

**Uttoxeter Learning Trust  
Finance Committee**

Minutes of a meeting of the Finance Committee held in Picknalls First School, Uttoxeter, on Thursday, 23 May 2018 at 5.30pm.

**Present:**

Mr L Trigg (chair), Mrs E Bell, Mrs V Bennett, Mr S Slater - Trustees  
Mrs A Tapp – Interim Chief Executive Officer

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

**55. Declarations of Interest:**

Declarations of interest were given from Mr S Slater (DfE consultant), Mrs V Bennett (governor at Hutchinson Memorial CE First School), Mrs A Tapp (headteacher of Picknalls First School), Mr A Storer (Business Manager at Thomas Alleyne's High School).

**56. School Budget Projections:**

Trustees had been previously circulated with copies of the 5 year budget modellers for the following schools:

- All Saints CE First School
- Hutchinson Memorial CE First School
- Picknalls First School
- Ryecroft CE Middle School

(Governors were reminded that the 5 year budget modellers for the other three schools in the ULT had been discussed in detail at the previous meeting).

The interim CEO reported that she had discussed possible risks of the budget modellers with each of the headteachers and a summary of the discussions was circulated at the meeting. Trustees noted that many of the risks were similar for all schools but that each school also had their own unique risks.

a) All Saints CE First School

There were no specific risks for the school budget that required more detailed discussion at this moment in time.

b) Hutchinson Memorial CE First School

The school currently had a conversion deficit due to the decision of Staffordshire County Council to automatically deduct conversion costs of £9K rather than enabling the school to meet this cost following receipt of its start-up grant. Possible future risks for the school budget related to any possible remedial building works and increased staffing costs. Trustees noted, however, that the key issue for this school was the small number of pupils on roll although current staffing levels had been retained to maintain the class structure.

c) Picknalls First School

The headteacher reported that the CIF bid for roofing work had been unsuccessful although an appeal against this outcome had been submitted. A decision was expected before the end of July 2018. Possible future risks for the school budget also related to

an increase in staffing costs, particularly due to the change in NJC pay scales for support staff.

d) Ryecroft CE Middle School

There were no specific short-term risks requiring detailed discussion at this moment in time although Trustees noted possible longer term risks due to a drop in pupil numbers and would keep under review.

It was resolved –

- i) That the 5 year budget modellers for the four schools be received and noted.
- ii) That further discussions would take place at the next meeting to be held in July 2018 and to which headteachers would be invited to attend as considered appropriate by Trustees following receipt of the consolidated budgets.
- iii) That the interim CEO, together with the headteacher of Hutchinson Memorial CE First School, be requested to look at possible strategies to increase the number of pupils on roll at the school and that these be discussed further at a future meeting of the Finance committee.

**57. Minutes:**

Minutes of a meeting of the Finance committee held on 15 March 2018 had been previously circulated and taken as read.

It was resolved –

That the minutes be received and approved.

**58. Matters Arising:**

a) Redundancy Policy

Trustees had previously discussed the current Redundancy policy, as determined by Staffordshire County Council, and were of a view that consideration should be given to implementing a policy as determined by the ULT. The interim CEO confirmed that she had discussed this matter with Insight HR and it was unlikely that changes to the Staffordshire County Council policy would be made in the near future. Further discussion took place regarding the implementation of a new Redundancy policy and Trustees were aware that any new policy would also require Legal advice. The chief finance officer reported that all schools currently had individual service level agreements for legal advice but there was nothing in place for the ULT as a whole.

It was resolved –

- i) That a representative from Insight HR be requested to attend a future meeting of the Finance committee to support Trustees in drafting a new Redundancy policy.
- ii) That the chief finance officer be requested to put arrangements in place for procuring a legal services SLA on behalf of the ULT and all schools.

b) Top Slice (Minute 50 refers)

The chief finance officer circulated a budget summary for the ULT based on a 2.5% top slice and Trustees agreed that this would not be sufficient in the longer term to support future plans for its continued development.

It was resolved –

That trustees agree to retain the current 2.5% top slice but would keep under review with consideration given to agreeing any possible increases over a period of time.

