

**Uttoxeter Learning Trust  
Finance Committee**

Minutes of a meeting of the Finance Committee held remotely (via Office 365 teams) on Wednesday, 25 March 2020 at 4.30pm.

**Present:**

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

Dr S Clark – Chief Executive Officer (CEO)

Mr A Storer – Chief Finance Officer (CFO)

Mr R Sheldon – Clerk to the ULT

**173. Declaration of Interest:**

A declaration of interest was given from Mr A Storer (Business Manager at Thomas Alleyne's High School) in advance of discussions around the ULT redundancy options. (See Minute 180).

**174. Minutes:**

Minutes of a meeting of the Finance committee held on 5 February 2020 had been previously circulated and taken as read.

It was resolved –

That the minutes be received and approved.

**175. Associate Membership – Richard Clarke First School:**

The CEO was pleased to report that following a recent meeting of the school's governing body a decision had been taken to join the ULT on a permanent basis. The Regional Schools Commission had been informed and the appropriate documents had been forwarded for completion. A timeline for joining the LT was being determined and it was hoped that everything would be agreed as soon as possible.

It was resolved –

That the committee welcomes the decision of the governing body of Richard Clarke First School and that the chief finance officer be requested to obtain the school's 5-year budget forecast for consideration.

**176. Free School:**

The CEO reported that the proposed Admissions policy for the new school had been submitted as required. The local authority had provided a catchment area map which showed an overlap with the catchment area for Tynsel Parkes School. Discussions would be necessary with the school to determine an agreed way forward. The CEO agreed to forward a committee of the catchment area map to trustees.

The CEO further reported that meetings of the project board continued with a particular focus on the implications of the coronavirus. The intention remained for the school to be ready for opening in September 2021 as previously agreed, but would remain under review

due to the current restrictions on construction work. The impact of any delay in completion of the planned housing developments would also be considered. Issues were being raised at project board meetings, including the need for dedicated parking for disabled pupils being transported to the school.

As reported at a previous meeting, £65K was to be made available to the ULT for the development of the school. The CEO reported that a request had been made to the local authority for early release of some of this amount and this had been agreed. Trustees would, however, have to provide further details around the amount being requested. Trustees were also reminded about the name of the school which had been shown as Bramshall Meadows in the bid. A decision would be necessary with regard to a permanent name.

It was resolved –

That the CEO be thanked for the update on the new school and that its development would remain under constant review by trustees with decisions taken as necessary to reflect any implications of the impact of the coronavirus.

#### **177. Marketing and Recruitment Strategy:**

The CEO reminded trustees that the main source of income for schools was through the number of students on roll and that the total number of pupils was 500 below the combined planned admission number (PAN) for school across the ULT. As such the need to increase pupil number remained a key focus.

The CEO reported that a marketing and recruitment working group had been set up and had been working with Sero Creative, a company with experience of marketing schools in MATs. A copy of a report to show the services available through Sero, and the appropriate costings, had been previously circulated. The report had also been shared with headteachers through the headteacher professional board and they had been positive around the specialist input for identifying marketing and recruitment strategies. The CEO further reported that Sero would offer individual support strategies at the price shown in the report or produce a document that would enable trustees to put this work out for tender.

Discussion followed and trustees recognised the benefits of marketing and recruitment strategies and that options for the best way forward should continue to be considered. The cost of this was also discussed and whether schools should be asked to contribute or funded entirely through the top slice.

It was resolved –

- i) That the report on marketing and recruitment strategies be received and noted.
- ii) That this matter should be considered further at the next meeting of the HPB and that the CEO also be requested to explore the option of Sero initially helping to re-write the ULT vision.

#### **178. External Audit:**

The CFO had previously circulated three tenders that had been received from the following companies to undertake the ULT external audit:

- Dains Accountants
- Mazars LLP
- Mitten Clarke Audit Ltd

The CFO had also previously circulated a copy of the contract for audit services together with details of the criteria used on which to assess the tenders. Trustees had noted that 60% was based on cost.

Discussion followed and trustees, in addition to the basic cost of the external audit, considered the experience of the three companies in working with MATs and the cost of any additional work undertaken. The pros and cons of each company were considered, whilst mindful of the criteria on which they were being assessed, and the differences between each of them were noted. The CFO confirmed that he was seeking references on behalf of the three companies.

