

## East Midlands Academy Trust

Minutes of the Finance, HR and Estates Committee meeting held on the 6<sup>th</sup> of December 2019, 10:00 at Stimpson Avenue Academy, Stimpson Avenue, Northampton, NN1 4LR

These minutes reflect the order of the agenda and not necessarily the order in which items were discussed.

Agenda Item	Discussion	Action
1. Present	<p><b>Present:</b>  <b>Ayo Salam</b> (Chair: Co-opted Trustee)  <b>Andy Davis</b> (Member appointed Trustee)  <b>Matt Johanson</b> (Member appointed Trustee)  <b>Stephen Morales</b> (Co-opted Trustee) arrived 10:10 (item 6)</p> <p><b>Joshua Coleman</b> (EMAT: CEO)  <b>Paul Wheeler</b> (EMAT: Finance &amp; Operations Director)  <b>Carole Kirby</b> (Clerk) Minutes</p> <p>AS 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 and consent for absence	Apologies had been received, and were accepted, from Kevin Crompton.	
3. Quoracy	The meeting was determined quorate with at least three Trustees present.	
4. Declarations of Interest	There were no declarations of interest pertaining to this agenda in addition to those already recorded on the annual Register of Interests.	
5. Minutes of the meeting held 22/10/19 and matters arising not on the Action Log	The minutes of the meeting held on the 22 <sup>nd</sup> of October 2019 were reviewed and agreed to be an accurate representation of the meeting. AS signed the minutes and these were passed to JC for return to the office.	
6. Action Log from the meeting held 22/10/19	<p>Actions from the meeting held on the 22<sup>nd</sup> of October 2019 were reviewed:</p> <p style="padding-left: 20px;">A. <b>Prepare paper on self-generated funding opportunities for discussion within this committee – JC.</b> JC reported that this is in progress and should be ready by Easter for presentation in September 2020. The committee agreed this was a matter of some importance.</p>	

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	<p>B. Meet with new IT &amp; Estates Manager to look at email migration – AS. The new Manager has not yet been appointed. AS had met with NS. PW gave an overview of current vacancies and how the gaps are currently being covered. This committee mooted the idea of retention payments and this was discussed. SM offered to help with recruitment. A Trustee also suggested making strong links with local universities to see if there is a possibility of providing work placements for students on a ‘sandwich’ course. PW noted that the permanent team needed to be solid in order to do this.</p> <p><b>A Trustee asked if the Trust is confident that such a person exists to fulfil the role of Trust ICT and Head up Estates.</b> PW and JC replied that there is sufficient capacity across the Trust to allow an appointment of someone who is particularly strong in one of these areas as the other part of the role can be absorbed by others whilst the new person gains the necessary skills.</p> <p>C. Review pensions as part of the review of pay &amp; conditions – JC/PW. This is ongoing. PW advised that he had spoken with Mazars who had advised that a move away from the pension providers would mean that the Trust would need to crystallise the debt so this looks unfeasible. The committee agreed to close this action.</p> <p>D. Arrange presentation on pensions from Mazars to TB – JC/PW. This action closed – see action above.</p> <p>E. Update TB w/r to work at PWS at next TB meeting – PW. This is on the agenda for next week’s Trust Board meeting.</p> <p>F. Investigate H&amp;S training required within Estates team – PW. A paper reviewing this was sent out with the agenda for this meeting.</p> <p>G. Organise distribution of staff sickness and absence policy to Trustees for approval – JC. This is ongoing. LJ has been working with the Trust but the policy is not yet complete. It should be ready after Christmas for approval by the Board in March.</p> <p>H. Organise working party to look at succession planning for board – Trustees. MJ agreed to work on this from January 2020.</p> <p>I. Access the PP training materials on GovernorHub and Learning Link – All. CK reminded all where to find the materials. This action was closed.</p> <p>J. Request reports from HR and Estates/IT for future meetings – JC/PW. Reports for today’s meeting and for next week’s TB meeting had been sent with the respective agendas.</p>	<p><b>SM and PW to meet to look at recruitment</b></p>

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7. Period 2 Management Accounts (October)	<p>PW had issued a short form report which meets the reporting requirements; there had been some difficulty in presenting the accounts in the usual format due to staffing issues, bringing payroll in-house and the audit. PW added that the team is currently developing a new suite of reports and all of the required information will be found online. Changes in reporting will see a move away from the income- based model to a resource- based model; some income will be ring fenced and this will provide a net cost. The school grant will zero this.</p> <p>For each school unit, if they perform as planned, they should break even at the end of the year. The figures can be adjusted for items such as lag funding where there is a pupil increase.</p> <p><b>A Trustee asked what drives the decision about what the school needs; is it ICFP?</b> Yes. The Trust, in collaboration with the school leaders, make this decision.</p> <p><b>A Trustee asked if a common understanding exists among school leaders about how this model works.</b> PW thought that some schools are still not yet clear.</p> <p>PW made the following points about the accounts:</p> <p>All teacher payrises went through in November.</p> <p>Shepherdswell have been in deficit for two months due to the inadequate funding levels received for the pupils within the unit as the funding does not cover the school's costs. The Trust has met with the LA to discuss this as the Trust cannot carry the deficit as it will impact the rest of the school.</p> <p>Hardingstone and SAA are now operating with an Executive Head Teacher which means that Hardingstone is currently showing a deficit and SAA is currently showing a surplus; these should cancel each other out as there will be a budget virement. Costs are currently well controlled.</p> <p>The change to ICFP has been more difficult to manage at NIA due to its rapid growth; the school currently has a deficit of approximately £96K. The NIA budget variance report outlines the position and shows the actions taken to address this. JC outlined how this has been approached.</p> <p><b>A Trustee asked if there is clear ownership and allocation of the accounts in each school.</b> PW responded that, in the main, yes, but there is still some work to do in some schools as the process is not fully understood; this has revealed a gap in process. The Trust has</p>	

