

East Midlands Academy Trust – Finance, HR and Estates committee

25th February 2020

Orchard Academy, Springfield Boulevard, Springfield, Milton Keynes, MK6 3HW

Third meeting of academic year 2019/2020

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>Present: Ayo Salam (Chair: Co-opted Trustee) Kevin Crompton (Member appointed Trustee) (by phone) Stephen Morales (Co-opted Trustee)</p> <p>Joshua Coleman (EMAT: CEO) Paul Wheeler (EMAT: Finance & Operations Director) Nattia Dhana (EMAT: Business partner) Monica Juan (EMAT: Head of Governance & Safeguarding) – 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	<p>Apologies had been received, and were accepted, from Andrew Davis. Matt Johanson was absent</p>	<p>MJ to confirm attendance before meeting.</p>
3. Quoracy	<p>The meeting was determined quorate with at least three Trustees present.</p>	
4. Declarations of Interest	<p>There were no declarations of interest pertaining to this agenda in addition to those already recorded on the annual Register of Interests.</p>	
5. Minutes of the FHRE meeting 06/12/2019 (including confidential minutes) & matters arising not appearing on the Action Log	<p>The minutes of the meeting (including confidential minutes) held on 06/12/2019 were reviewed and agreed to be an accurate representation of the meeting.</p> <p>AS signed the minutes and these were passed to MJ for return to the office.</p>	
6. Action Log from the meeting held on 06/12/2019	<p>Actions from the meeting held on the 06/12/2019 were reviewed:</p> <ol style="list-style-type: none"> Meet to look at recruitment – JC/PW. PW informed that the recruitment process was progressing and it was expected to be finalised by Easter. Conversations 	

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	around bringing contracts in house were currently taking place. ONGOING	
7. School budget mastery: Integrated curriculum financial planning	<p><i>SM delivered a presentation for the members of the committee. The slides had been distributed with the agenda for this meeting.</i></p> <p>After discussing the slides in detail, in particular the question of ICPF metrics, trustees asked whether more comprehensive reports in future could use the metrics proposed during the presentation (slides 29/30). JC and PW agreed to look into this.</p> <p>Trustees thanked SM for delivering the presentation to the committee and agreed to make the slides accessible in GovernorHub to all layers of governance across the trust.</p>	<p>MJ to upload presentation in GovernorHub.</p>
8. Finance Report: Management Accounts and forecast including budget virements	<p><i>The EMAT Academy Management Report and EMAT Forecast 2019/2020 paper had been distributed with the agenda for this meeting.</i></p> <p>PW presented the highlights of the document and explained that over the last 12 months the trust had make significant changes, introducing GAG pooling, centralising functions and incorporating the use of ICPF planning tool.</p> <p>The most challenging thing had been adapting the accounting systems to implement these changes and a considerable amount of work had been done to have all the underline data correctly inputted.</p> <p>PW clarified that the systems are still recording cost centre by individual school to be able to clearly understand where the funding is coming from and going to and to offer transparency with GAG pooling. There is also a notional management chart that shows the proportion of income being used for central office, currently around 7%.</p> <p>ND reported that most of academies were managing finances well.</p> <ul style="list-style-type: none"> • NIA had some overstaffing staffing issues but were working on a repayment plan to reduce the deficit and generate additional income • Shepherdswell has suffered due to a reduction on their SEN provision, number of students has gone down but staffing has remained the same. • PWS has gone through some redundancies and cover issues due to high level of sickness. Currently looking on how to claw this back as insurance only activates after 10 	

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	<p>days. For the forecast HT has agreed to look at utilising internal cover for the qualifying period of staff absence.</p> <p>A new forecast document had been distributed as minor changes in formatting had occurred. PW agreed to upload the new version in GovernorHub.</p> <p>PW explained that with GAG pooling schools were not expecting to create any surplus as it was already driven out into Head Office. Budgets were effectively zero costed with all contingencies also being pooled together. Although there had been some variances with some of the academies (Shepherdswell, Hardingstone, NIA and PWS) PW was confident the trust would reach £275.000 surplus by the end of the year. Some spikes had occurred (Shepherdswell HT paying notice) but no additional expenses incurred as staff had been moved from another school to cover the post.</p> <p>PW reported that there had been some budget virements from the original budget approved by the Board and requested approval from the committee.</p> <p>In response to a question regarding any additional costs with the current operational situation at NIA PW clarified that there would not be any for the current year.</p> <p>PW clarified that although currently most of the schools were carrying a deficit there was a year surplus aggregate that would balance this out. PW remained trustees that this needs to be looked as a Trust unit and not individual schools.</p> <p>Following a discussion, trustees agreed to approve the presented reforecast.</p>	<p>MJ to update Forecast paper in GovernorHub.</p>
<p>9. Budget assumptions for 2020-21</p>	<p><i>The Budget Assumptions 2020-21 paper had been distributed with the agenda for this meeting.</i></p> <p>PW clarified that by next FHRE meeting the finance team will be able to present a more accurate picture about the final amount of funding.</p> <p>PW explained that the system utilised was still being embedded however there had been good engagement from HTs who were actively involved in developing ICPF. The papers presented the benchmark that the Trust was currently working towards.</p>	

