



# Epping Forest Schools Partnership Trust

Held on Thursday 27<sup>th</sup> June 2019 at 7.00pm  
at St John's Primary School

## MINUTES of the FINANCE and AUDIT COMMITTEE MEETING

	<u>Trustees</u>		<u>Observers/Advisers</u>
*	Lesley Duffin	*	Sharon Freeman (Trust Finance Manager)
*	James Wood	*	Elisabeth Nunn (Clerk)
*	Dee Wood		
*	Peter Tidmarsh (CEO)		

\* indicates attendance

(The meeting started at 7.05pm.)

		<u>ACTION</u>
<b>1</b>	<b>Apologies (and reasons for absence); declarations of interest in agenda; plus declaration of Business Interests; changes to the Gifts and Hospitality Register</b> There were no apologies for absence or declarations. Mrs Duffin attended the meeting to ensure a quorum.	
<b>2</b>	<b>To appoint a Chair for the remainder of 2018/2019 following the resignation of Mrs Rossetti</b> Mr Wood was appointed Chair for the remainder of 2018/2019.  (Miss Wood arrived at this point, 7.08pm.)	
<b>3</b>	<b>AOB requests for an end-of-meeting consideration</b> There were none.	
<b>4</b>	<b>To approve the Committee's Minutes of 19<sup>th</sup> March 2019</b> The Minutes from the meeting on 19 <sup>th</sup> March 2019 were approved and signed by Mr Wood. <b>Matters Arising</b>	



	<b><u>ACTION</u></b>
a) <u>Agenda item 10f: Data Protection Policy</u> : It was noted that the DPO had reviewed this policy.	
<p><b>5 MAT Budget 2018/2019</b></p> <p>a) <u>A general overview by the Trust Finance Manager</u>: Mrs Freeman gave a verbal report to accompany her previously circulated PowerPoint. The following, in particular, was noted:</p> <ul style="list-style-type: none"> <li>• Trustees were pleased to note that <b>Oak View</b>'s current Budget is stable; they were reminded that the school's expenditure and income is variable throughout the year depending on pupil admissions.</li> <li>• <b>Theydon Bois</b> has an in-year deficit mainly due to high staffing costs. However, the school has a very active PTA which should support the school's recovery by year-end.</li> <li>• <b>Staples Road</b> has slipped into a deficit as it has set aside £41,000 in capital for future projects.</li> <li>• <b>Hereward, Limes Farm Infant</b> and <b>Lambourne</b> are all using reserves to support projects within their schools.</li> <li>• <b>White Bridge</b> has healthy reserves but is investing in technology this year.</li> <li>• Mrs Freeman reported that many of the in-year deficits are because of an increase in teachers' pay, a change in the pay structure for support staff and mistakes made in the original budgeting due to new software and accounting structures.</li> <li>• <b>Alderton Infant, Alderton Junior, Hillhouse, Ivy Chimneys, High Beech</b> and <b>St John's</b> are in a surplus position.</li> <li>• <b>Chigwell Row</b> is in a deficit position as it has struggled with pupil numbers which has affected income. Initial budgeting was also difficult for the school and as a result some staff were unaccounted for in the original accounts.</li> <li>• <b>Epping Upland</b> is in a deficit position due to increased hours for admin staff and a change in catering staff.</li> </ul> <p>Trustees asked:            Q: Why does Alderton Infant have such a large surplus balance of £229,000?            A: (Mrs Freeman) They had a significant carry forward on conversion. They also received bulge funding of £119,000 from County in April for low pupil numbers. They will have to set aside some of this to cover staffing next year if pupil numbers remain low.</p> <p>Mr Tidmarsh reported that they are running three classes for just 75 children. The Trust's working party will be looking at the school's pupil numbers in the autumn term as part of the discussions regarding the future of both Alderton schools.</p> <p>Q: Are there any conversations going on between schools about economies of scale?            A: (Mrs Freeman) Yes. Some schools are looking to lease Google Chromebooks and I have gone out to all schools to see if others are interested so we can agree a more cost-effective price.            A: (Mr Tidmarsh) We will be discussing procurement at next week's Trust Board meeting.</p>	



