

THE CHALLENGE ACADEMY TRUST

Minutes of the meeting of the Finance, HR and Operations Committee held on Thursday the 29th of June 2023

Time: 18:02 - 19:44

Venue: TCAT Development Centre

Chair: Stuart Titchard

Clerk: Katie Whitmore katie.whitmore@entrust-ed.co.uk

Committee Membership and Attendance

| Name | Category | Term Ends | Attendance |
|-----------------------|-----------------------|------------|------------|
| Andrew Moorcroft (AM) | CEO, Trustee | N/A | Present |
| Howard Platt (HP) | Trustee | 01.07.2025 | Present |
| Stuart Titchard | Chair, Trustee | 31.08.2025 | Present |
| Linda Waterson (LW) | Chair, Trustee | 01.07.2025 | Present |
| Stephen Whatmore (SW) | Trustee | 01.07.2025 | Present |

Also in Attendance

| Name | Position | Attendance |
|---------------------|----------------------------------------------|--------------------|
| Graham Bratley (GB) | Associate Committee Member | Apologies Accepted |
| Adrienne Laing (AL) | Operations Director | Present |
| Ben Logan (BL) | Head of Human Resources | Present |
| Damian McGuire (DM) | Director of Finance | Present |
| Anita Pailing (AP) | Associate Committee Member | Apologies Accepted |
| Peter Winter (PW) | Observer (Chair of Trustees, Sutton Academy) | Present |
| Katie Whitmore (KW) | Entrust Clerk | Present |

Documents Shared Ahead of the Meeting

FINAL Agenda TCAT Finance HR Operations 29.06.2023
 FINAL Minutes TCAT Finance, HR, and Operations Committee 09.03.2023
 Finance Report June 23
 DRAFT – SRMA Report
 TCAT_SRMA_savings_workbook_Mar 23
 Budget Planning Timeline 1st draft
 Banking and Investment Update
 HR Report – FHO June 23 (narrated slides)
 HR Report – FHO June 23 (slides)
 BUSINESS AND OPERATIONS Report 29.06.23
 TCAT OPERATIONS
 TCAT Estate Management Plan 2023-24 DRAFT
 2023-24 Projects
 PSDS3b Decarbonisation Project 2023 24

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Policy Update Note
 TCAT Expenses Policy Draft June 2023
 TCAT Access to Trust and Local Governing Bodies June 2023
 TCAT Procurement Strategy
 TCAT Adoption Leave Policy 2023
 TCAT Maternity Policy 2023
 Paternity Leave & Maternity Support Leave Policy 2023
 TCAT Shared Parental Leave Policy 2023
 FINAL Confidential Appendix TCAT Finance, HR, and Operations Committee 09.03.2023

The meeting was quorate, with more than three Trustees present.

The meeting opened at 18:02

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| 1 | <p>Welcome</p> <p>The Chair opened the meeting and welcomed Trustees and attendees.</p> <p>The Chair thanked all contributors for the quality of reports received in advance of the meeting.</p> |
| 2 | <p>Any items for AOB / Confidential Appendix</p> <p>There were no items of other business declared.</p> <p>There were items that would be discussed within Agenda Item 15 Confidential Matters.</p> |
| 3 | <p>Absence / Apologies / Non-Attendance.</p> <p>Resolved: Apologies received in advance of the meeting were accepted for GB and AP.</p> |
| 4 | <p>Declaration of personal interests</p> <p>There were no declarations of interest in relation to items on the agenda.</p> |
| 5 | <p>Membership</p> <p>There were no changes to the membership of the Committee, nor any terms of office due to end in 2023.</p> |
| 6 | <p>Minutes of the Finance, HR and Operations Committee meeting held on Thursday the 9th of March 2023.</p> <p>a) Acceptance of the minutes Resolved: Trustees accepted the minutes from 09.03.2023 as a true and accurate record of the meeting. They would be duly signed and made available to the public on request. The Confidential Appendix to the minutes 09.03.2023 was accepted as a true and accurate record.</p> <p>b) Matters Arising There were no matters arising in relation to items in the minutes from 09.03.2022:</p> |