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	<p>therefore set up meetings to ensure all school leaders have a full understanding and in addition, it has been made clear that JC has authority to sign off budgets, although the school leader retains liability. Monthly meetings are taking place to ensure everything is on track and to clarify expectations.</p> <p><b>A Trustee asked whether it might be possible to include Trustees, even if remotely, to provide assurance that this is being managed.</b> JC reiterated that the meetings are happening on a regular monthly basis. Trustees are welcome to monitor or attend remotely if they have time.</p> <p><b>A Trustee asked if any further financial training is required for school leaders.</b> There are varying levels of awareness but it is improving with support from finance team staff and very regular monitoring. Trustees agreed that monthly meetings were the right way to manage this. JC added that the Trust is also having a Trust-wide meeting to promote ownership of the model and to make the expectations very clear.</p> <p>PW went on to explain how the deficit at NIA is being managed. Of the total amount approximately £23K is due to non-pay items and front-loaded resource purchases. The remainder is explained in the paper provided for this meeting. The Trust will help the school to get back to target through additional income (lag funding and PP funding). A discussion followed about the use of PP funding and Trustees were reassured that PP funding can be used for staff costs where part of the PP Strategy is to provide additional staff support. PW added that the reduction in SEND funding must also be recognised and addressed. Although there was an overspend on payroll last year, the Trust is monitoring this closely and will ensure that the deficit at NIA does not impact other schools. PW will examine all budget areas to address the deficit. Trustees were reassured that the matter is in hand and will be addressed appropriately so that pupils are not adversely affected.</p> <p>A Trustee commented that the HT at PWS had mentioned that staff costs were underspent and this appears so on the accounts – is this still the case? The November accounts will show an equalisation. The October accounts do not include the teacher increase in pay and PWS now has three new Cover Supervisors and has a secondment from NIA. <b>A Trustee asked if it is possible to see the data on attrition levels.</b> This is included in the CEO Report for the TB meeting next week and will also include live vacancies.</p>	

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	<p><b>A Trustee asked how supply teachers are sourced.</b> Through agencies. Trustees suggested the Trust looks at building a bank of supply staff. JC confirmed that the new Workforce Planning and Talent Development Manager will be looking at this.</p> <p>There were no other comments or questions about the accounts.</p> <p>PW reported that the new payroll system went live in October and out of approximately 500 staff there had only been three errors and these were due to staff mixing up their bank account numbers when they provided the details to the Trust. There had been no errors in November. The pay date for all staff has been consolidated so that everyone is paid on the 26<sup>th</sup>. PW has received very good feedback about the work of the Payroll and Pensions Officer.</p> <p><b>A Trustee asked how the payroll function is quality assured.</b> PW checks and authorises the payroll every month; the HTs also check and validate and it has now been added to the Internal Audit.</p> <p><b>A Trustee asked if the Trust can provide metrics for all schools as a comparison.</b> Yes.</p>	
8. Finance Director's report to include: Annual Report and Management Letters	<p>The Annual Report and Management Letters had been distributed with the agenda for this meeting. PW explained that the report had been presented to the Audit and Risk committee by the Auditors earlier this week. The Auditors had been very complimentary and the process had passed very smoothly. A Trustee added that the auditors had expressed the view that, when benchmarked against other MATs, the Trust is doing very well in terms of meeting the statutory requirements, managing the finances and governance. The Annual Accounts Return is due late January.</p> <p><b>A Trustee asked if the Trust will adopt all recommendations.</b> Yes; these are almost complete already.</p> <p>A Trustee asked if the Trust is reporting on the gender pay gap. Yes, this is on the website. The gap has reduced but, historically, the sector is high. The trust has 86% of staff female represented at all levels within the organisation. With such a concentration of one gender, the pay gap becomes distorted. The Trust has processes in place to ensure there is a lower pay gap where possible through recruitment priorities.</p>	
9. Estates and IT Update	There is a confidential minute at this point (CM01)	

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10. HR Update and Report	There is a confidential minute at this point (CM 02)	
11. Any other business	There was no other business.	
12. Dates of future meetings	25/02/20 at 10:00 at Shepherdswell 12/05/20 at 09:30 at NIA 10/07/20 at 09:30 at Castle	Calendar appointments have been sent

Meeting ended at 12:00

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Actions from the FHR & Estates committee meeting 06/12/19

Action	Owner
Meet to look at recruitment	<b>SM and PW</b>

FINAL

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