	<b>ACTION</b>
<p>b) <u>To note and discuss the cashflow summary</u>: This document had been circulated; Trustees noted that it recorded figures up to the end of May 2019. It was noted that the bank balance carry forward of £2.7m is in line with the projected reserves at year end. Mrs Freeman added that she anticipated some further injections of capital which will increase the figures.</p> <p>c) <u>Overall Trust reserves</u>: Estimated reserves at the end of 31<sup>st</sup> August 2019 are £2.45m compared to £2.31m at the end of 2018.</p>	
<p><b>6 Financial Matters 2019/2020</b></p> <p>a) <u>To review the MAT Budget for 2019/2020</u>: This had been circulated to Trustees in advance of the meeting, although Mrs Freeman presented a slightly amended version to the meeting:</p> <ul style="list-style-type: none"> <li>• <b>Chigwell Row</b> had been showing a deficit; however, Mrs Freeman was pleased to report that the school is now balancing as there had been a discrepancy with the salary of a HLTA. The school will receive a lot of scrutiny from the Trust with a finance visit every fortnight.</li> <li>• <b>Hillhouse</b> has received a change in their Pupil Premium Grant which has lowered their original in-year deficit from £57,000 to £19,000. It was noted that the school has used some of its reserves for staffing next year in a bid to raise pupil standards.</li> <li>• <b>High Beech</b> is showing a deficit of £22,000 and this is due to a lower birthrate: they have 100 children on roll with a PAN of 102. It was noted that this school will need to be closely monitored, although it has a strong Bursar and Headteacher.</li> <li>• <b>Ivy Chimneys</b>: It was noted that 1% of their Budget is set to be overspent (£23,000); however, they sit on high reserves which will be used for curriculum and building improvement.</li> <li>• <b>Oak View</b> is in deficit by £62,000, but it is expected that this will stabilise as it is an expanding school and pupils are admitted throughout the year. Mrs Freeman will be closely monitoring the school's finances, in particular the school's recording of income.</li> <li>• <b>Staples Road</b> is showing a 1% overspend on its budget (£28,000). It was noted that it has very high staffing costs and consequently it has been hit hard by the changes in staff pension contributions and support staff pay. Mrs Freeman reported that the school is aware they are top-heavy in regard to staffing levels and it is looking to address this.</li> <li>• <b>Theydon Bois</b> has a £33,000 overspend. Trustees were reminded that the school has very expensive teachers. The Headteacher and Mrs Freeman have put together a recovery programme, with advice from Essex HR, and are also working on the school's cleaning contract.</li> <li>• <b>Alderton Infant, Alderton Junior, Epping Upland, Hereward, Limes Farm Infant, Lambourne, St John's and White Bridge</b> all have balanced budgets for 2019/2020.</li> </ul> <p>Mrs Freeman reported that the Trust is in a very strong position overall for 2019/2020. She reminded Trustees that there must not be in-year deficits within its schools and despite the schools' individual reserves being held centrally, these cannot be used to plug the gaps of other schools.</p>	







