



An Daras Multi Academy Trust

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Chief Executive Officer – W Hermon

04/02/19

Minutes

Finance and Strategic Development Committee Spring 2019
Monday 4th February 2019 at 9.30am at ADMAT Central Office

Note that actions are highlighted in bold and red, and will be carried forward to the next meeting and questions or challenges during the meeting are highlighted in bold and blue

1. **Welcome and Apologies**

Present: Sally Cooksey, Graeme Barriball, Tim Woodward, Peter Hague, Brian Jennings, Will Hermon

In Attendance: Governance Officer, Emma Gilbert (CFO), Jo Callow

2. **Declarations of Interest/Pecuniary Interests relevant to this Agenda**

None declared.

3. **Confirm minutes of previous FSD Autumn Meeting (24th September 2018) and Matters Arising**

- Produce new critical incident policy (WH). *See item 10a below.*
- Update on IT Development Strategy (WH). *See item 6f below.*
- Update on Support Staff Review (from confidential minutes)(WH). *Update given at full Board.*

Committee agreed the minutes and the Chair signed a copy.

4. **Confidential Agenda Items**

None.

5. **Review Risks and Improvement Update**

a. **MAT Finance Risks**

Risk register has not changed since previous version. Funding for teacher pay increase has been received. The “money for the extras” promised by the government has come in as devolved formula capital so there is not the freedom to use it as much as was initially implied. It is also not as much as initially promised. Schools will be given freedom to spend as they see fit.

b. **MAT Improvement Plan**

WH highlighted Part 1 Improvement Plan which is focussed on teaching and learning – Directors are aware of this already as the draft was produced for the last full Board. WH then described Part 2 Improvement Plan which is focussed on financial planning and management (and should be the focus of the FSD committee). Amber

shows short-term objectives and green shows longer-term objectives. Increasing standardisation is becoming more important in MATs and WH highlighted how the staffing and processes are improving centralisation (Pri 1&2). EG explained how the accounts are being managed and that there is work to be done on the purchase orders (Pri 3). Centralising of reserves will be done and there will be a mechanism in place to draw on these funds (Pri 4). The process of securing sustainable and effective staffing continues to be looked at (Pri 5).

c. Financial KPIs

EG explained that the idea of the KPI report is that Directors can quickly look at data that shows how the schools are doing financially and in comparison with other schools. It will also show any deviation in staffing costs from what was set. WH highlighted that SEND funding can affect in year budgeting as additional funding doesn't always come with the children in year. Directors agreed that the KPI report was useful but it should also include a comparison of the overall budget, PE funding, PPG funding and devolved formula capital. These reports will be made available on the portal on a monthly basis and Directors can send any questions to TM by email, who will consolidate, get answers from EG, inform Directors and then record on next FSD minutes.

Action: Produce and circulate monthly KPI reports to FSD committee (EG/TM)

6. Review Income and Expenditure Against Planned Budget

a. Review Management Reports

All schools underspent so far less WHA and CG. Main issue is staffing. EG talked through some of the detail for each school and explained some of the variances including supply cover, premises work, sports grants and PPG funding. She noted that free school meal funding is still to be received. **PH questioned the bank interest and EG explained. SC challenged how we can make the money "work harder" and WH noted that the MAT used to have an investment policy and that perhaps this should be revisited?**

Action: Options for making MAT funds "work harder" on next agenda (WH/EG)

b. Approve Expenditure of Sums over agreed Financial Regulations

WHA new classroom build is almost complete and is coming in within cost.

c. External/Internal Factors Impacting on Budget Setting for Next Financial Year

Given the work that has been done, setting next years budget should be much easier and WH noted that there are no external factors at present.

d. Income Generation Options

WH highlighted some potential income generation costs and the Directors discussed this. Refer to item f(iii).

e. Proposal for Mechanism for Spending School Reserves

Advice will be sought from Bishop Fleming with regard to setting up this mechanism.

f. Possible financial approval required subject to RSS consultation for:

i. SSCA ARB Conservatory

WH highlighted the need for conservatory replacement at SSCA and the options involved, including some funding that is currently available that could be replaced next year. Directors approved the use of this funding for the best value option once further quotes are received. They agreed that providing this space for our vulnerable pupils is important and should be done.

ii. NP Sewage System

WH highlighted the option of replacing the soak-aways or installing a sewage treatment system. Still waiting for report regarding the septic tank, as if this is not fit for purpose, then just replacing soak-aways will not be an option. More to follow once report is received.

Action: NP Sewage System expenditure approval to full Board (WH) if reports have been received by then

iii. MAT Central Office Space

WH discussed the options for the MAT central office space, including the restrictions imposed by fire safety. He highlighted the costs involved in reallocating the current space that is quite high but includes health and safety risks with only one access and there is no disabled access. The additional office space comes at a cost but income generation can offset some of these costs. The committee challenged the need to generate income so that any additional cost of this space doesn't become a drain on the MAT and then discussed the potential for income generation, one of which is running courses for leadership, staff or governors that other schools can attend (and be charged for). The committee agreed that renting downstairs was a sensible option as long as options for income generation are actively pursued and recommend that this is taken forward to full Board for a decision.

Action: Proposal to rent downstairs to full Board agenda (WH).

iv. IT Upgrade across the MAT

WH noted there are still some inconsistencies with the quotes and this will be resolved. He discussed some of the detailed requirements and the Directors discussed and compared figures. The companies will be approached for specific information so that the quotes can be properly compared, and a third quote is still awaited. The consensus is that leasing is probably more sensible. These comparisons will be made available to the full Board for a decision.

Action: IT plan and cost approval to full Board (WH)

7. Review Strategic Growth

a. 3-5 year MAT Strategic Growth Plan

Directors will need to meet separately to specifically to discuss this. It was agreed that the full Board should be given the option to attend.

Action: Add MAT Strategic Growth Plan meeting to full Board agenda (TM).

b. 3 Year MAT Financial Forecast

Nothing further to report at this time.

8. Review Appropriate Use of Funds

All appropriately spent and inspected by OFSTED and at audit. Other funds such as Tesco grants, lottery funding etc go straight to schools and are managed by schools.

9. Review Maintenance, Repair and Disposal of Assets

Nothing to report at this time.

10. Policy Review

- a. Critical Incident – **carry forward to full Board or next FSD (TM)** *dependent on completion.*
- b. Charging and Remissions – minor amendments – approved.

11. AOB

None.

12. DONM

Date of the next meeting for Summer Term 2019 was confirmed as Wednesday 8th May 19 at 9.15am at the central office.

Meeting closed at 10.45am.

TJH Martin
Governance Officer

Distribution List:

G. Barriball – Director (Chair) T. Woodward – Director (Vice) S. Cooksey – Director P. Hague - Director	W. Hermon – CEO Director B. Jennings – Chair of Board of Directors E. Gilbert – CFO J. Callow – Ex Officio Observer
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