

**East Midlands Academy Trust – Finance, HR and Estates committee**

Thursday 3rd December 2020 @ 10.00am. Meeting to be conducted virtually.

**Second meeting of academic year 2020/2021**

These minutes reflect the order of the agenda, not necessarily the order of discussion

Agenda item	Discussion	Action
1. Welcome	<p><b>Present:</b>  <b>Andrew Davis</b> (Trustee) - Chair  <b>Stephen Morales</b> (Co-opted Trustee)  <b>Asvin Morjaria</b> (Trustee)</p> <p><b>Joshua Coleman</b> (EMAT: CEO)  <b>Paul Wheeler</b> (EMAT: Finance &amp; Operations Director)  <b>Nattria Dhana</b> (EMAT: Management Accountant)  <b>Dhillan Mistry</b> (EMAT: Finance Business Partner)  <b>Ruhena Mahmood</b> (EMAT: Senior Workforce Planning &amp; HRBP)  <b>Monica Juan</b> (EMAT: Head of Governance &amp; Safeguarding) – Minutes</p> <p><b>Bernard Weiss</b> (observer)</p> <p>AD welcomed everyone and reminded all present that the matters raised within this meeting would remain confidential until the minutes were agreed and signed off.</p>	
2. Apologies	Apologies had been received, and were accepted, from <b>David Houghton</b> .	
3. Quoracy	The meeting was confirmed as quorate.	
4. Declarations of interest	AD asked if there were any declarations of interest pertaining to this agenda in addition to those already recorded on the annual Register of Interests. None were declared.	
5. Minutes of FHRE meeting 05/10/2020 & matters arising not appearing on the Action Log	<p>The minutes of the meeting held on the 05/10/2020 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting.</p> <p>AD agreed to physically sign the minutes once lockdown restrictions had been lifted.</p> <p>There were no matters arising not already on the agenda for this meeting.</p>	
6. Actions Log from the meeting held on 05/10/2020	<p>Actions from the meeting held on the 10/07/2020 were reviewed:</p> <ol style="list-style-type: none"> <li>1) Include a page with summary of changes <b>DONE</b></li> <li>2) Upload ratified policies to website <b>DONE</b></li> <li>3) PW to send current budget document to AM <b>DONE</b></li> <li>4) Trustees to send Pen Portrait and DoI <b>ONGOING</b></li> </ol>	

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7. Finance Update: i. Period Management Accounts ii. Annual Report iii. Management Letter	<p><i>Finance papers had been distributed with the agenda for the meeting.</i></p> <p><b>i.</b> PW presented the October Management Accounts highlights and answered questions from trustees.</p> <ul style="list-style-type: none"> <li>• £130K year to date surplus achieved across the group.</li> <li>• All Academies had adjusted well to zero-based budgeting.</li> <li>• £247k of SCA funding were carried forward from 2019/2020.</li> <li>• Major project for 2020/2021 to be PWS.</li> <li>• HAR looking to open a nursery to increase pupil numbers.</li> <li>• NIA 6<sup>th</sup> Form surplus income to be deferred.</li> <li>• Aiming for a budgeted surplus of £285K for the current year.</li> </ul> <p>PW explained that some COVID19 funding had been received. The trust and schools had agreed to certain programmes to be put in place. Schools were to deliver the catch-up activities with the trust releasing the funding against expenditure accordingly, so no surplus/deficits would be artificially inflated.</p> <p><b>In response to a question from a trustee regarding the figure the trust was aiming around staff ratio and whether the trend would go up or down in the next 12 months</b> PW confirmed that the KPI was around 72/78 and the trust was on target for the current year with any pay recommendations taken into consideration already. However, trustees will need to consider any implication beyond September, as the government had already suggested that there would not be any cost-of-living increases.</p> <p><b>In response to a question from a trustee regarding whether the NIA would have an increase of funding if they had another bulge year</b> PW explained that he had been in contact with the LA and were currently looking how to reconfigure some spaces around the NIA to accommodate more students. There were two possible scenarios, take 30 students for two consecutive years, or 60 in one year. The LA had agreed to fund a feasibility study which would provide an indication on how the space can be converted and used to accommodate a bulge year providing the best education. If suitable, the LA would cover the conversion costs.</p> <p><b>In response to a question from a trustee regarding what the impact of a bulge year would be in the long-term</b> PW confirmed that once students had left the school, the trust would have to deal with any staff surplus if there was no further placement for them within the organization.</p> <p><b>In response to a question from a trustee regarding why one Educational Support Staff cost seemed so high in one particular school (SHEPS)</b> PW clarified that the member of staff was also a teacher in UPS allocated to the SEND department.</p> <p><b>In response to a question from a trustee regarding why in a particular school (SAA) the teaching staff spent was £9K over budget</b> PW explained that within the education sector there were two elements to pay. One was</p>	

