

**Uttoxeter Learning Trust
Finance Committee**

Minutes of a meeting of the Finance Committee held in Picknalls First School, Uttoxeter, on Thursday, 29 November 2018 at 5.30pm.

Present:

Mr L Trigg (chair), Mrs E Bell, Mrs V Bennett, Mr S Slater – Trustees

Mrs A Tapp – Chief Executive Officer

Mr A Storer – Chief Finance Officer

Mr R Sheldon – Clerk to the ULT

Also in Attendance:

Mr A Conway (Partner – Mitten Clarke)

Mrs N Johnson (Senior Manager – Mitten Clarke)

86. Declarations of Interest:

Declarations of interest were given from Mrs A Tapp (headteacher of Picknalls First School) and Mr A Storer (Business Manager at Thomas Alleyne's High School) in advance of discussions around ULT staffing issues. See Minute 90 (Confidential Appendix).

87. Minutes:

Minutes of a meeting of the Finance committee held on 25 October 2018 had been previously circulated and taken as read.

It was resolved –

That the minutes be received and approved, subject to the following amendment:

Minute 82(ii): Year End Figures – the minute should clarify that the chief finance officer was requested to prepare a report to show the various service level agreements that could be put in place on behalf of all schools and that the report be considered at a future meeting.

88. Matters Arising:

a) Service Level Agreements (Minute 82(ii) refers)

The chief finance officer reported that he had not yet compiled a list of possible service level agreements that could be put in place on behalf of all schools but would do so in readiness for the next meeting.

It was resolved –

That this item be included on the agenda of the next meeting for further discussion.

b) Letter from ESFA to CEO's in Multi-Academy Trusts (Minute 83 (c) refers)

Mr Slater, chair of the Trust Board, referred to guidance around related party transactions in respect of trustees and governors undertaking paid work in any of the MAT schools. He stressed the importance of any paid work being undertaken strictly in accordance with ESFA guidance.

It was resolved –

That the chief finance officer be requested to check that any paid work currently being undertaken by trustees or governors was in accordance with ESFA guidance.

c) Additional Educational Needs (AEN Funding (Minute 83 (d) refers)

The chief finance officer was pleased to report that, although a decision was still awaited on the future allocation of AEN funding, the Schools Forum was supporting the challenge made by schools with regard to proposed changes. He would keep trustees updated.

d) Thomas Alleyne's High School – Sixth Form Numbers (Minute 83 (f) refers)

Mr Slater reported that JCB Academy was currently proposing to change its PAN for Y9 students from September 2020. If approved, this could significantly impact on future numbers at Thomas Alleyne's High School with a possible reduction of funding of around £3million over 5 years. As such the headteacher had written to the DfE and Regional Schools Commission (RSC) to express concerns.

It was resolved –

That trustees share the concerns and that the chair of the Trust Board also be requested to write to the DfE and RSC to express similar concerns and to also request a meeting with officials to enable full discussion of the implications for Thomas Alleyne's should approval be given to JCB Academy to increase its Y9 PAN.

89. ULT Finance Report:

The chief finance officer presented reports on the following ULT and school finance matters:

a) Salex and CIF Bids

Salex bids, with a value of around £150K, had been submitted on behalf of Picknalls and Hutchinson Memorial First Schools and CIF bids were being finalised for submission before the deadline of 13 December. The chief finance officer reported that, if approved, each school would be required to make a financial contribution towards the cost of the project and there would likely be affordability implications particularly for the first schools. Trustees were informed that the bids across the schools in the ULT, if successful, would be in the region of £2million and the required total school contribution in the region of £150K.

Discussion followed and trustees recognised the importance of the various bids in improving the fabric of schools and, if necessary, schools should be supported by the ULT in making their financial contribution. This could be achieved through the use of interest free loans.

It was resolved –

That trustees fully support the Salex and CIF bids submitted on behalf of ULT schools and that, if necessary, interest free loans be made available to schools to meet their required financial contribution.

b) Land and Building Inspections

The chief finance officer was pleased to confirm that all land and building inspections had been completed as necessary.

c) Internal Audit

The chief finance officer reminded trustees that the report following the internal audit for the period April 2017 to June 2018 had been received and discussed at the previous meeting. The management response to the audit report, including a review of the Scheme of Delegation and the Financial Regulations policy, had also been discussed and views of trustees sought before circulating the final document to the Headteacher Professional Board.

It was resolved –

- i) That trustee views on the internal audit report, if any, should be submitted to the chief finance officer within a week, before the report is then circulated to the Headteacher Professional Board.
- ii) That the Financial Regulations policy be approved as presented.

d) Scheme of Delegation and Financial Regulations Policy – Role of Local Governing Bodies

Discussion took place regarding the relationship between the Trust Board and local governing bodies with regard to the financial management of schools and it was felt that the role of both, as outlined in the Scheme of Delegation and Financial Regulations policy, was not being truly reflected. It was agreed that there was a need to receive more detailed financial reports from local governing bodies on how their schools were being managed so that, if necessary, they could be challenged by trustees.

The chief finance officer further reported that he had reviewed the financial Scheme of Delegation and that he considered it to be still relevant.

It was resolved –

- i) That the chair of the finance committee should also have a look at the current financial Scheme of Delegation to identify any changes that may be considered necessary.
- ii) That trustees agree that chairs of finance committees of the local governing bodies should meet regularly with the chief finance officer, outside of formal meetings, to discuss school finances.