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| c) Review of Action Log | | | |
| Minute Ref. | Action to be taken | By Whom | Completion Date |
| 6 | Ongoing open invitation to invite non-trustee LGB representatives to join committees as observers. | All | Ongoing |
| 6 | Trustees will ask LGBs to note any further training they would like, for example around remit and process for different committees, further to the TCAT CPD – Introduction to Governance, produced on Microsoft Sway. Update 29.06.2023: The CEO advised that the Director of Education will build this into the Governor programme in 2023-24. | All | COMPLETE |
| 12 | Trustees will comment on SRMA response by 13.03.2023. | All | COMPLETE |

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| 7 | <p>Finance Report</p> <p>a) Finance Budget and Management Accounts</p> <p>The Director of Finance referred to the finance report, and highlighted the following:</p> <ul style="list-style-type: none">• Despite accounts having showed a deficit in recent months, there was confidence of a surplus for overall outturn, subject to confirmation of teachers pay.• A provision of £480,000 was subject to confirmation; this had been included to cover a £1000 one-off payment with a 5% pay increase for teachers in 2023-24 on the understanding that strike action was called off.• Surplus was lower than had been forecast for the year. The report compared various aspects to detail where budgets had altered.• The LA (Local Authority) was now providing funding for refugees from Ukraine, and other sources of funding had been identified by TCAT.• Two versions of budgets for academies had been run, which reflected differing scenarios for pay increases of 5%, which had previously been tabled by the Government, and 6.5%, which in worse-case scenario would mean potential additional unfunded 1.5% should the Government not fund this.• There were three academies which will see an in-year deficit. Bridgewater High and Priestly College were related to growth, which will see the deficit removed once lagged funding was received. Appleton Thorn Primary will receive funding for fewer children than on roll, with the likely scenario of an accumulated deficit at the end of the year; the Director of Finance and the Director of Education will meet with the Headteacher and Governors to consider ways to move forward.• LGBs (Local Governing Boards) and Headteachers had all seen the budgets. <p>Trustees acknowledged the current challenges to projections and were confident that a potential deficit for TCAT overall considering these challenges would be offset by an overall Trust surplus of £4million. Trustees were assured that TCAT had well run schools and that TCAT was good at managing finances and was aware of all issues and variables.</p> |
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Trustees recognised the support given by TCAT to schools to work their way out of a deficit, and that TCAT will insist school had a plan to work out of the deficit and fundamentally not take funding from elsewhere within the Trust to address this. Sir Thomas Boteler High was shared as an example of going from deficit to surplus with support from TCAT.

Trustees asked the Director of Finance to explain how the deficit at Penketh High had been addressed by TCAT.

The Director of Finance advised that work on staffing for 2023-24 had helped to put Penketh in a good position for next year when the benefit of lagged funding will come in. The Director of Finance was part of a working group within the LA regarding growth funding; Warrington LA had adopted early the NFF (National Funding Formula) however did not yet receive enough from the DfE (Department for Education) to fund NFF. This had resulted in Warrington LA using money from growth funding of nearly £750,000 this year. There had been some small wins within the working party. Most schools that would be eligible for growth funding across Warrington LA were TCAT secondary schools.

Trustees questioned if the staff pension scheme was a concern within TCAT.

The Director of Finance confirmed that any increases would be met by the Government as underwriters of the scheme, however there was provision within the balance sheet for adjustments with no impact to TCAT.

Resolved: Trustees decided to move forward with the 5% budget as they believed anything above this would come with additional funding.

Resolved: Trustees recommended the budget to the Trust Board, with amends to include the turnaround for those schools in deficit to become surplus.

b) SRMA (School Resource Management Advisor) Report

The CEO referred to the report which had been shared with Trustees and noted the following highlights:

- Costed recommendations for each school had been picked up in business support meetings with schools. There had been some challenge, however these were now within school plans.
- Benchmarking data had been shared with each school. Penketh, as an example, had seen TCAT intervention to get closer to benchmarks going forward.
- The Director of Finance will work on a clear process and clear assumptions for schools in relation to budgets so that all schools will work to the same deadline.
- Pooling of reserves was highlighted by the SRMA. Some Trusts did pool GAG (General Annual Grant) funding; however this would go against TCATs operation to date. This was not thought to be something that TCAT would consider changing, however due consideration would be given with the expectation of no action.
- Investing cash balances would be discussed within Agenda Item 7d.
- There was a recommendation around schools splitting time on timetable from work within CET for school improvement. This was not captured currently within budgets and would be useful.