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	<p>the annual pay increase, which was nationally negotiated. The other one was the annual increments which were performance based. All approved performance increments had been budgeted. However, the inflationary increases hadn't as the government had originally stated that it would cover those. As this had not happened, trustees had agreed for them to be funded, partially from the school's budgets with the rest covered by contingencies.</p> <p><b>In response to a question from a trustee regarding what the absence insurance claim was</b> PW clarified that this was an annual insurance taken only to cover the absence of teachers, so supply costs could be partially recouped.</p> <p><b>In response to a question from a trustee regarding how much responsibility was devolved to HTs when preparing and managing the budget</b> PW explained that the trust used the ICFP (Integrated Curriculum Financial Planning) tool which was a resource plan that, once all the information had been inputted, would work out the optimum staffing number for each school. This process involved HTs from the beginning, as they would understand the curriculum and time tabling of their schools. Once the final figure had been agreed that would become their zero-based budget.</p> <p><b>In response to a question from a trustee regarding the COVID19 funding award and the consequences if the schools didn't use the funding</b> PW confirmed that the amount awarded by pupil was around £80 and there was a potential claw back from the government if the funding was not used correctly.</p> <p>SM explained that originally there were 3 main areas of COVID19 funding on a claim basis: Cleaning, Premises and Catering. The government then announced the £1Billion Catch-up funding which, although not ringfenced was strongly advised to use for interventions.</p> <p>PW confirmed that all the COVID19 claims submitted so far had been accepted.</p> <p>ii. PW presented the Annual Accounts to trustees.</p> <p>PW confirmed that the Annual Accounts had been through the Audit &amp; Risk committee earlier in the week and praised the work of his Finance team. Auditors had presented their reports and confirmed that the audits had been very smooth, and systems were robust and worked well in the trust.</p> <p>Trustees agreed with PW and stated that this was a significant step in the right direction. Trustees asked PW to pass their appreciation to the rest of the Finance team.</p> <p>There were no questions from trustees.</p>	

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	<p>iii. PW presented the Management Letter to trustees.</p> <p>There no questions from trustees.</p> <p>JC thanked trustees from their support and confirmed that as a recognition for the great work taking place in Finance, PW's JD had been revisited and his job title had been changed to Chief Operations Officer (COO).</p> <p>Trustees congratulated PW on his achievement.</p> <p><b>The FHRE committee unanimously agreed to accept all papers presented: Period Management Accounts, Annual Report, Management Letters.</b></p>	
8. Update on Procurement, IT & Estates	<p>PW gave a verbal update and answered questions from trustees.</p> <p><b>Estates:</b> EMAT Head Office would be moving from NIA to Pyramus House in January 2021. The lease was being prepared to be signed imminently and currently the space was being decorated and outfitted.</p> <p>PWS had had a significant amount of work done. The refurbishment of the science block had been completed, the mobile village had been craned away, the Math block was currently being refurbished and the works in the Astro turf had concluded.</p> <p><b>In response to a question from a trustee regarding the cost of replacing the Astro turf</b> PW explained that it had only been refurbished at a cost of £30K. The work done would extend the life of the pitch for another 6-7 years.</p> <p>A meeting had taken place with the LA to negotiate a funding agreement to support Phase 3 development at PWS, which would involve the demolition of the old sports hall and the construction of a replacement building with a theater facility included. If the agreement could be in place by the end of January 2021 the expectation was that works would commence in January 2022, lasting for 12 months.</p> <p>SAA roofing works had been completed alongside IT upgrades, investment on decoration and reconfiguration of the main reception area. These had brought a new lease of life to the 125 years old school.</p> <p>Shepherdswell decorating works and IT upgrades had also been completed. A draft development had been put in place for the SEND department to combine Orchard and Shepherdswell departments at Orchard. MK LA had agreed to invest £200K.</p>	

