

**Uttoxeter Learning Trust
Finance Committee**

Minutes of a meeting of the Finance Committee held in Picknalls First School, Uttoxeter, on Thursday, 5 July 2018 at 5.30pm.

Present:

Mr L Trigg (chair), Mrs E Bell, 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

Apology:

An apology for absence was received from Mrs V Bennett.

66. Declarations of Interest:

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

67. School Budget Projections:

Trustees had previously been circulated with copies of the 5 year budget modellers for each of the schools in the ULT, together with a consolidated budget report. The chief finance officer outlined the reports in more detail, making reference in particular to the likely implications for future budgets due to possible changes in pupil numbers and the new funding formula. He confirmed that the staffing costs had been calculated to take account of this, but also circulated a copy of a letter from the National Middle Schools' Forum to the Department for Education, expressing continued concern around the new funding formula as it did not favour schools in a three tier system. Trustees noted that the new funding formula would result in significantly less funding for the ULT as a whole and encouraged headteachers to continue to raise concerns with their professional associations. It was also noted that this matter was to have been raised at the recent planned meeting with their local MP but that the meeting had been postponed. However, he had been asked to provide a written response to the letter that had been prepared by headteachers on behalf of all schools in the ULT.

Full discussion followed on the 5 year budget modellers and consolidated budget which showed a likely surplus for 2018/2019. However, this was not the case for all schools and Trustees agreed that there was a need for in-depth discussions with individual school headteachers and chairs of governors regarding plans being put in place to ensure that balanced budgets could be set in future years. As part of this, all schools would be encouraged to use a financial matrix that took account of national indicators for the different budget areas.

During the discussions, reference was again made to the level of central funds as contributed by the individual schools and, whilst the central fund currently had a good level of reserves, it was noted that without this there would be insufficient funding to cover emergencies including possible absence of any of the ULT leadership team. The likely need to increase the level of school contributions was therefore considered.

It was resolved –

- i) That the school budget modellers and consolidated budget be approved, subject to ongoing review, and that the 3 year consolidated budget 2018/2021 be submitted to the ESFA as required before the end of July 2018.
- ii) That arrangements be made for all ULT schools to meet with the Finance committee on an individual basis to enable in-depth discussions around their future budgets and that the first meeting should be with the headteacher and chair of governors of Oldfields Hall Middle School.
- iii) That the chair of the ULT Trust Board should write to Lord Agnew, currently undertaking a review of academy trusts, to express concerns around the new funding formula and its impact on funding for schools in a three tier system.
- iv) That the interim chief executive officer be requested to arrange for central funding to be discussed at the next meeting of the Headteacher Representation Board.

68. Minutes:

Minutes of a meeting of the Finance committee held on 23 March 2018 had been previously circulated and taken as read.

It was resolved –

That the minutes be received and approved, subject to the following amendment to Minute 56(b) – School Budget projections:

Trustees had also noted that a key funding issue for Hutchinson Memorial CE First School was the cost of maintaining an experienced staff team.

69. Matters Arising:

a) Redundancy Policy

Mr Slater reported that he had discussed this matter with Insight HR who had confirmed that it was unlikely that the county council's redundancy policy would change any time soon.

It was resolved –

That the interim chief executive officer be requested to arrange for Insight HR to prepare a revised draft redundancy policy, applicable to the ULT, and to include two or three possible payment options for consideration by Trustees at a future meeting.

b) CIF Bid Projects and Health and Safety (Minute 59 (hii) refers)

The chief finance officer confirmed that all safeguarding and health and safety measures had been put in place in advance of all building works being undertaken.

c) Financial Regulations (Minute 63(b) refers)

The chief finance officer reported that as the internal audit may identify the need for some alternative financial procedures, he would revise the Financial Regulations handbook following completion of the audit to ensure that all recommendations were included.

- d) Financial Management and Governance Self-Assessment (Minute 63(c) refers)
An updated copy of the FMGS document had previously been circulated and the chief finance officer outlined the changes that had been made. He further reported that the ULT website remained an area at risk but that work was underway to bring about necessary improvements and should be completed before the next external audit.

