

East Midlands Academy Trust – Finance, HR and Estates committee

12th May 2020, meeting conducted virtually via Microsoft Teams

Fourth meeting of academic year 2019/2020

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

Agenda item	Discussion	Action
1. Welcome	<p>Present:</p> <p>Ayo Salam (Chair: Co-opted Trustee) Stephen Morales (Co-opted Trustee) Andrew Davis (Trustee) Fiona Wheeler (Trustee) – <i>Attending to ensure quorate</i></p> <p>Joshua Coleman (EMAT: CEO) Paul Wheeler (EMAT: Finance & Operations Director) Nattria Dhana (EMAT: Business partner) Munya Mufukare (EMAT: Management Accountant) Monica Juan (EMAT: Head of Governance & Safeguarding) Minutes Alyson Howard – Internal Audit Director: Macintyre Hudson</p> <p>In attendance for item 8: Callum Brown (Orchard HT) Elizabeth Dormor (PWS HT) Jo Daniels (NIA Deputy HT) Lorna Beard (Castle HT) Ruth Ryan (Shepherdswell HT) Giles Osborne (NIA SIP)</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	Apologies had been received, and were accepted, from: Matt Johanson, Kevin Crompton and Zoe McIntyre	
3. Quoracy	The meeting was confirmed as quorate.	
4. Declarations of interest	AS 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. Coronavirus update <ul style="list-style-type: none"> Staff COVID19 proposal 	JC gave a verbal update to trustees about COVID19. JC explained that the Return To Normal (RTN) group had been created to plan for future strategy to be ready for reopening to more pupils on 1 st June.	

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	<p>The group was carefully following published guidance and will provide regular updates to the rest of the team and stakeholders.</p> <p>PW clarified to trustees that the MAT had acquired enough PPE stock in preparation for the opening on 1st June offering reassurance to all staff that measures were being put in place to ensure their safety. This had been a difficult process, as resources were challenging to obtain and get delivered but PW was confident that the trust had enough supply in house until at least August. The emphasis now was being put in organising life in schools, organising rotas for staff and ensuring social distancing measures. A questionnaire had been distributed amongst staff collecting information about availability to work.</p> <p>JC proposed that the trust should acknowledge and thank all staff for their continuous effort and resilience displayed during the pandemic by offering them some monetary contribution to be paid alongside their salary in July. PW had calculated that, at as this was public money and it would have to offer value for money, £150 per person would be a reasonable amount. In total it would around £60.000 plus on costs.</p> <p>In response to a question from trustees regarding whether the payment might contravene regulations in the Charity Commission Guidance or the Academies Financial Handbook AH confirmed that the amount proposed was small enough to not contravene any regulations. She explained that there were several types of extra payments (tax free) that could be offered to employees working from home, so if the trust was able to structure the proposed amount around those allowances it would be tax free in the hands of the employees and justified that it was to cover additional costs.</p> <p>In response to a question from a trustee regarding the percentage of staff that had willingly engaged during the pandemic PW explained that the team had given a lot of thought to the proposal and had reached the conclusion that everybody, regardless whether it was physically in school or virtually from home had been positively contributing and supporting the MAT in any way they had been able to. Therefore, the team felt very strongly that if the proposal was accepted it had to be implemented across the board.</p> <p>After a robust debate took place the COVID19 honorarium proposal was approved by the trustees through majority vote, subject to the CFO exploring the options previously mentioned by AH. JC/PW to update at the next FHRE meeting.</p>	<p>JC/PW to update at the next FHRE meeting.</p>
6. Minutes of FHRE meeting 25/02/2020 & matters arising not	The minutes of the meeting held on the 25/02/2020 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting.	