It was resolved –

- i) That the three tenders be received and noted but that no decisions be taken at this stage pending receipt of references.
- ii) That further consideration to the appointment of an external auditor be given at the meeting of the trust board to be held the following week.

#### **179. ULT Finance Report:**

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

##### **a) ULT Central Budget 2020/21**

A copy of the draft central budget 2020/21, and 5-year budget modeller, had been previously circulated and the CFO went through the detail of it, referring in particular to the various assumptions that had been made when putting the first draft together. This included the top slice remaining at 2½%. The CFO further reported that he would update the draft budget to include Richard Clarke First School which would likely join the ULT during the course of the financial year.

Discussion followed and trustees expressed concern that the top slice used for central services continued to show an ongoing deficit and was not sustainable. Further consideration was given to increasing the level of top slice paid by schools and trustees recognised that, if at all possible, any increased costs should be offset by increased central services. The chair of the trust board also reported that a request had been made at the last meeting of the school representation board that, in the event of any increase in the top slice, schools should be given one year's notice. Therefore, there should be no increase until April 2021 at the earliest.

The CEO reported that she was currently working with schools around the various service level agreements (SLA) that each of them had and looking at those areas where it may be possible to determine different SLAs for the benefit of all ULT schools. A timeline was being put together for a review of the various SLAs and to show the savings that could be achieved as a result. Trustees would be kept informed of the progress of the SLA review.

It was resolved –

- i) That the draft ULT central budget 2020/21 be received and noted.
- ii) That the CEO be requested to inform schools that the top slice would be increased to 3% from April 2021 but hopefully offset by increased central services.

b) ULT Consolidated Budget 2020/21

A copy of the draft ULT consolidated budget 2020/21, and 5-year budget modeller, had been previously circulated and the CFO went through the detail of it, referring in particular to the various assumptions that had been made when putting the first draft together. The CFO highlighted a decision taken to exclude the teachers' pensions grant for the final two years of the budget modeller as this grant was expected to cease by then. However, this would likely be offset by school funds being enhanced in other areas of the budget. Trustees thoughts on this assumption in particular were sought.

Discussion followed and trustees noted that there were no real concerns with the consolidated budget for the next three years but that school savings would be necessary to reduce the anticipated deficit in the final two years. The CFO reported that schools were continuing to identify areas where savings could be achieved. Consideration was also given to the financial implications for schools due to their current closure as a result of the coronavirus. Whilst the full implications would not be known until all schools fully re-opened, it was likely that some savings would be achieved through reduced operational costs.

It was resolved –

- i) That the draft ULT consolidated budget 2020/21 be received and noted.
- ii) That the CFO be requested to show teachers' pension grant income across all 5 years in the budget modeller, but with a note to show that the situation may change.
- iii) That the CFO be requested to revised the 5-year budget modeller to show account for a 3% top slice from April 2021 and for all schools having a 2% reserve as previously agreed by trustees.
- iv) That the CFO be requested to ask schools what plans were being made to reduce budgets as necessary and to prepare a report for discussion at a future meeting of the Finance committee.

c) Gender Pay Gap Review

The CFO reported that the requirement for the ULT to submit a gender pay gap review had been suspended. Trustees would be kept updated should a report be required in the future.

d) CIF Projects

The CFO gave an update on current CIF projects and referred in particular to the work at Thomas Alleyne's High School to replace the school roof, which was a two-year project. The suspension of building work due to the coronavirus could result in the work not being completed within the agreed two-year period and the financial implications of this were being sought. The CFO further reported that the outcome of the 2020/21 CIF bids was expected shortly and would inform trustees as soon as it was known.

It was resolved –

That the CIF update be received and noted.

e) Academies Financial Handbook

The CEO reported that she had circulated a copy of the Academies Financial Handbook for information but reminded trustees that they were required to read it to ensure that they fully understood their responsibilities. The chair of the trust board referred to the importance given to the audit role of trustees as often highlighted in the handbook and suggested a need to change the name of the Finance committee to reflect this.

It was resolved –

- i) That the Academies Financial Handbook be received and noted.
- ii) That the name of the Finance committee be changed to the Finance and Audit committee, subject to approval by the trust board.

f) Integrated Curriculum-led Finance Plan (ICFP)

The CEO reported that both she and the CFO were working with the Association of School and College Leaders (ASCL) and headteachers to ensure that all were operating against recommended benchmarks to ensure that the curriculum offer is affordable. Trustees would be kept informed of any developments.