70. **ULT Finance Report:**

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

a) Internal Audit

The internal audit was now underway and a copy of the report following completion of the audit would be circulated to Trustees for consideration of any recommendations made. The chief finance officer stated that whilst it was likely that some recommendations for improvement would be made, nothing serious was anticipated.

It was resolved –

That Trustees await receipt of the internal audit report.

b) External Audit

The interim chief executive officer and chief finance officer had recently met with Moore Stephens to agree actions to ensure that everything was in place in readiness for the next external audit to commence later in the year.

The chief finance officer reported that a key issue requiring consideration and for appropriate action to be undertaken related to the successful CIF bid at Windsor Park CE(C) Middle School. The funds available were being spent on buildings owned by the Church and not the ULT. The implications of this were being discussed with various parties, including Lichfield Diocese Board of Education, and Trustees would be kept updated.

It was resolved –

- i) That the implications for the expenditure of CIF bid funding at Windsor Park CE(C) Middle School be kept under review.
- ii) That every effort should be made to ensure that the final external audit report was available to the Finance committee for consideration at their meeting due to be held on 29 November 2018, prior to seeking Trust Board approval.

c) Cash Flow Projections

The chief finance officer circulated a report which showed that the ULT was currently cash rich. He outlined the reasons for this which was mainly due to receipt of CIF bid funds and the outstanding payment of invoices relating to the new Stoke City payroll services. Once these had been accounted for then the cash flow forecast would be more in line with planned expectations.

It was resolved –

That the consolidated cash flow forecast be received and noted.

d) Health and Safety/Safeguarding

Reference was made to recent health and safety inspections undertaken at Windsor Park Middle School (catering) and Thomas Alleyne's High School (farm) and the chief finance officer was pleased to confirm that both had gone well. He further reported that a safeguarding audit was to be undertaken at Thomas Alleyne's High School on 10 July. Trustees would be informed of the outcome of that audit as soon as the report was available.

It was resolved –

That Trustees welcome the successful health and safety inspections at Windsor Park and Thomas Alleyne's and congratulate all concerned.

e) Budget Monitoring Report

The chair reported that a budget monitoring report had not been provided for the meeting and the chief finance officer agreed to circulate an updated report to all committee members.

It was resolved –

That arrangement be made to ensure that budget monitoring reports were available for discussion at all meetings of the Finance committee.

71. Membership Options:

The interim chief executive officer had previously circulated draft copies of two brochures relating to the Uttoxeter Learning Trust. One brochure was applicable for all member schools of the ULT and the other to highlight the advantages that becoming an associate member of the ULT would bring to a school. The interim chief executive officer was also pleased to report that a number of schools had already expressed interest in becoming an associate member and meetings with headteachers were being arranged to discuss further.

Trustee went through the detail of both brochures and suggested a number of changes to enhance the appearance and content of both. Discussion also took place regarding the cost of schools becoming an associate member.

It was resolved –

- i) That the interim chief executive officer be thanked for producing the draft documents and that they be revised to take account of changes suggested during the discussions.
- ii) That associate membership of the ULT be provisionally set at 1% of a school's budget, subject to approval from the Trust Board.

72. Risk Register:

A copy of the Risk Register had previously been circulated and the interim chief executive officer outlined the changes that had been made to the register to reflect previous decisions of the Finance committee.

It was resolved –

- i) That the updated Risk Register be received and approved.

- ii) That the interim chief executive officer be requested to update the register further to include the possible risk of not being able to cover any absence of the ULT leadership team due to the lack of central funds.

73. Policy Approval:

Procurement and Tendering / Financial Scheme of Delegation

A copy of both policies had previously been circulated and the chief finance officer confirmed that both documents required amendment. He undertook to revise both documents as necessary and to then circulate to Trustees for consideration and subsequent approval at a future meeting.

It was resolved –

That both policy documents be received and would be formally approved at a future meeting following all necessary amendments having being made.

74. Date of Next Meeting:

It was resolved –

That the next meeting of the Finance committee be held in Picknalls First School on Thursday, 5 October 2018 at 5.30pm.

The meeting finished at 7.05pm.

Signed.....

Date.....