- Many of the recommendations had either been picked up by TCAT already or were now in the process of being addressed. There were no particularly new recommendations.

The CEO will meet with the ESFA (Education and Skills Funding Agency) to feedback on SRMA and asked Trustees to feedback on recommendations within the SRMA report. Recommendations were not enforceable by the ESFA, rather a menu of options for Trustees to consider.

Action: Response to SRMA for ESFA will be considered by Trustees at the Trust Board meeting 13.07.2023.

c) Budget Planning Timeline

The Director of Finance confirmed that the first draft of the budget for 2024-25 would be brought to the Finance, HR, and Operations Committee Spring meeting 07.03.2024.

The Finance team will meet week commencing 03.07.2023 to consider a modelling spreadsheet for Headteachers to address the multiple requests for adjusted budgets throughout the year.

d) Update on Banking Structure

The Director of Finance advised that a final mandate change was in progress ahead of completion of the account with Flagstone for the purposes of investment of reserves. Once the Estates plan had been confirmed, plans for investment will be considered. Long-term investment over 12-months will need Trustee approval in line with the Academies Handbook. Flagstone will need two Trustee signatures per payment.

Trustees were very disappointed that work had not progressed further.

Trustees asked the following questions:

- **How would academies be credited with income:** The Director of Finance confirmed that investments must be accessible to credit academies when requested.
- **Can a mandate be set up by the Trust Board to allow decisions to be made:** The CEO advised that due process would need to be followed.
- **How long will it be before £4million of reserves was invested with Flagstone:** The Director of Finance advised that some investment was likely within a month or two. There were currently not enough banks within Flagstone to invest £4million in £85,000 amounts in line with the Government guarantee scheme.
- **Could current bank Lloyds offer any investment options:** The Director of Finance advised that this had not been discussed with Lloyds.
- **Was there an issue with internal resource which has impacted this delay:** The Director of Finance had spoken with the CEO around resources within the Finance team. There was some finance resource within schools joining the Trust which will be considered. The new accounting system will help free up time and resource within the team.
- **What was the system at Flagstone regarding investment and withdrawal:** The Director of Finance confirmed that Flagstone would offer advice on a regular basis and would alert TCAT when money will be coming into investments to allow TCAT to



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| | <p>respond immediately and put that money into another account. Interest would be managed within the Finance team.</p> <p>Action: DM will speak with CCF (Cheshire Charitable Foundation) regarding their similar investment strategy with Flagstone.</p> |
| 8 | <p>HR Report</p> <p>The Head of HR referred to the report which had been shared with Trustees and noted the following highlights:</p> <ul style="list-style-type: none"> • There were no significant issues with staff absence, which was supported by external benchmarking. Any standouts were being actively managed. • Recruitment and retention were in line with the sector, with no significant issues. People were generally moving on for promotion. • There was nothing unmanageable or out of the ordinary in terms of case work. • Strike days week commencing 03.07.2023 will impact on transition days. • The four main teachers' unions will ballot for action in the Autumn, as well as support staff, which will bring uncertainty in the Autumn term. • The current Payroll SLA (Service Level Agreement) will not be continuing; external providers were being considered. • The staff survey had seen a return of around 26%; ideas were being considered to increase the rate of return. • The HR team was growing to provide support for new academies joining the Trust. <p>Trustees queried if there would be TUPE (Transfer of Undertakings, Protection of Employment) for staff at academies joining the Trust.</p> <p>The Head of HR advised this was the case.</p> |
| 9 | <p>Buildings & Operations Report (inc. H&S)</p> <p>The Operations Director referred to the report which had been shared with Trustees, and noted the following highlights:</p> <ul style="list-style-type: none"> • TCAT Operations will be added alongside TCAT Learns, TCAT Reads, and TCAT SEND (Special Educational Needs and Disability). This will be useful for academies joining the Trust and provided opportunity for reflection on provision within the Operations team. • Health and Safety reporting was getting much better across the Trust which allowed for trend reporting and monitoring on a like-for-like basis across academies. • The functionality to report accidents by type has been useful to help CET understand more. • Schools with delays in IAM Compliant reporting have identified with the maintenance team what needs to take place. <p><i>19:18: AM left the meeting at this point.</i></p> <ul style="list-style-type: none"> • Academies were getting better at reporting regarding data protection. This was included within peer reviews. GDPR (General Data Protection Regulations) will form part of the internal audit next year which will improve this area. |