**59. ULT Finance Report:**

The chief finance officer presented various reports on ULT and school finance matters and also referred to a number of difficulties experienced by staff relating to tax payments following a change to the payroll provider, as discussed at previous meetings. However, he was pleased to report that having sought advice from HMRC the matter had been resolved and that unions had also indicated that they had been happy with the support given to staff as necessary.

A number of reports were circulated and discussion took place on the following matters:

a) New Funding Formula

A number of changes had been made to the funding formula and which had a specific impact on the level of funds received by middle schools. This had been discussed at a recent national middle schools' forum and a copy of the report was circulated highlighting how it was unfair to a three tier system. The views of the middle schools' forum had been submitted to the Funding Policy Unit at the DfE.

It was resolved –

- i) That the chair of the ULT Trust Board should write to the ESFA and the RSC to express concerns around the new funding formula and the impact that this would have on middle schools in particular.
- ii) That the interim CEO be requested to advise the middle school headteachers to seek support from their own unions.
- iii) That the interim CEO be requested to develop a ULT letter head for use when writing letters or reports relating to ULT business matters.

b) NJC Pay Scales

A copy of the NJC 2018 and 2019 Pay Scales and Allowances for support staff had been previously circulated and the chief finance officer reported that this would impact on all school budgets and an outline of the reasons for this was given. A particular consequence would be the need for performance management to be undertaken more rigorously to enable movement through the incremental points.

It was resolved –

- i) That Trustees, in recognising that staff had transferred to the ULT under TUPE conditions, accept the NJC 2018 and 2019 Pay Scales and Allowances but that consideration would be given to a review of current practice as soon as it became possible.

ii) That the interim CEO be requested to advise headteachers that staff should be moved across to the appropriate new scale point as shown in the document.

c) Opening/Closing Reserves

The chief finance officer reported that the balances brought forward following the conversion of Oldfields Hall Middle School in January 2018 had now been received. This included arrangements made for re-paying an outstanding loan which would reduce the level of reserves held by the school.

d) ULT Budget (Top Slice)

This matter had been discussed in more detail earlier in the meeting but further discussion took place regarding payment for maternity cover which was currently funded as necessary from individual school budgets. Consideration was given to maternity cover costs being paid for from the ULT central budget.

It was resolved –

That the chief finance officer be requested to provide estimated costs in transferring maternity cover payments to the ULT central budget to enable further consideration to be given to this at a future meeting.

e) Internal Audit

The chief finance officer reported that arrangements had been made for each school to receive an internal audit over a period of 2½ days and were also meeting the cost of this.

f) External Audit

The chief finance officer reported that a meeting with Moore Stephens had been arranged for 8 June to determine arrangements and the timeline for this year's external audit. Trustees would be kept updated on agreed arrangements.

g) ESFA 3 Year Budget Return

The chief finance officer reported that the budget return for the ULT had to be completed by 31 July. Arrangements were being made to ensure that the consolidated budget would be determined by the Finance committee at its meeting to be held on 5 July to enable approval by the Trust Board at its meeting to be held on 11 July. This would enable the consolidated ULT budget to be submitted to the ESFA before the agreed date. The chief finance officer also confirmed that plans were in place to provide support to schools, as appropriate, in setting their budgets.

h) CIF Bids

The chief executive officer was pleased to report that three CIF bids, generating funds of around £4.8 million, had been successful:

- Windsor Park – improvements to the buildings
- Thomas Alleyne's – boiler replacement
- Thomas Alleyne's – replacement of mobile units

He further reported that a bid on behalf of Picknalls and a second bid submitted by Windsor Park had been unsuccessful. Schools would shortly be meeting with Entrust to identify possible future CIF bids.

It was resolved –

- i) That Trustees welcome the successful CIF bids and look forward to work being undertaken and completed within the identified timeframes.
- ii) That Trustees also seek assurance that all appropriate safeguarding and health and safety measures are in place whilst the work is undertaken and that the chief finance officer be requested to obtain evidence that this was so.

#### **60. School Reserves:**

This item had been included on the agenda to enable Trustees to consider a reasonable level of reserves to be held in school budgets. Discussion followed and Trustees were of a view that schools need to hold adequate reserves but that any amount to be held could be lower if a significant central reserve was held. Consideration was given to the level of funding that should be held in reserve by schools.

