

Finance Committee Minutes

Meeting	Finance Committee	Date	Tuesday, 29 th November 2022
Location	Executive Boardroom, Broadstairs	Time	1.30 pm
Membership	Chris Argent (CA) - Chair, Michael Ashley (MA); Graham Razey (GR)		
In Attendance	Tammy Mitchell (CEO), Chris Legg (CFO), Sharon Hollingsworth – Director of Governance (DG), Claire Edgeworth – Note Taker		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	The Chair welcomed everyone to the meeting. No apologies were received.	
2	Declarations of Interest	No further declarations other than those standing were noted.	
3	Minutes of the meeting held 5 th July 2022	At the last meeting the Chair had asked for the Committee to be kept informed regarding the Trust's vulnerability in the current economic situation, particularly around items where there is no control. The Chair again asked for the CFO to keep the Committee advised. The Trustees queried if the budget scoring mentioned on page 3 had progressed. The CFO advised it had but had not got a copy to forward yet and will bring this back at a later date. At the last meeting it was suggested that the CEO might like to contact the MP and the CEO advised that she had spoken to Paul Sayers, Chief Information and Strategy Officer, and he advised that there was nowhere to go with this, at this time. No further points noted.	CFO

		The minutes were agreed as an accurate record and will be signed after the meeting.	
4	Matters Arising not covered by this agenda	Nothing noted.	
5	Terms of Reference for the Committee	<p>The Terms of Reference (ToR) were circulated prior to the meeting and were for review today.</p> <p>The Committee discussed aligning the Finance Committee meetings with the Trustee Meetings. The Committee discussed different solutions and it was agreed to try to move the AGM, Trustee Meeting and Strategy Event back by a few days and this will be looked at for next year.</p> <p>Item 4.9 of the ToR states – <i>'The Board will review these terms of reference and request the Finance Committee to self- assess its performance against these terms of reference on an annual basis and feedback to the Board'</i>. The DoG had already highlighted some areas and it was agreed CA and MA would arrange to meet virtually to discuss this. Any proposed changes to the Terms will need to go to the Trustee Board.</p>	<p>DoG</p> <p>CA & MA</p>
6	Management Accounts – October 2022	<p>The October Management Accounts were circulated prior to the meeting. The CFO advised that they are not overly informative at this stage, given that we are only two months into the new academic year and no re-forecast has been completed as yet. There will be the first quarterly reforecasting undertaken during November. The CFO informed the meeting that Pupil Premium and High Needs funding were cautiously budgeted for and these figures might improve. MA queried if there was any risk following the KCC Ofsted inspection and the CEO advised that this is being scaled back so we could end up with reducing income from high needs, even though a number of children have referrals, and this will need to be monitored. The Chair queried the variance in other income and the CFO advised this is the money that we are expecting from KCC for Bysing Wood.</p> <p>The CFO highlighted that against pay there was a green variance against teaching costs, some are due to absences and some due to the pay increase yet to be processed, which will be back-dated. A 5% increase had been put in across all budgets and this will be a negative variance for</p>	

	<p>some schools. These were paid in November and will be updated in the Q1 forecast. There are additional pay cost pressures following the increase in the new minimum wage. There are a significant number of staff below this new threshold.</p> <p>The Chair advised that utilities and catering under non pay concerned him. The CFO advised that Palm Bay and East Stour have some pressures on their provision and this will be looked at, at Q1. The CFO advised that there was nothing alarming in the Management Accounts.</p> <p>The CFO advised that the Balance Sheet showed an asset value of £12m, and there is £2.5m in the bank. The CEO advised that the schools are spending, particularly Queenborough. GR advised that we can only hold reserves of 20% and we are currently 13%, however next year there is a predicted £1.3m negative, which will reduce it down to 7% or 8%. The CFO advised that there is a challenge to ensure that the overall reserves will back up the reserves that some schools do not have. The CEO and CFO have met to look at this. The CFO advised that one school is not able to meet its minimum reserves level yet, but will be able to next year, as the GAG funding will increase by 25% due to pupil growth. The CEO will share the plan for Bysing Wood next month. The Trustees were in agreement that the money received each year needs to be spent on the current children, so the 20% should come down.</p> <p>The Committee discussed the pay for teachers and the CEO advised there is a Hardship Fund if energy bills put schools in deficit but those organisations that have been stacking funds, will need to use it. The CEO will apply for any bids or grants that we are able to.</p> <p>The CFO advised there is an error on the October Management Accounts as the Local Authority Pension Scheme is showing as cash. The CFO will amend and recirculate.</p> <p>The Year-end position is low as a large amount in the bank is capital grant and this will be spent. This is connected to the CIF bid.</p> <p>The Chair queried if there was anything that the Committee needed to note regarding individual schools, and the CFO advised he will defer until Q1 as this will quantify the impact of pay and utilities cost pressures. The Committee queried if the new schools were holding back on staff</p>	<p>CEO</p> <p>CFO</p>
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7	Any other business	MA cannot attend the July Finance Committee meeting and the Committee agreed to change the date to Friday, 30 th June 2023 at 9.30 am.	
8	Matters considered confidential	There were no matters considered confidential.	
9	Date and time of next meeting	Date and time of next meeting: Wednesday, 25 January 2023 at 2pm	

There being no further business the meeting closed at 2.15 pm

Signed:

Print: Michael Ashley

Date: 25 January 2023