



Epping Forest Schools Partnership Trust

Held on Wednesday 9th October 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>
*	Lee Batson	*	Sharon Freeman (Trust Finance Manager)
*	James Wood (Chair)	*	Elisabeth Nunn (Clerk)
*	Dee Wood		
*	Peter Tidmarsh (CEO)		

* indicates attendance

(The meeting started at 7.03pm.)

		<u>ACTION</u>
1	Apologies (and reasons for absence); declarations of interest in agenda; plus declaration of Business Interests; changes to the Gifts and Hospitality Register There were no apologies for absence. Mr Tidmarsh and Mrs Freeman declared an acceptance of hospitality from Haslers on July 1 st . The Clerk will place this on the Trust's register. There were no other declarations. Rev Batson attended the meeting to ensure a quorum.	Clerk to place declaration on gifts and hospitality register
2	To appoint a Chair for 2019/2020 Mr Wood was appointed Chair for 2019/2020.	
3	AOB requests for an end-of-meeting consideration a) Central Staffing structure. b) Approval of broadband provider. c) Trustee recruitment.	



		ACTION
4	<p>To review and approve the committee's Terms of Reference Trustees reviewed the committee's Terms of Reference and these were approved. The following was also discussed:</p> <p>a) <u>2.18-2.20: Risk Register</u>: A general discussion was held about the Trust's Risk Register. It was noted that it is good practice for the Trust to have a number of document templates which would be relevant to other stakeholders within the Trust rather than just the schools. Mr Tidmarsh will produce these and also send an updated Risk Register to the auditors.</p> <p>b) <u>2.21: Gender pay gap information</u>: Mrs Freeman agreed to liaise with Essex payroll regarding the collation of this information by April 2020. It was agreed that this will be an item on the spring term committee agenda (19th March).</p> <p>The Terms of Reference will be ratified by the full Board on October 17th.</p>	<p>CEO to produce templates for risk register and send updated document to auditors</p> <p>Mrs Freeman to liaise with Essex payroll March 2020 committee agenda item</p> <p>October Trust Board</p>
5	<p>To approve the Committee's Minutes of 27th June 2019 The Minutes from the meeting on 27th June 2019 were approved and signed by Mr Wood.</p> <p>Matters arising</p> <p>a) <u>Agenda item 6a: The Trust's overall consolidated surplus/deficit figures</u>: Trustees had requested that Mrs Freeman circulates the Trust's overall consolidated surplus or deficit figures routinely. It was noted that these were now available and would be discussed under agenda item 7.</p> <p>b) <u>Agenda item 7c: FaCSS finances: To receive confirmation that the FaCSS income is protected within the Davenant accounts</u>: Mr Tidmarsh agreed to follow this up and report back at the next meeting.</p> <p>c) <u>Agenda item 11b: Circulation of monthly accounts</u>: Trustees accepted that they receive the monthly accounts throughout the year, although these did not necessarily have to be received every calendar month, but could be sent in a batch at regular intervals.</p>	<p>CEO to look into FaCSS finances at Davenant November agenda item</p>
6	<p>To receive an update on the MAT Budget 2018/2019 (as at end of July 2019) Trustees reviewed and discussed the July 2019 financial report. The following, in particular, was noted:</p> <p>a) Reserves brought forward from August 2018 were £2,318,737; estimated reserves at the end of August 2019 were £2,867,805. Mrs Freeman reported that this figure ties in with the Trust's cashflow management.</p> <p>b) <u>Oak View</u>: Trustees were pleased to note that Oak View achieved a balanced budget at year-end. Staffing costs at the school remain very high and Mrs Freeman is to meet with the new Headteacher to discuss the school's staffing structure.</p> <p>c) <u>Ivy Chimneys'</u> surplus balance includes unspent capital.</p> <p>d) <u>Chigwell Row</u> has a deficit of £18,803 predominantly due to low pupil numbers and high staffing levels. Mr Tidmarsh reported that he is</p>	<p>CEO to update on</p>