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	<p>Book vending machines had been deployed across all Primary schools to enhance reading as part of the trust reading improvement strategy.</p> <p><b>IT:</b> New infrastructure has been installed and moved to a single domain. PW confirmed that this would significantly improve the delivery of remote learning provision through Teams, better supporting students and staff across schools.</p> <p><b>Procurement:</b> Substantial amount of procurement was ongoing, refreshing furniture, fixtures and equipment and centralizing contracts across the sites.</p> <p><b>In response to a question from a trustee regarding the new management of IT</b> PW confirmed that Daryl Unitt appointment as Head of Shared services had had a very positive impact in the management of IT and GDPR. He was extremely customer focus and staff across the trust had been very appreciative of his support.</p> <p>JC added that conversations with the RSC around Harefield were ongoing. In the meantime, support was being deployed around the areas of Finance and HR.</p> <p>Trustees thanked PW for his report.</p>	
9. HR Update: Pay Recommendations	<p><i>The Pay Recommendation paper had been distributed with the agenda for the meeting.</i></p> <p>RM presented the highlights of the paper and answered questions from trustees.</p> <ul style="list-style-type: none"> <li>• The HR team had worked very closely with all HTs reviewing the appraisals.</li> <li>• Objectives samples had been moderated for first time across all schools to make sure Teachers Standards were correctly applied.</li> <li>• All staff had been appraised.</li> <li>• All UPS applications had been scrutinized to ensure they met criteria.</li> <li>• All information was presented to the CEO and COO to guarantee consistency across the trust.</li> </ul> <p>JC thanked RM for the way the appraisals had been conducted and the rigorous process taken to complete them. JC was happy to endorse these as robust discussions and benchmarking across the sector had taken place and pay recommendations had been budgeted for.</p>	

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	<p><b>In response to a question from a trustee regarding the saving against the budget for the Executive Leadership Team and HTs</b> JC explained that HTs pay recommendations would have been budgeted within the schools and would have been broadly in line.</p> <p><b>In response to a question from a trustee regarding where TAs would be placed on the spreadsheet presented</b> RM confirmed that TAs were considered support staff.</p> <p><b>In response to a question from a trustee regarding whether the ratio of central team costs versus the overall staff was in line with national benchmarking</b> JC felt that HTs should be put in the same column as the Executive Leadership as they were very much part of the executive. However, JC clarified that HTs (including Exec HT) made the majority of the salary increase. All roles had been benchmarked across the sector and the locality within East Midlands.</p> <p><b>The FHRE committee unanimously accepted the pay recommendation.</b></p>	
10. Policies for Ratification	<p><i>The following policies were presented for ratification.</i></p> <ul style="list-style-type: none"> <li>• <i>Dealing with allegations of abuse against staff (FIPO)</i></li> <li>• <i>Capability Policy</i></li> </ul> <p><b>The FHRE committee unanimously agreed to ratify all policies.</b></p>	<b>MJ to upload policies to website</b>
11. AOB	<p>AM requested for future meetings to have a schedule of financial risks and opportunities presented to the FHRE committee.</p> <p>The Chair encouraged committee members to suggest items they wished to discuss for future agendas.</p>	<p><b>PW to produce FRO schedule</b></p> <p><b>MJ to send draft agenda to everybody</b></p>
12. DONM	<p><b>Dates for the academic year 2020/2021 have been set.</b></p> <ul style="list-style-type: none"> <li>• <b>Tuesday 2<sup>nd</sup> February 2021 at 10am (changed to 15<sup>th</sup> February)</b></li> <li>• Thursday 4<sup>th</sup> March 2021 at 10am</li> <li>• Friday 16<sup>th</sup> April 2021 at 10am</li> <li>• Tuesday 8<sup>th</sup> June 2021 at 10am</li> <li>• Thursday 8<sup>th</sup> July 2021 at 10am</li> </ul>	Calendar appointments had been sent

**The meeting closed at 11.47am**

**Actions from the FHR & Estates committee meeting 05/10/2020**

Item	Action	Owner
1.	Upload policies to website	MJ
2.	Produce schedule of financial risks and opportunities	PW
3.	Send draft agenda to all committee members	MJ