



An Daras Trust
Igniting Curiosity Growing Capabilities

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17/06/2021

Minutes

Finance and Strategic Development Committee Summer 2021 Wednesday 16th June 2021 at 9.30am remotely via Zoom

1. Join Meeting

All participants had audio and video. TW was present with WH.

2. Welcome and Apologies (Chair)

Present: Jon Sharpe (Chair), Peter Hague, Tim Woodward, Claire Paul, Will Hermon

Apologies: Graeme Barriball

In Attendance: Emma Gilbert (CFO), Jo Callow (Ex-Officio), Toni Martin (Governance Officer)

3. Declarations of Interest/Pecuniary Interests relevant to this Agenda

None.

4. Confirm minutes of previous FSD Autumn Meeting (3rd Feb 2021) and Matters Arising (TM)

Only action is to check Coads Green budget position. *See 7a*

No actions from confidential minutes.

Committee agreed minutes and the Chair will sign a copy at a later date.

5. Confidential Agenda Items

A catering, pre-school and land matter were discussed and recorded at confidential minutes.

6. Recovery & Improvement Plan

Schools have been proceeding with the recovery schedules and have been very good at stretching every last bit of funding. WH noted that there has now been some significant improvement on forecast pupil outcomes and there will hopefully not be such a huge gap between where the children are now and where they should be. This is due to the hard work of the staff and sensible use of the recovery funding. No further funding required at this stage. Themes for the Trust future improvement plan have been done and this will be translated into an improvement plan by end of term to start in September.

7. Review Income and Expenditure Against Planned Budget

a. Income and Expenditure Against Planned Budget

EG talked through some of the areas of concern on the finance management accounts such as IT expenditure (for which some funding is due in @ £1K per school), overdue SEN funding and pre-school funding. **Overall, what is the likely overspend on this year's budget?** EG confirmed it shouldn't be any more than £20-30K but there is still some funding to be received and reconciliation to be done. She explained how nursery funding is a cause for concern, not just for this year but planning the budgets going forward. **Assuming the concerns about the finances**

relate to the in year cash flow and budget, as there appears to be plenty of money in the bank. Is that correct? It is an in-year deficit, we have healthy brought forward balances, and carried forward balances are fine. We are still in a strong position; we were at the top end of what we should be holding on to, but now we will be 'in the middle' which is a healthy position.

Re capital commitments and spend, these seem particularly high/in excess of the budget especially for Lew Trenchard, St Catherine's, St Stephens and Werrington. Is that because funding has been agreed via grants but the budget not updated? If so, will they then be within budget? The big commitments are CIF bids for safeguarding fencing and SSCA heating, and CIF payments are only received at certain points. EG explained that costs have to be recognised in the financial year when bids are approved but receiving the funding does not always match the timing of when expenditure needs to be recorded. Bottom line, the CIF will be spent on the projects concerned and will be at zero balance at the end.

The catering in a number of schools is overspent e.g. St Stephens and Windmill Hill, why? EG explained the issue, the government released direction on how contractors can charge schools and that credits have been received so the picture is now more balanced. She explained that numbers from April 2020 are being used when really it should be numbers for this year. With regard to FSM, the schools are pushing to get maximum number registered but when a child is eligible they receive meals whether we are in receipt of the funding or not, because of when they were registered.

Is there a reason why schools are using the recovery funding we provided rather than using the government funding first? Does the government funding have any spend by a certain date and if not fully spent will they potential claw unspent money back? Government money came with stipulations on what it could be used for. Some of the school's requirements were IT based initially and the government funding could not be used for this. Certain aspects of the provision can be allocated against the government funding to ensure it is fully spent; it could not be used initially because of lockdown because it related to increased staffing provision in the school but is now being used.

Lew Trenchard – The provision for the PPG child will this ultimately be funded? EG explained how the PPG funding works and that there is time lag between numbers and funding.

St Stephens – why is the nursery funding less than budgeted? All nursery funding has been less than budgeted initially as the government has not funded pre-schools unless children actually attended.

Windmill Hill – is the supply insurance money to cover the extra teaching cost? Will the excess UiFSM expenditure receive additional funding from anywhere, or is that something we have to cover? Supply insurance is to cover long term sick and will not be a permanent matter. Excess UiFSM funding does not receive any additional funding from government.

- b. **Measure Budget Against Financial KPIs**
CFO produces detailed KPIs with each set of management accounts that allows scrutiny and also allows the analysis of trends.
- c. **Virements and other transactions in accordance with the MAT Financial Regulations and Scheme of Delegation**
None.
- d. **Approval of Expenditure of Sums over agreed Financial Regulations**
Expenditure over CEO delegation; only CIF bid stage payments used for specific allocated expenditure only. No other expenditure for approval.