		ACTION
	<p>meeting with Essex regarding the school's admissions and pupil numbers; he is also looking at a plan for Chigwell Row moving forward. Trustees were very concerned to note the deficit and requested further feedback from the CEO at the next meeting.</p> <p>e) <u>WETSA</u> is showing a deficit of £5416, although Mrs Freeman reported that the figures are skewed as their grant is received for April to March. She added that there is a £27,000 carry forward so there is nothing of concern to note.</p> <p>f) Trustees were very concerned to note that <u>Theydon Bois</u> is showing an in-year deficit of £53,322. Mrs Freeman reported that the school had reserves in 2018 of £56,000; estimated reserves as at August 2019 are £2,794. A confidential item was discussed and appears on pink attached to these Minutes.</p> <p>It was agreed that Mr Rall, the Headteacher of Theydon Bois, will attend the next meeting of the committee in November to outline his financial/staffing plan for the school.</p> <p>Trustees thanked Mrs Freeman for her presentation and requested that, in future, her report showing the schools' KPIs also includes details of the carry forward per school. Mrs Freeman agreed to adjust her spreadsheet to incorporate this, although she reported that this information was already shown for each school via the tabs at the bottom of the document.</p> <p>Mrs Freeman also reported that she had produced a benchmarking document over the summer break which details a range of data including teaching costs per pupil; this was circulated to Trustees after the meeting.</p>	<p>Chigwell Row: November agenda</p> <p>Mr Rall to attend November committee meeting</p> <p>Mrs Freeman to include carry forward in KPI document</p>
7	<p>MAT Budget 2019/2020</p> <p>a) <u>A general overview by the Trust Finance Manager</u>: Trustees reviewed and discussed the latest accounts for 2019/2020, noting there is a revenue in-year balance of £14,777. Trustees also noted the schools' consolidated budgets: in particular, they discussed Theydon Bois' predicted in-year deficit of £33,000. Mrs Freeman reported she is expecting this to improve once the school has made progress with its deficit recovery plan.</p> <p>It was noted that the Trust's total income is £20m (including school-generated income); ESFA funding is £18m. Trustees thanked Mrs Freeman for her presentation of the figures.</p> <p>b) The Trust's cashflow was noted.</p>	
8	<p>To receive an update on any Deficit Recovery Plans</p> <p>This had been discussed under agenda item 6.</p>	



		<u>ACTION</u>
9	<p>To receive an update on the Trust Audit</p> <p>Mrs Freeman was pleased to report that the Trust had been better prepared for the annual audit than last year, and she added that everything was on track albeit quite slowly. Some problems had arisen due to the skillsets of some members of staff; also, Mrs Freeman has not had the support of Carly Ryan to assist her as previously.</p> <p>Mr Tidmarsh reported that he has bid for some funding to commission an external audit of the current staffing provision across the school offices. It was agreed that this would probably be a three-year project and would be discussed at the Trust Board meeting on October 17th.</p>	<p>Trust Board agenda October 17th</p>
10	<p>Other financial matters</p> <p>a) <u>To discuss further the investment of Trust reserves; including research carried out by the Trust Finance Manager and Trustees:</u> Mrs Freeman reported that the Trust has invested £668,000 of the School Condition Allocation grant in a 32-day notice account with Lloyds Bank at 0.75% interest. This should make approximately £4,500 by the end of the financial year. After discussion, it was agreed that an additional £1million should be placed in this account as there were adequate funds in the bank accounts to cover any emergency.</p> <p>A general discussion was held about the penalties incurred if the money were to be withdrawn sooner than the notice period allows; Mrs Freeman agreed to check what the penalty will be. She also agreed to find out if the interest rate increases if £1million is deposited.</p> <p>Mrs Freeman and Trustees agreed to investigate other higher paying deposit accounts before the November meeting.</p> <p>The committee will review its investments every six months. Trustees thanked Mrs Freeman for her report and were happy that the Trust is investing in line with the MAT's Investment Policy.</p> <p>Mrs Freeman also reported that the Trust had received £2800 in compensation from Lloyds as the current account interest rate had been missold to the Trust.</p> <p>b) <u>An update from the CEO regarding his meeting with the LA's compliance department in July in a bid to outsource the Trust's compliance requirements/To appoint formally a company to carry out the Trust's internal scrutiny review:</u> Mr Tidmarsh reported that he and Mrs Freeman had approached several companies to carry out the Trust's internal scrutiny review. Mrs Freeman reported that Haslers offered the most competitive package; Trustees agreed to this appointment as they felt the company could dovetail this work with the annual audit. This will be approved at the October Board meeting.</p> <p>c) Trustees noted that the annual internal scrutiny report must now be sent to the ESFA by 31st December, starting December 2020.</p>	<p>Mrs Freeman to check penalty for withdrawal and interest rate increase: November agenda</p> <p>Trustees/Mrs Freeman to look at alternative high-interest deposit accounts</p> <p>Clerk: investment as an agenda item March 2020</p> <p>Trust Board agenda October 17th</p>