Discussion also took place regarding school cash flow arrangements and the chief finance officer reported that there were no concerns around cash flow for any of the schools in the ULT.

It was resolved –

- i) That the chief finance officer be requested to ask schools to model budgets around a 3% level of reserves, with a view to this rising to 5% over a period of time, and to also give their views on this recommendation.
- ii) That Trustees request to see a cash flow statement included within individual school budget details.

#### **61. Associate Membership:**

As part of ongoing discussions for the continued growth of the ULT, consideration had previously been given to offering associate membership, with a view to those schools seeking full membership at some point in the future. An information pack was currently being prepared to show the benefits of joining the ULT and, once completed, the interim CEO would share this with interested schools. Schools joining as an associate member would be asked to contribute towards the centrally held funds.

Mr Slater reported that as chair of the Trust Board he was also talking to other MATs regarding possible formal arrangements being put in place to support each other with a view to reducing costs.

It was resolved –

That the Finance committee remains committed to exploring opportunities to support the continued development of the ULT.

#### **62. Risk Register:**

A copy of the Risk Register had been previously circulated and the interim CEO reported that it had been updated to reflect any progress made with each identified risk. Although any progress was being recorded in the register it wasn't considered appropriate to amend the scoring allocated to each risk.

It was resolved –

That the Risk register be received and noted and that the interim CEO be requested to update it further to take account of the following:

- Proposed housing development – remains a risk given that anticipated pupil numbers as a result of the new housing will not be as great as originally anticipated.
- Teaching School – although this was excellent news for Thomas Alleyne's and the ULT as a whole it should initially be recorded as a low level risk until fully established.
- Marketing – the group had now met and plans underway to develop a marketing strategy for the ULT.
- Cashflow – to be removed as a risk following the report provided earlier in the meeting.
- CIF bids – need for this to be updated.
- GDPR – register should be updated to reflect the fact that a data officer was now in place.

### 63. Policy Approval:

#### a) Terms of Reference

A copy of the Terms of Reference for the Finance committee had been previously circulated and Trustees reminded that it was necessary for it to be reviewed.

It was resolved –

That the Terms of Reference be approved as presented subject to the removal of responsibility for school admissions (to be transferred to the Education committee) and the inclusion of reference to capital assets.

#### b) Financial regulations

A copy of the Financial Regulations document had been previously circulated and the chief finance officer confirmed that this was the standard financial document applicable to any school becoming an academy.

It was resolved –

That the Finance Regulations be received and noted and that the interim CEO and chief finance officer be requested to look at the content and update as necessary, before bringing back to the Finance committee at a future meeting.

#### c) Financial Management and Governance Self-Assessment (FMGS)

A copy of the FMGS had been previously circulated and the chief finance officer reported that it was necessary for the document to be updated to reflect changes made by the ULT.

It was resolved –

That the FMGS document be received and noted and that the interim CEO and chief finance officer be requested to look at the content and update as necessary, before bringing back to the Finance committee at a future meeting.

#### d) Fixed Assets Policy

A copy of the Fixed Assets policy had been previously circulated and the chief finance officer also circulated a summary of recommended changes to the policy.

It was resolved –

That the Fixed Assets policy and recommended changes be received and approved as presented.

e) Reserves and Charging Policy

A copy of the Reserves and Charging policy had been previously circulated and a number of necessary amendments were identified including the need to show a previous decision to set the level of centrally held funding at 2½ % (not 5%), and references to school improvement, management and governance and reserves.

It was resolved –

That the Reserves and Charging policy be received and approved, subject to the identified amendments being made.

**64. Other Business:**

Appointment of Chief Finance Officer

Arrangements were in hand for the appointment of a permanent chief finance officer with interviews to be held on 5 June 2018. Mr Storer reminded Trustees that his temporary contract as chief finance officer ended on 31 May but informed Trustees that even if not appointed to the permanent post he was willing to continue on a temporary basis until such time as necessary.

It was resolved –

That Trustees thank Mr Storer for his willingness to remain as chief finance officer until such time as necessary.

**65. Date of Next Meeting:**

It was resolved –

That as previously agreed, the next meeting be held in Picknalls First School on Thursday, 5 July 2018 at 5.30pm.

The meeting finished at 7.30pm.

**Signed**.....

**Date**.....