90. Staffing Issues:

See Confidential Appendix (attached)

91. External Audit Review:

Mr Conway and Mrs Johnson (Mitten Clarke) were present for this item to update trustees on the progress of the external audit and preparation of the final report. They confirmed that some required information was still outstanding and the chief finance officer confirmed that work continued to ensure that this was made available as quickly as possible. An update was given on the following issues in particular:

- a) Audit Adjustments – an audit journal was circulated and an outline was given of the recommended changes to be made to the MAT accounts. Trustees were also advised that further information was still awaited around the Local Government Pension Scheme (LGPS) and that this was critical to the final report. Discussion followed and it was noted that, even with the subsequent inclusion of the LGPS figures, the final accounts would show a MAT financial surplus rather than a financial debt.
- b) Report to Management – the draft letter and management report to trustees were circulated and an outline given of the recommended improvements to be made to the financial control and management of the ULT. Before publication of the final report a request was made for ULT comments to be entered against each highlighted point. Comments would include an outline of actions to be taken to address the issues.
- c) Post Balance Sheet Events – the auditors confirmed that there was nothing in particular in the post balance sheet events to be mindful of, or actions to be taken by trustees.

Finally, discussion took place regarding the timeline for approving and signing off the final audit report. Trustees were reminded that the academy accounts return must be submitted to the ESFA before the agreed deadline in January 2019 and would therefore need to be formally approved by the Trust Board before the end of the autumn term. A meeting of the Trust Board was scheduled to be held on Wednesday, 5 December 2018.

It was resolved –

- i) That Mr Conway and Mrs Johnson be thanked for attending the meeting and updating governors on the progress of the external audit and subsequent final report.
- ii) That the audit journals be received and accepted and that the accounting changes be made as recommended.
- iii) That the chief executive officer and chief finance officer be requested to ensure that all necessary actions were taken to address the recommended actions to improve the financial control and management of the ULT.
- iv) That the external auditors be requested to attend the next meeting of the Trust Board to be held on 5 December, to present the final report, subject to the LGPS financial information being made available to enable completion of the report for that date.

92. Risk Register:

An updated ULT risk register had been previously circulated and the chief executive officer outlined the changes that she had made to the register. This included:

- Ongoing discussions around future membership of the ULT.
- Discussions with the local authority around future plans to increase school capacity due to planned housing developments. Trustees noted that this included a 1FE expansion in middle school places by 2021; no growth in first school places until 2022 at the earliest; no growth in high school places until 2028 at the earliest.
- Proposal by JCB Academy to increase its PAN for the admission of Y9 students. As discussed earlier in the meeting, trustees noted that Thomas Alleyne's High School was objecting to the proposal and that the chair of the Trust Board was also to write to the DfE and Regional Schools Commission expressing concerns.

- Funds had now been identified to carry out the necessary repairs to the swimming pool at Thomas Alleyne’s High School to enable it to re-open later next year.

It was resolved –

- i) That the updated risk register be received and approved.
- ii) That the chief executive officer be requested to further update the risk register to include the possible future risk in the funding of school financial contributions towards any successful Saalex or CIF bids.

93. Pay Policy:

The chief executive officer reported that Staffordshire County Council’s model pay policy had now been received and that she was currently working with Insight HR on updating the ULT pay policy, taking account of SCC guidance. Before the ULT policy could be finalised there were two issues in particular that required further consideration:

- Leadership pay – trustees were advised that most schools (including 6 of the ULT schools) undertook an annual review of leadership salaries. However, the leadership salary review at Thomas Alleyne’s High School was undertaken every two years and if this was to change to an annual review it would have financial implications for the school. Trustees were informed that School Teachers’ Pay and Conditions Guidance indicated that schools should ‘consider’ leadership salaries annually.
- Upper Pay Spine (UPS) – guidance was that an annual increment could be awarded following a successful review of performance management. Trustees were advised that current practice for schools in the ULT was to review UPS salary points every two years.

It was resolved –

- i) That the ULT Pay policy should continue to reflect current practices for all schools around leadership salaries and UPS salary points as outlined above.
- ii) That the final Pay policy be made available for the next meeting of the Finance committee for final approval.

94. Other Business:

a) Appointment of Chairs of Local Governing Bodies

Discussion took place regarding the appointment of chairs to the local governing bodies and trustees were reminded that the Articles of Association stipulated that these should be decisions taken by the Trust Board. The Scheme of Delegation could, however, allow for such appointments to be made by the individual local governing bodies.

It was resolved –

- i) That the Scheme of delegation be amended to allow for individual local governing bodies to appoint their own chairs, subject to ratification by the Trust Board.

- ii) That the chief executive officer be requested to obtain pen portraits of the recently elected chairs and vice chairs of local governing bodies for consideration and formal approval at the next meeting of the Trust Board.

b) Date of Next Meeting of the ULT Trust Board

Trustees were reminded that the next meeting of the Trust Board was scheduled to be held on Wednesday, 5 December 2018 and that a key outcome of that meeting was the approval of the external audit report. Trustees had been previously advised that the report may not be available in readiness for that meeting if the LGPS information was not provided in good time.

It was resolved –

That the clerk be requested to write to the Trust Board to advise them that the meeting scheduled for 5 December could be postponed and, if necessary, re-arranged for Thursday, 13 December 2018.

95. Date of Next Meeting:

It was resolved –

That the next meeting of the Finance committee be held in Picknalls First School on Wednesday, 6 February 2019 at 5.30pm.

Signed.....

Date.....