		<b><u>ACTION</u></b>
<b>9</b>	<p><b>Procurement</b>            An update from the Trust Finance Manager on catering and cleaning procurement: Mrs Freeman reported on the following:</p> <ul style="list-style-type: none"> <li><b>Catering:</b> The Trust has received two quotes for catering (there was not the facility to seek three):              Essex Catering Support (the existing provider): £11,000              LBA (the trainers for Essex Catering Support): £14,000</li> </ul> <p>It was noted that the Headteacher group had already discussed this matter; they felt that the schools needed a quality service which they had not received from Essex. Trustees asked:            Q: Will this be an annual contract?            A: (Mrs Freeman) Yes. We can look again if we are not happy with the service.</p> <p>Trustees discussed the two quotes, and the Headteacher recommendation, and approved LBA as the catering support providers for the Trust.</p> <ul style="list-style-type: none"> <li><b>Cleaning:</b> There was nothing to report as Mrs Freeman has been looking into engineering inspection insurance and minibuses via the DfE approved framework, CCS. It was agreed that procurement for cleaning would be looked at once further progress has been made on broadband.</li> </ul> <p>It was noted that the next large procurement exercise will be broadband, including safeguarding and firewalls; Mrs Freeman is working with Jonathan Furness at Ivy Chimneys who is already in liaison with another DfE framework, YPO. It was noted that the Trust must give three months' notice to its existing broadband suppliers.</p>	<p>Spring term agenda item</p>
<b>10</b>	<p><b>NJC Support Staff Pay Award 2020</b>            It was noted that the discussion on the NJC Support Staff Pay Award for 2020 will be held in the autumn term. Trustees were also reminded that the timetable for the approval of the pay award was detailed within the latest Trust Update (week 33).</p>	<p>Autumn term agenda item</p>
<b>11</b>	<p><b>Policies</b>            a) Governors discussed the following policies:  <b>Charging and Remissions Policy:</b> Discussed and recommended for approval at the Trust Board meeting in July.  <b>Investment Policy:</b> Trustees noted that the policy states that 'funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks'. Trustees agreed with this, but suggested that the withdrawal notice stipulated could be amended once Mrs Freeman reports back on suitable deposit accounts at the next meeting. They recommended this policy for approval at the Trust Board meeting in July.</p>	<p>Trust Board agenda items: July</p>



		<b>ACTION</b>
	<p><b>Business Continuity Policy:</b> It was agreed that this policy needed further review; this will be carried out by Mr Wood and Miss Wood and will be approved at the next meeting. It will not be recirculated to the LGBs.</p> <p>b) The following polices were reviewed (annual basis):  <b>Financial Regulations Policy:</b> This was discussed and recommended for approval at the Trust Board meeting in July, subject to any changes arising from the Academies Accounts Direction and the amended Academies Financial Handbook 2019. Trustees reminded Mrs Freeman that she should be producing monthly accounts and circulating these to Trustees.  <b>Accounting Policies:</b> This was discussed and recommended for approval at the Trust Board meeting in July.</p> <p>c) Trustees noted the comments from the LGBs following the termly policy review. The responses will be sent to the schools by the Clerk.</p>	<p>Mr Wood/Miss Wood: autumn agenda</p> <p>Mrs Freeman to circulate monthly accounts to Trustees</p> <p>Trust Board agenda item: July Clerk to action</p>
<b>12</b>	<p><b>To discuss the production of a Financial Planner/Work Plan</b></p> <p>a) <u>Work Plan:</u> Mr Tidmarsh reported that he has proposed to the Headteacher Group that schools rag-rate themselves in regard to their financial confidence. He added that as the Trust enters its second year, it should produce a yearly planner detailing the DfE deadlines. Mrs Freeman was pleased to report that the Trust has not missed a DfE deadline since it started operating.</p> <p>Next year, Mrs Freeman will spend 10 hours of her working week going into schools to offer support based on this rag-rating. Her schedule will be published each month.</p> <p>b) <u>Chief Operating Officer:</u> Mr Tidmarsh reported, as the MAT grows and evolves, he would like to explore introducing the post of Chief Operating Officer. This COO would manage the surveyor/building projects, joint procurement and line-manage HR and Finance staff. Mr Tidmarsh explained that when the Trust’s broadband contract is up for renewal, any potential savings could be used to fund this part-time post.</p>	
<b>13</b>	<p><b>Clerk’s Items</b></p> <p>a) <u>Trustees’ Skills Audit:</u> The Clerk reported that the analysis of the skills audit was nearly complete; she was waiting for Miss Wood to send her audit.</p>	<p>Miss Wood to send skills audit to the Clerk</p>
<b>14</b>	<p><b>AOB:</b> There was none.</p>	
	<p>The meeting ended at 8.30pm.</p>	