



MINUTES OF THE FEDERATION RESOURCES TRUST MEETING

Thursday 12 October 2023, 9.15am
The Gallery

Present

Andrew Cross, Rob Guthrie, Andrew Holt, Alex Mould, Clive Norgaard Morton, Martyn Rhowbotham, Mark Tinkler, Stuart Williams (Executive Principal), Guy Magrath (Vice Chair).

In Attendance

Kelly Jackson (Head of School, Catmose Primary), Chris Wilson (Chief Finance Officer), Sara Kane (Governance Professional).

1. Election and Vice Chair

The committee unanimously approved the appointment of Emma Gautrey as chair and Guy Magrath as vice chair for this academic year.

2. Welcome introductions and apologies for absence

Guy Magrath welcomed everyone to the meeting. Apologies for absence were received and accepted from Emma Gautrey.

3. Declarations of Personal Interest and Pecuniary Interest

Stuart Williams, Kelly Jackson and Guy Magrath declared personal interests in the teachers' pay scale proposal and left the meeting whilst the item was discussed. Clive Norgaard Morton and Chris Wilson declared a personal interest in the support staff pay proposal and therefore not present when discussed. The governance professional also declared an interest in the support staff pay proposal.

4. Minutes of the meeting held on Thursday 6 July 2023

The minutes were signed as a true and accurate record.

5. Matters arising from previous minutes

There were no matters arising from the previous minutes.

6. Financial Reports

Budget Forecast Return

This was approved by Trustees before submission on 31 August 2023 to the ESFA.

Variance Report

Year End Position

Forecasting for the last year has been extremely difficult. Figures at the end of May 2023 suggested that there would be a year-end deficit of £7,500 whereas the start of the year predictions had been a £700,000 deficit. Government support for utility bills ended in March, which then raised the deficit forecast higher in the summer months.

As at 31 August 2023, an in-year surplus of £166,000 was forecasted (subject to any adjustments made by the auditors). The final year-end accounts will be presented by the auditors at the Trust meeting in December. With changes in government funding and utility costs it is difficult to forecast income and expenditure, however the expenditure predictions are over-estimated and any additional funding is not accounted for within the forecasts.

Question: Is the Trust in the best position with regards to utility costs?

The utility costs have been renegotiated with the provider and the forecasted gas and electric costs have decreased, leading to an annual saving of £104,000. The utility costs were overestimated with electricity costing £20,000 less than predicted and gas costing £25,000 less. The Trust obtains utilities as a syndicate of schools in order to access a lower rate.

Question: Will the Finance building be sold?

The Trust is in the process of obtaining permission from the EFSA to sell or lease the property. On a temporary basis the building will be utilised for pastoral support.

3-year forecast

The additional funds, savings and costings since the Budget Forecast Return was completed were highlighted.

- Increases to the DSP/SEN income, where a further £48,000 is expected.
- Harington will now receive a further £47,500 of annual income.
- The renegotiation of gas and electric has led to an annual saving of £104,000.
- The cost of the teachers' pay award has been estimated at £236,970, additional Government funding of £138,233 will be received, resulting in a cost to the Federation of £98,738.
- The estimated cost of implementing a support staff pay increase is £198,000 in 2023/2024, there are no funding grants from the Government expected.

With the additional funds, savings and costs considered, the following is now forecasted:

- 2023/24 a recurrent deficit of £96k
- 2024/25 a recurrent deficit of £404k
- 2025/26 a recurrent deficit of £118k

It was explained that the funding for the increase PAN is lagged for one year which impacts the income for the College.

Teachers' Pay Award proposal

Those present with a personal interest left the meeting.

Chris Wilson reported that during the summer the Government accepted all of the recommendations set out by the independent body advising on teachers' pay and recommended a pay rise of 6.5%. All trade unions have accepted the award. It is felt that the Federation needs to implement the increase as it will be implemented nationally. This is likely to increase teacher recruitment and retention. The draft policy will be discussed at Parliament, shortly, the award is expected to be confirmed.

Governors unanimously agreed to the implementation of the pay award for teachers backdated to 1 September 2023.

Those with a personal interest re-joined the meeting.

Support Staff Pay

Those with a personal interest in the support staff pay left the meeting.

It was reported that the National Joint Council (NJC) had submitted the following offer:

- An increase of £1925 (pro rata for part time employees) to be paid as a consolidated, permanent addition on all NJC points 2-43 inclusive. This equates to a 9.42% pay increase for the lowest point through to 3.88% for the highest point on the scale.
- For those on pay points above 43, employers have offered an increase of 3.88%.
- Employers have offered this as a full and final offer - this has been rejected by the union side.

It is likely that the offer will stand, no progress has been made in negotiations with the trade unions.

The majority of staff impacted by this pay rise are the lowest paid staff. It is hoped that the increase will help to support staff with the cost of living and also improve recruitment and retention for the Federation.

Question: Does it include pension contributions forecasted figures?

Yes, along with national insurance contributions. This amount is an additional expenditure to the Trust of £198k in the next academic year.

Trustees unanimously agreed to the implementation of the pay award for support staff backdated to 1 September 2023.

Those with a personal interest re-joined the meeting.

BACS over £30K

Guy Magrath signed the BACS payments over £30k.

Approval of CEO credit card statement

There were no transactions.

R & H Transactions

It was reported that there are no legacy transactions.

Investment portfolio

The investment portfolio was circulated to trustees prior to the meeting. The investments are reviewed regularly.

Budgeting Software proposal

Currently the Federation does not use any budgeting software. It was agreed that a streamlined centralised system would be beneficial. It was agreed that IMP (MAT-led budgeting solution provider) would be invited to present the package.

7. Risk Register

It was agreed that the Risk Register would be scrutinised at the next Audit and Risk committee meeting which will take place on Thursday 7 December 2023.

8. Asset Register

It was agreed that the Asset register would be scrutinised at the next Audit and Risk committee meeting. Gary Stone, (Technologies Director) would be invited to attend.

9. GEMS Report

Simon Mellors (Operations Director) joined the meeting and highlighted the previous circulated report.

It was explained that the Good Estate Management for Schools (GEMS) was Government advice on school estates management that the Federation adheres to. There are clear records of contracts, costs and servicing.

Question: What is the biggest concern in terms of estates management and cost?

The lighting will need to be converted to LED. The bulbs, fittings and control modules will all need replacing. Unfortunately, the conversion to LED cannot be avoided as fluorescent light fittings and bulbs will become obsolete. The conversion will be done in stages.

10. Capital update

The new building is fit for purpose and lessons are now taking place in the new classrooms. The refurbishment of the old sports hall is nearing completion which will feature six additional changing rooms and a new hall.

Question: How will the old sports hall be managed and monitored in terms of staffing?

The old sports hall will be used as an additional building when required. Therefore, there is no requirement for the building to be staffed permanently. It is planned to use the facilities for outside sports.

11. Staffing update

There are currently over 200 staff employed across the Federation. The number of vacancies is currently low, with vacancies available for cleaners and those looking for an apprenticeship. New appointments have included an administrator, catering assistants, teaching assistants and a cleaner.

There are no particular issues with regard to sickness management and staff attendance is good.

12. A.O.B

There are no items of any other business.

Diary Dates

Trustees and LGB Catmose College Governors' Day – Thursday 9 November 2023

Resources meeting - Thursday 7 December 2023, 9.15am

Audit and Risk Assessment Committee - Thursday 7 December 2023, 11am