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appearing on the Action Log	<p>AS 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>	
7. Actions Log from the meeting held on 25/02/2020	<p>Actions from the meeting held on the 25/02/2020 were reviewed:</p> <ol style="list-style-type: none"> 1) Attendance to be confirmed prior meeting - DONE 2) Update Forecast paper in GovernorHub - DONE 3) Invite HTs to FHRE meeting on 12th May. - DONE 4) School budget mastery presentation to be circulated to rest of board and LAB governors and uploaded in GovernorHub.-DONE 	
<p>8. Finance Update:</p> <ol style="list-style-type: none"> i. EMAT Academy Management Report-March 2020 ii. Reforecast iii. Report - Budget setting process review iv. ICFP - Ratification 	<p><i>Finance papers had been distributed with the agenda for the meeting.</i></p> <p>HTs had been invited to attend this item, AS welcomed them to the meeting.</p> <p>i/ii. PW ran through schools surplus and deficit, including Head Office and pointed out the changes since last month. HTs had been very involved and have asked lots of questions throughout the process.</p> <p>In response to a question regarding whether the trust would be able to recoup any of the expenditure incurred due to the COVID19 crises PW explained that the finance team were collating all expenses and were confident that the trust would be able to recoup some of it.</p> <p>The FHRE committee agreed to approve the Academy Management Report - March 2020</p> <p>iii. AH presented the Budget setting process review report. The report had been commissioned by the trustees to consider how the budget process had taken place the previous year as it had been the first time that the ICFP model that had been used. Trustees were aware that there had been some issues with the implementation of the tool and communication between all parties involved.</p> <p>AH underlined the findings and recommendations in the report and pointed out that most of them had been already addressed by the Finance team and had been implemented in the process for the new 2020/21 budget.</p> <p>There had been questions about the way that the percentage allocated for Head Office was shown in the summary pack and how there seemed to be a lack of transparency around the process setting the GAG service charge.</p> <p>AH clarified that GAG pooling was there to provide trustees with the contingency and the enhancement on reserves, necessary to provide a sensible <i>de minimis</i> which was one month operating across the whole trust.</p>	

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	<p>To avoid future confusion AH had had suggested to separate the GAG service charge for Head Office so it could be clearly identified from any other GAG pool. Finance had already made provision for this.</p> <p>AH explained that she was satisfied that the points raised in her review had been acted upon and she had been asked by the Trust and CEO to continue to be involved in the setting of the budget for 2020/21 to make sure, amongst other points, that communication had been improved and everybody understood the process.</p> <p>iv. ND ran through the primary schools ICFP proposed staffing budget and trustees asked HTs to confirm whether they were happy with the model proposed.</p> <p>HTs felt it was important to explain that with the new model there had been a fundamental change in the management process, from setting their own KPIs and controlling their own budgets HTs had had to relinquish control to a trust led programme. Communication during the process had not articulated the aims behind this rationale very clearly thus generating some misconceptions.</p> <p>Trustees acknowledged this sentiment but were positive that, once the principles of the new model were understood and shared by all stakeholders the system could work very effectively, with the final result of more resources being made available to the front line and the optimisation of learning outcomes for all students in the trust. Trustees were confident that the new tools and approach would deliver those aims and would provide more opportunities to all children in EMAT.</p> <p>In response to a question regarding the need of more training for pedagogical leaders to understand the financial processes in the trust HTs asked for more induction training to fully understand the new financial model but acknowledged that the support provided by the finance team was very comprehensive.</p> <p>PW ran through the secondary schools proposed ICFP staffing budget.</p> <p>PW explained that although the papers for PWS were showing some incorrect KPIs calculations the final bottom figures were accurate. New papers would be reissued after the meeting.</p> <p>Regarding PWS, PW felt that he could not support the plan in its current stage because, even with the revised figures, the costs were out of line with what it was expected. AH recognised that average teaching costs at PWS were very high compared with NIA.</p> <p>LD explained that contact ratio was spot on and with class sizes being realistic it would be very difficult to reduce the number of teachers under the current circumstances, as the staff was very established with high</p>	

