on an individual basis, reflecting the level of the post concerned, for all newly appointed staff.
- ii) That Insight HR also be requested to provide a list of all required staffing policies.

b) Investments Policy, Risk Management Policy and Risk Management Strategy

Copies of the above documents had been previously circulated and the chief executive officer confirmed that all policies complied with ESFA requirements as outlined in the ULT Articles of association and Academies Financial Handbook.

It was resolved –

- i) That the Investment policy, Risk Management Strategy policy and Risk Management strategy be received and approved as presented.
- ii) That when reviewing the Risk Management policy and strategy in the future, they should be revised to include a preface to help clarify the key factors.

c) Business Continuity

A copy of the draft Business Continuity plan had been previously circulated and the chief executive officer confirmed that each school was required to have its own business continuity plan in place.

It was resolved

That the Business Continuity plan be received but that it should be updated to reflect individual school plans.

54. Date of Next Meeting:

It was resolved –

That as previously agreed, the next meeting be held in Picknalls First School on Thursday, 17 May 2018 at 5.30pm.

The meeting finished at 7.40pm.

Signed.....

Date.....