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	<p>Responding to a question from a trustee, PW explained that the current assumptions were based on discussions with colleagues and comparing several reports, and the general consensus pointed towards these being sensible levels across nationally.</p> <p>Following an evaluation of the information presented, trustees agreed that looking at the current metrics, if the board had a dashboard to see what the benchmark was and were the risks were, that would provide enough information with any other detail to sit behind.</p> <p>In response to a question from a trustee, ND explained that HTs understood the model and had been fully engaged with the process, querying about the key metrics used and how to improve their structure and ratios. LABs were no longer involved with finance.</p> <p>JC explained that, subject to approval, these assumptions would be shared with HTs so they can work together with finance in the coming months to prepare the budget for next year.</p> <p>Trustees welcomed the physical signing of the budget and asked what procedure was in place if HTs decided not to sign their budget off. JC explained that HTs were on board with the system and was confident that as long as information was shared and there was a consultation process there would not be any problems. JC suggested to invite HTs to the next committee meeting to offer transparency and offer the HTs the opportunity to discuss any concerns. Trustees agreed to action this.</p> <p>School Improvement: PW suggested to allocate a package for each school to use on school improvement, around £15,000 for primary and £30, 000 for secondary. LABs should be able to monitor expenditure and impact and report back. This would take individual needs of schools into account.</p> <p>Reserves policy: PW recommended to stay with the same policy, one month cash reserve and one month pay. The cumulative reserve position brought forward was currently £946.000</p> <p>Trustees unanimously agreed the Budget assumptions for 2020-2021</p> <p><i>Nattria Dhana left the meeting at 12.17pm.</i></p>	<p>MJ to invite HTs to FHRE meeting on 12th May.</p>

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10. Update on Estates	<p><i>The EMAT FHR IT and Estates Report had been distributed with the agenda for this meeting.</i></p> <p>PW ran through the paper highlights and confirmed that all current matters were running smoothly. PW informed trustees of the following:</p> <ul style="list-style-type: none"> • PWS was due to start the process of joining a new IT system. • Auditing H&S was an ongoing process across all schools. • NIA terrace was due to be replaced. The possibility of including an extra circulation staircase was being considered but might not be possible. • Roofing at SAA ongoing, due to be completed before Easter. Staff room to be refurbished and new interactive boards have been installed. • PWS Science block due to start shortly. PW confirmed that the Trust is still holding talks with the LA about funding. <p>There were no questions from Trustees.</p>	
11. NIA financial recovery update	<p><i>The NIA Budget Variance Report had been distributed with the agenda for this meeting.</i></p> <p>JC informed the committee that the NIA HT has been released from his notice period.</p> <p>After serious allegations had been put forward to the Trust auditors have been appointed to conduct an independent review to investigate the financial situation at NIA and will report directly to the Trust A&R committee. The auditors would assess whether all at processes had been followed correctly and will report back.</p> <p>Trustees discussed at length the need to involve the exiting HT in the interviews conducted by the auditors. It was agreed that auditors would conduct a desktop review and would have the opportunity to contact the HT if necessary. It was agreed that the report would be for Trustees eyes only</p>	

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	<p>In response to a questions from a Trustee JC confirmed that the Trust had been following legal advice throughout the whole process.</p> <p>In response to a question from a Trustee JC informed that social media interaction from the exiting members of staff could not be stopped unless it was defamatory.</p>	
12. HR Update and Report	<p><i>The HR Update Feb 2020 paper had been distributed with the agenda for this meeting.</i></p> <p>JC clarified that regarding Coronavirus-19, a group of children from one of the MAT schools had comeback from a trip in Italy. HT was monitoring the children closely and following DfE advice.</p> <p>JC informed trustees that the current RSE policy had been removed from the website as it contained some controversial wording. Central team was currently working on updating this document to present to the trustees for approval before opening it to stakeholder consultation ready for September 2020.</p> <p>Shepherdswell Academy was due to have an Ofsted Deep Dive inspection on Geography on 26th February 2020.</p> <p>There no questions from Trustees.</p>	
13. Any other business	<p>There were no other business.</p> <p>The Chair requested for the School budget mastery presentation to be circulated to rest of board and LAB governors.</p>	MJ to upload presentation in GovernorHub.
14. Dates of future meetings	<ul style="list-style-type: none"> • Tuesday 12/05/20 at 09:30 at NIA • Friday 10/07/20 at 09:30 at Castle Academy 	Calendar appointments have been sent

Meeting ended at 12:00

Actions from the FHR & Estates committee meeting 25/02/2020

Item	Action	Owner
2.	Attendance to be confirmed prior meeting.	MJ
8.	Update Forecast paper in GovernorHub	MJ
9.	Invite HTs to FHRE meeting on 12th May.	MJ
13.	School budget mastery presentation to be circulated to rest of board and LAB governors and uploaded in GovernorHub.	MJ