8. Budget

Draft budgets provided to and reviewed by the committee. Recommendations were made prior to submitting the draft budget to full Board for approval. WH updated that most schools can set a balanced budget, less 2 schools that are causing some concern. WH noted the central budget will be adjusted in due course and this happens every year. The 2 schools are CG and LT, and WH explained the issues.

CG: the staff levels and TA levels have already been trimmed as much as they can be. The challenge is £16K deficit but the financial cost of a failed Ofsted is greater than the current £16K challenge and given the knock on effects from Covid, it would be unfair to make changes at this time. Further staffing discussion is contained in confidential minutes. **How does this challenge relate to previous years?** Significantly lower than £30-40K previously. It is possible to set a balanced budget but it will include a £16K challenge cost that the school needs to meet. Options for meeting this might include reducing top slice for central, a little off premises or training budget but all these are already tight. WH noted that other funding might be forthcoming but no guarantees. **Surely with the situation with Covid, and not having an Ofsted, neither of which is the trust or school's fault, surely it is justified on this occasion to set a deficit budget, especially as a £16K cut will likely affect their Ofsted result and is wrong for the children?** Committee agreed that the trust should submit a balanced Coad Green budget, but with the challenge 16k noted. It was also noted that PPG funding is based on past pupil census figures and not current figures.

LT: funding based on previous census so currently has more pupils than it is funded for at this time. So in theory, it should have more income than it has, as there is a lag between the funding and numbers. Also pre-school is struggling to meet costs due to lack of government funding and low numbers over Covid. Currently, at a £20K challenge for the main school and around a £9K challenge for the pre-school. The school is not due Ofsted and not a high priority on the trust risks currently. **If they had funding for the number of pupils there now, would it be budget balance?** Yes it probably would. **When are the numbers based from?** The current numbers are taken from the Jan 2021 census. **Do they not get any additional funding if they have any changes to numbers in year?** Not usually. **So could we tweak the slice to central to allow some flexibility?** EG noted that this would then put greater costs on the larger schools, and she discussed pre-school costs and SEN costs. The latter are far greater than we are funded for. There are also issues with energy costs at LT because of bottled gas and the inefficiency of the building. Other costs were discussed at confidential minutes. There is a need to look at fine tuning certain areas to try to reduce the current £20K deficit prior to the full Board.

The 3-year budget forecast return was also provided to the Committee for review and will be provided to full Board prior to submission to ESFA by 30 July. Assumptions will have to be made with years 2 and 3 on both income and projected costs.

9. Review

WH talked through some contracts and SLAs, and the forthcoming plan for these.

- ICT service provider is currently with ICT4, with one year to run on the contract.
- Wolfestans provide legal and HR advice and is an annual contract; slight increase in price to be expected. The service has been very good. **In terms of financial regulations, should we be tendering each year for this service?** There are on-going HR and legal matters that benefit from using the same provider, but will review after 3 years. Cost of SLA next year is £8700.
- H&S SLA is currently in year 2 of a 3-year contract and is proving a good service.
- Payroll; Cornwall Payroll services are currently used but there have been some issues. The only way we can change is to find another suitable provider or set up and do it ourselves which is quite a lot of work. It was noted that Devon LA provide the same service but EG

noted that bringing it in-house is being looked at because the amount of work involved at the moment means doing it in-house might be more cost effective.

- Staff absence insurance is covered by same provider due to multiple on-going staff absence claims and we would lose continuity of claims. WH noted that the DfE has started a staff absence scheme and this will be investigated in future.
- External auditor for autumn 2022 needs to be appointed by the members; 3 quotes are in hand and will need to be provided to the full board so a recommendation can be made. This is on the cyclical plan for the summer term.
- Property Service Level Agreement quotes are being sought from current preferred project manager and 2 others.
- Cyber security services are required for audit process, and provision of cyber security. This is a new requirement to due the latest threats. However there are more costs associated with it.
- Business continuity plans, including any lessons learned from Covid 19 are being looked at. There is a lot of overlap between various policies such as business continuity, critical incident, lockdown, active shooter, cyber security and so on. It is essential that these policies are looked at together to avoid duplication, to ensure that any overlap is coherent, and to ensure that they make sense when linked to each other.

10. Policy Review

Staff Expenses & Purchasing – approved.

11. AOB

None.

The committee wished to thank EG, Marg Basford and the finance team for all their hard work with the budget process.

12. DONM

Autumn Term – planned for Wednesday 6th October 2021 at 9.30am. The meeting plans for ‘in person’ or zoom will be agreed at the summer full Board meeting.

Meeting closed at 10.55am.

TJH Martin

Governance Officer

Distribution List:

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| J. Sharpe – Director (Chair) T. Woodward – Director (Vice) C. Paul - Director P. Hague – Director G. Barriball - Director | W. Hermon – CEO Director E. Gilbert – CFO J. Callow – Ex Officio Observer |
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