		ACTION
	<p>However, it was also noted that the Trust’s most recent internal scrutiny findings have to be sent to the ESFA by December 31st 2019 alongside the annual accounts. Mrs Freeman reported that Haslers will provide a report in the second week of December which will be sent to the ESFA. It was noted that the Trust has arranged for Haslers to carry out a full internal audit in March 2020.</p> <p>d) Trustees noted that the discussion regarding the NJC Support Staff Pay scale assimilation will be held at the November meeting. The Trust is on track to send out letters to staff in early December.</p> <p>e) <u>To discuss and recommend for approval the annual teachers’ pay award for 2019/2020, taking into account the correspondence from the NASUWT:</u> Mrs Freeman presented a budget impact analysis on the proposed teachers’ pay award for 2019/2020 of 2.75%. It was noted that the difference between the budgeted increase of 1% and the actual increase of 2.75% is £191,642. However, the expected teachers’ pay award grant from the DfE (based on the confirmed pupil figures) from September 2019 to March 2020 is £128,927 which leaves a shortfall of £62,715. Mrs Freeman added that if the teachers’ pay award grant from the DfE from April 2020 to August 2020 is the same as last year’s rates, this funding should roughly cover any shortfall. She added that she will check carefully that the grants received match actual pupil numbers. Trustees noted that the risk to the Trust will be if the DfE does not give the pay award grant for the period April 2020 as expected.</p> <p>Trustees formally approved the 2.75% across the board increase, noting the correspondence received by the NASUWT. This will also be an agenda item for the JCC meeting in November.</p>	<p>November agenda item</p> <p>JCC agenda item November</p>
<p>11</p>	<p>Scheme of delegation Trustees reviewed the Scheme of Delegation against the Trust’s Financial Regulations document. The following amendment was agreed and will go to the Trust Board for ratification: <u>6.2: Expenditure or contracts from Lower limit to Upper Limit.</u> The current version says this needs approval by the LGB and the Finance Committee. It should be a recommendation by the LGB and approval by the Finance Committee.</p>	<p>Trust Board: October 17th</p>
<p>12</p>	<p>Financial Work Plan a) <u>To receive the Trust’s work plan/calendar:</u> Trustees noted Mrs Freeman’s work plan which was circulated after the meeting. b) <u>To discuss the schools’ rag-rating in relation to their financial confidence:</u> Mr Tidmarsh reported that he had asked schools to rag-rate themselves in terms of their financial confidence. He added that the resulting data was varied and at times ambiguous. However, he will repeat the exercise in a few months’ time and this will be reviewed by Trustees in the spring term.</p>	<p>March 2020 agenda</p>



		<u>ACTION</u>
13	<p>Policies</p> <p>a) The following annual policies were discussed: <u>Pay Policy</u>: The policy has not been received, but it was agreed that Mrs Freeman will circulate the approved pay scales to schools and the Trust as soon as possible. The policy will be approved at the Board meeting on October 17th . <u>Procurement Policy</u>: There were no amendments. This will be approved at the Board meeting on October 17th . <u>Gifts and Hospitality Policy</u>: There were no amendments. This will be approved at the Board meeting on October 17th . A discussion was held about confirming that all schools hold registers for gifts and hospitality. Mrs Freeman agreed to ask all schools for their registers. This will be revisited at the spring committee meeting in March. <u>Anti-fraud and Corruption Policy</u>: There were no amendments. This will be approved at the Board meeting on October 17th .</p> <p>b) Trustees noted that the following policies will be recommended for approval in December: Business Continuity Plan <u>Health and Safety Policy</u>: Mr Tidmarsh will ensure this policy is available by the Board meeting on October 17th . Risk Management Policy</p>	<p>Mrs Freeman to circulate pay scales to Board and schools Board meeting approval: October 17th</p> <p>Mrs Freeman to request all schools' gifts and hospitality registers: March 2020 agenda item</p> <p>CEO to source H & S Policy: October 17th Board meeting</p>
14	<p>Clerk's Items</p> <p>Trustees noted the recent letter from the ESFA and Mrs Freeman reported that all actions detailed within this correspondence were in progress. She will report back at the November meeting on outstanding items. A discussion was held about the Trust's Risk Register and Mr Tidmarsh amended the document to include cybercrime. Trustees noted that all school staff have received training on fraud and cybercrime avoidance and that this also features in the relevant Trust policies.</p>	<p>Mrs Freeman to report on outstanding ESFA items at November meeting</p>
15	<p>AOB</p> <p>a) <u>Broadband</u>: Mr Tidmarsh tabled two documents outlining the broadband procurement exercise which had been carried out by YPO and initiated by Jonathan Furness. After discussion, Trustees approved LGfl as the Trust's broadband provider from April 2020 as they felt this company offers a comprehensive service for £84,720, a saving of £22,800 on the amount to be charged by Essex from April. This will be ratified by the Trust Board on October 17th .</p> <p>b) Mr Wood signed the relevant paperwork to become a bank account signatory for the Trust. (Mrs Freeman left at this point, 8.50pm.)</p>	<p>Trust Board agenda October 17th</p>



Unlocking the Potential of Collaboration

Company No. 11240455

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	<u>ACTION</u>
c) <u>Central Staffing structure</u> : A confidential matter was discussed and appears on pink attached to these Minutes.	
d) Rev Batson gave his apologies for the next committee meeting in November.	
e) <u>Trustee recruitment</u> : Rev Batson reported that he is signing up to Academy Ambassadors in a bid to find suitable Trustees to join the Board, particularly one with experience of management accountancy.	
The meeting ended at 9.41 pm.	