

Meeting	Finance Committee	Date	Wednesday, 30 <sup>th</sup> March 2022
Location	Virtual meeting Via MS Teams	Time	2 pm
Membership	Chris Argent (CA) - Chair, <i>Jonathan Clarke (JC)</i> , <i>Paul Wilson (PW)</i> , Michael Ashley (MA)		
In Attendance	Tammy Mitchell (CEO), Chris Legg (CFO), Sharon Hollingsworth – Director of Governance (DG) Claire Edgeworth – Note Taker		

*\*Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	Apologies – Jonathan Clarke & Paul Wilson	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 26 January 2022	The minutes of the Finance Committee held on 26 January 2022 were reviewed and considered accurate. Proposed by CA and seconded by MA.  The signing of the approved minutes will be undertaken by the Chair following the meeting.	
4	Matters Arising not covered by this agenda	There were no matters arising.	
5	Management Accounts (February 2022)	The Management Accounts were circulated prior to the meeting. The CFO advised that the 2 <sup>nd</sup> quarterly forecast has taken place, and this shows a £120,000+ income improvement. This is due to high needs funding, nurseries income is improving, plus one-off grants, the biggest being the term time only reimbursement, which comes in as income and goes out as pay expenditure. The pay expenditure has increased but the vast majority is due to the back pay for correction of the term time only payment. There are some minor inflation costs around non pay and some planned revenue investments. Queenborough have some excessive reserves and have spending	

		<p>plans in place to develop the site using the reserves. The EBITDA is in the green at £54,000 up as opposed to £100,000 as at Q1 and this is mostly due to planned additional revenue reserve expenditure.</p> <p>The CFO advised that performance to date would suggest it is close to the forecast and there are no spikes or dips and we should be able to put money into the reserves as planned. The CFO advised there is a breakdown by schools, and it shows that we are ahead except for Bysing Wood.</p> <p>The CFO advised that our cash position is strong at £1.1m, which is due to the strong level of reserves. The cashflow is a £34,000 inflow and EBITDA is delivering to budget.</p> <p>Queenborough wish to develop their site and the CEO advised there are two projects on the go. The first is the Nursery Project. Queenborough have decided to open a baby and toddler provision which will be Committee run and overseen by the Governing Board. The meeting discussed the difficulties in recruiting staff at the school due to travelling to Sheppey and it is hoped this provision will help to retain staff. There will be a discussion around flexible working arrangements and there could be a further discussion with Sheppey College, to support their staff. The meeting agreed if this is successful that we may wish to look at this in other parts of the Trust. The projection for the Trust capital project is £193,000 which will take reserves to just below £1m. This also includes an overhaul of the existing nursery outdoor area. The Chair noted that this is a repeatable business model. MA felt this is a good news story for the community and the Chair agreed that it has non-monetary added value. The CFO advised other Mother and Baby Units do not make a profit initially but do add value to the local communities that the school serves and feed the older age groups which are more profitable.</p> <p>The CFO wished to highlight that our pay costs as percentage of income is 79.9%.</p>	
6	Any other business	<p><u>Term Time Only Payments</u></p> <p>The CEO advised that we have now finished this piece of work. It was an enormous undertaking and we have managed to get ourselves to a position where 97% staff have signed up and have been paid. We came in ahead of the March deadline and we have not been advised that any staff were unhappy. KCC initially offered us a payment below our cost base and our Director of</p>	

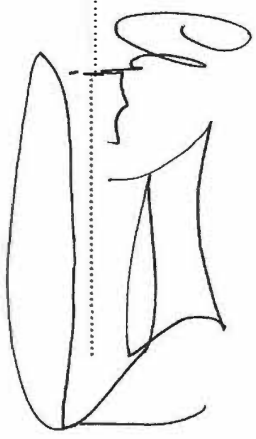
	<p>Operations, Summer Macer, went through the appeals process and we have now been paid 100%. The meeting agreed that DG should draft a thank you letter on behalf of the committee to SM.</p> <p style="text-align: center;"><b>ACTION – DG to draft a thank you letter to SM for the Chair to sign</b></p> <p><u>New Schools</u> The two new schools will have converted as at midnight tomorrow and we have already received the funding agreement. The sealed SFAs are completed. The Chair thanked the CEO and the team. The Trust now have 2,000 pupils and are 60% of the way to the initial target of 10 schools.</p> <p>MA asked how the accounts would be presented next time. The CFO advised that the Finance Team are putting together a 5-month budget for the new schools. Finance have undertaken due diligence and the two new schools are in good shape. The CEO advised that there are some issues around the Pay Policy, as we had started to make changes over the last 12 months and those schools have had to put in KCC increments which are not aligning and this is causing further work.</p> <p>MA queried whether there is any inflationary non salary expenditure that we should be looking at. The CFO advised that inflation rises are a concern, but the money spent on estates is quite low and once we know the increase this can be applied. The CEO advised that alongside constant pressures around recruiting strong staff and cost of living increases, we cannot compete with the flexible working that supermarkets can offer. The CEO is proposing that one of our Trust wide strategic priorities is to look at how we can do things differently with our support staff. The CEO would like to have fewer contracts but higher quality members of staff, more teaching, and less support staff over the longer term. The CFO advised that if we pay a % cost of living pay award this increases the gap but by paying a monetary pay award everyone moves up by the same amount. It was acknowledged that retail pay has gone up for unskilled labour and we are paying the same for skilled labour. MA advised this is evident in schools' recruitment. At another school they have had 56 applications for a teacher position and 2 for a TA position. The CEO feels that we might need to change the way we work, having a smaller workforce but a higher skilled one. We must consider the SEND Green paper and White paper that come out this week. We have an interesting year strategically to look at the way forward and how to balance competing agendas.</p>	<p style="text-align: center;">DG</p>
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7	<p>Matters considered confidential</p> <p>Part of the Management Accounts are deemed confidential and will form Part A of the Confidential Minutes.</p>	
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MA agreed that the White paper was an enlightening document and there is a lot to do in a short period of time. The CEO agreed that there is significant pressure as we need to get to a good point whilst not losing opportunities due to schools not understanding the pressures. The CEO met with another CEO of a Church Trust, and they have already lined up two years of acquisition due to the White Paper coming out. The landscape will move quickly for a short period of time, and we need to be at the beginning of it. The CEO is contemplating whether to have an additional strategy afternoon to reflect on opportunities and challenges and the meeting agreed with this. MA feels that KCC's role will change and they will be undertaking recruitment, admissions and SEN and everything else will go to Regional Directors. The CEO advised there will be a statutory framework holding us to account and maintained schools have some interesting choices to make for their future. Academies and Governance handbooks will bring legislation in through the back door and Trusts will be inspected rather than schools. MA advised that the challenge for Trustees is to support the team who are affected by these challenges.

Trustees of the Committee recognised the challenges being faced by the Trust. The Chair queried where the next generation of Trustees will come from, and the need to look at the succession and what skills will they bring to the Trustees Board. Trustees need to discuss how we source new Trustees and how to bring them on. Keeping a balance between Trusteeship and management, is a critical part of what we do to make sure everything is transparent. In the White paper it states all Trusts need to re-establish local boards, which we already have in place, and this will mean there will be a lot of Governors needed and we will be in a competing market.

There being no further business the meeting closed at 15.05

Signed: 

Print: *Christy Foster Aislinn*

Date: *11 July 2022*