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	<p>percentage of UPS3 teachers. However, she felt that the current budget in this form was not the final one as recruitment was still ongoing and was hopeful that the numbers could come down. Also, the budget this year had included certain costs that were not included last year, like maternity leave and projected pay progression.</p> <p>In response to a question from a trustee regarding the strategic long term plan of the school LD responded that they needed to look at the budget as a whole, some of the costs were administrative rather than teaching costs and that was something that might change in the future if the organisation becomes more agile. The idea was to eventually bring the costs down and secure the admissions number in the school which would bring stability.</p> <p>JC reminded everybody that the premise of the ICFP was to have benchmarks across the trust, which have been discussed extensively with the executive team, in order to set up an affordable curriculum within a financial sustainable environment. Trustees needed to agree whether to support or not the proposal in its current form with the understanding that the team would continue to reforecast as they got through the year to get the actuals.</p> <p>AH reiterated that this was about managing the process to ensure that the organisation stays within the limits that had been set, and it wasn't unreasonable to expect that the PWS budget could be slightly tweaked in order to meet the £60,000 savings highlighted in the current proposal.</p> <p>After a robust discussion trustees agreed that as an organisation they had to have ambitious targets and were happy with these being stretched as long as they didn't compromise quality. One of the targets was to bring teaching costs below the £4.5 million figure. There was an expectation that HTs would own their own budget setting process so they could fully contribute to the development of any targets.</p> <p>Regarding NIA PW explained that the contact ratio figure was lower than the benchmark because they wanted a bit of flexibility for the new HT to be able to restructure should she wish to.</p> <p>AH reported that she was very pleased with the result, the surplus would become fully utilised giving capacity for some school improvement and interventions for the new HT to pick up. GO concurred that the process had been very positive, ethos had been maintained throughout and they had been allowed to have some flexibility from the trust which had been very welcomed.</p> <p>Concerning Head Office costs PW explained that for the last three years the budget had remained flat and working within the parameters. There were no immediate plans to increase this. There were also some shared services which had also been utilised. Trustees will be able to scrutinise this again during the July meeting where the budget will be approved in its entirety.</p>	

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	<p>The FHRE committee agreed to approve all ICFP budgets for 2020/21 including the PWS under the provision that the final budget would be under the £4.5 million staff costs.</p> <p>AS thanked all HTs for attending the meeting and reminded everybody that they were part of the same team, pointing in the same direction.</p> <p><i>HTs left the meeting at 11.44pm</i></p>	
9. Update on IT & Estates	PW informed that a new Head of Shared Services had started to work for the trust bringing a lot of experience around IT.	
10. HR Update	<p><i>The Recruitment Report paper had been distributed with the agenda for this meeting.</i></p> <p>JC presented the highlights of the paper and reported that although some posts were still outstanding the new Workforce Planning and Talent Management Officer had been instrumental in delivering excellent results in a very short time. She would also be responsible for developing the EMAT supply staff bank from September onwards which would reduce considerably the current costs associated with supply provide by outside agencies.</p> <p>A new Head had been appointed at NIA, Dr Jo Trevenna and an advert had gone out to replace the DHT at NIA, currently serving a secondment as HT at Shepherdswell Academy.</p> <p>SAA/HAR had appointed two new HoS reporting to the Exec. HT. Zoe McIntyre who had now been appointed permanently to the role.</p> <p>Castle Academy was also exploring a change of structure by appointing a new HoS. This was part of the long term plan developing growth and leadership across middle, senior and executive leaders within the Trust.</p> <p>In response to a question from a trustee regarding the virtual recruitment of teachers and the inability for the panel to assess the potential candidate in their teaching capacity JC explained that all offer letters had had a clause incorporated outlining that any appointment was subject to a probationary period where the candidate will have to successfully undertake a teacher observation once schools return to normal or classrooms have enough pupils to deliver a lesson.</p> <p>In response to a question from a trustee regarding student involvement during the virtual recruitment of new members of staff GO explained that student panels had taken place virtually and this had proven very</p>	

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	beneficial for the personal development of the students as they felt their input had been taken into consideration. Potential candidates had also commented how helpful had been for them to be able to interact with students during the interview process.	
11. FHRE ToR - Approval	<p><i>The FHRE ToR document had been distributed with the agenda for the meeting.</i></p> <p>AS reminded the committee that an effectiveness self-assessment should be undertaken by the board. MJ to prepare one to be taken at the last meeting,</p> <p>It was agreed that the FHRE ToR document should be deferred for discussion to the next meeting.</p>	<p>MJ to prepare effectiveness self-assessment exercise</p> <p>MJ to present FHRE ToR at next meeting alongside committee year schedule.</p>
12. AOB	There were not AOB	
13. DONM	<p>Dates for the academic year 2019-20 have been set.</p> <ul style="list-style-type: none"> Friday 10th July 2020, 9:30am 	Calendar appointments have been sent

The meeting closed at 12.02pm

Actions from the FHR & Estates committee meeting 12/05/2020

Item	Action	Owner
5.	COVID19 honorarium update at the next FHRE meeting.	JC/PW
11.	Prepare effectiveness self-assessment exercise Present FHRE ToR at next meeting alongside committee year schedule	MJ