It was resolved –

That the report on the ICFP be received and noted.

g) Appointment of School Staff

The CEO had previously circulated a copy of the staff recruitment form that headteachers were now expected to complete and share with her before making staff appointments. The CEO went through the detail of the recruitment process and reminded trustees that approval had been given for this as part of the revised redundancy scheme. The CEO confirmed that once approval had been given for a school to appoint staff the recruitment process would be in accordance with local governing body policy for recruiting staff.

It was resolved –

That trustees fully support the review process for the appointment of ULT staff.

**180. ULT Redundancy Consultation:**

The CEO reminded the committee that this matter had been discussed at the recent meeting of the trust board and that there was nothing further to report at this moment in time. Further discussion would take place at the meeting of the trust board to be held the following week.

**181. Risk Register:**

A copy of the risk register had been previously circulated and the CEO highlighted the changes that had been made, including providing an update for each of the identified risks.

The CEO referred in particular to the risk of the coronavirus impacting on completion of the new school in readiness for the planned opening in September 2021, which had been added to the register. The CEO also confirmed that the risk associated with the consultation on the redundancy scheme had been added to the register as a medium risk, as agreed at the previous meeting.

It was resolved –

That the risk register be received and approved, subject to the risk associated with the redundancy scheme being shown as high risk.

## **182. Policy Approval:**

### a) Gifts and Hospitality Policy

A copy of the Gifts and Hospitality policy had been previously circulated and the CFO reported that this policy should be reviewed taking into account concerns arising from the recent external audit. The CFO further reported that, in his view, the existing policy was relevant but that it was necessary to ensure that in future all schools adhered to the policy. Discussion followed and trustees acknowledged a need for the policy to provide greater clarity around the purchase of gifts and/or hospitality by individual schools and to make clear the role of the CEO in discussing any concerns with the appropriate headteacher. The CEO agreed to discuss this policy at the next meeting of the headteacher professional board.

It was resolved –

That the Gifts and Hospitality policy be received but that the CFO be requested to revise the policy as necessary to reflect discussions and any views that may be put forward by the headteacher professional board.

### b) Appointments, Finance and HR Policy

A copy of the revised policy was circulated and the CEO confirmed that recommended changes to the policy were shown in red.

It was resolved –

That the CEO be requested to obtain the views of the school representation board on the revised policy and that it be considered further at the next meeting of the Finance committee.

### c) Financial Policy and Procedures Manual

A copy of the revised manual had been previously circulated and the CFO reported that it had been updated to reflect findings from the last external audit, particularly with reference to school credit card expenditure. Discussion followed and the chair of the trust board reported that he felt that there were some discrepancies in the manual against other ULT related policies.

It was resolved –

That the views of the chair of the trust board, and other trustees, be forwarded to the CFO to enable the manual to be revised further.

d) ULT Policy and Procedure Log

A copy of the ULT policy log had been previously circulated and the CEO reported that she was developing the log to ensure that all school/ULT policies were in place and reviewed on a regular basis.

It was resolved –

That the policy log be received and noted with thanks to the CEO and that she be requested to also make clear the appropriate committee responsible for reviewing and recommending changes to each of the policies.

**183. Other Business:**

a) Time of remote meetings

The CEO confirmed that all future meetings would be conducted remotely in accordance with national guidance and recommended that meetings now be held at an earlier time.

It was resolved –

That, where possible, all future meetings would be held at an earlier time subject to trustee availability.

b) Performance Management

The CEO reported that the closure of schools due to the coronavirus would make it difficult for members of staff to complete identified targets set as part of their performance management.

It was resolved –

That the implications of this be considered at the next meeting of the trust board.

c) Financial implications of the coronavirus

The CEO and CFO reported that a financial spreadsheet was being developed to help schools log the financial implications for each of them due to the coronavirus.

It was resolved –

That the committee welcomes the use of a spreadsheet to log the financial implications for schools and that it be kept updated.

**184. Date of Next Meeting:**

It was resolved –

That the next remote meeting of the Finance committee be held on Wednesday, 6 May 2020 at 4.30pm, subject to the availability of trustees at that time.

Signed..... L. Trigg

Date..... 6 May 2020