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| | <ul style="list-style-type: none"> • A move to Office 365 will be done by the IT team over Summer, which was well planned. • Business support peer reviews had been completed by half of schools, which had already seen the benefit. <p><i>19:20: AM returned to the meeting at this point.</i></p> |
| 10 | <p>Estate Management</p> <p>a) Strategy and 2023-24 Projects The Operations Director advised Trustees that an Estate Management Plan must be submitted to the ESFA of closed projects, and projects which will be open in 2023-24. This had been shared with Trustees in advance of the meeting. The plan had changed slightly from the last meeting 09.03.2023, including a couple more projects which had been added, a project at Great Sankey Primary which had changed, and process which had been changed around timings to ensure projects were completed on time. Trustees were asked to recommend this draft to the Trust Board.</p> <p>Resolved: Trustees recommended the Estates Management Plan to the Trust Board.</p> <p>Further, the Trust Board would need to specifically approve all projects over £50,000, which were highlighted in documentation shared with Trustees.</p> <p>Resolved: Trusteed recommended all projects over £50,000 to the Trust Board.</p> <p>b) Decarbonisation The Operations Director gave an update on the decarbonisation project to Trustees:</p> <ul style="list-style-type: none"> • The driver for the decarbonisation project was net zero carbon emissions, with specified funding in line with this. • The vast works around installation of the heat pumps will take place over the Summer break. Locations of installation had been agreed with Heads. • Monthly meetings with the project management team were taking place to ensure the management and quality assurance of the project. • The project was to plan currently in terms of tender and commission. • TCAT will only know the full cost once the project has completed. It was anticipated that Padgate Academy may be more expensive, however there may be savings elsewhere. • An analysis of pipework will be a separate project. This will be brought to Trustees in due course. It was noted that pipework will likely need to be replaced anyway over the next couple of years. <p>Trustees questioned what the funding for this project was linked to. The Director of Operations advised that TCAT must make certain carbon savings to receive funding.</p> <p>Trustees asked if the timeline was planned to avoid disruption.</p> |



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| | <p>The Director of Operations advised that installation of the heat pumps, which would cause disruptions, could be moved the Autumn half-term break if not completed over the Summer break. Other works would not cause disruption and would take place over the Autumn term.</p> <p>Trustees queried resource within the Operations team. The Director of Operations advised that a member of the team will be overseeing the project. A new manager will be starting in September overseeing compliance and governance. A member of the team was currently off sick.</p> |
| 11 | <p>Growth</p> <p>The CEO gave a verbal update to Trustees.</p> <p>Sutton Academy and Dallam Primary were at approval stage with the Advisory Board.</p> <p>The Trust had requested a TCaF (Trust Capacity Fund) from the Regional Director to support the work of CET to grow capacity to support growth of the Trust.</p> |
| 12 | <p>Policies</p> <p>a) Expenses Policy The Operations Director advised that this remained the same and had been extended to include Trustees and Governors.</p> <p>b) Access to Trust and LGB Papers The Operations Director advised that this remained the same with no changes.</p> <p>c) Procurement Strategy Trustees had received the final draft in advance of the meeting from the Operations Director.</p> <p>d) Finance Regulations The Director of Finance advised that the only change was to add Appleton Thorn Primary which had joined the Trust.</p> <p>Resolved: Trustees approved the Expenses Policy, Access to Trust and LGB Papers, Procurement Strategy and Finance Regulations, which would be shared with staff and LGBs to share with school staff.</p> <p>e) Parental Matters This included TCAT Adoption Leave Policy 2023, TCAT Maternity Policy 2023, TCAT Paternity Leave & Maternity Support Leave Policy 2023, and TCAT Shared Parental Leave Policy 2023.</p> <p>Trustees questioned if Unions had reviewed the changes to policies relating to parental matters.</p> |

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| | <p>The Head of HR advised that these policies had been reviewed by JCNC (Joint Consultative Negotiating Committee). There were no significant changes and Unions had not presented any changes.</p> <p>Resolved: Trustees approved the TCAT Adoption Leave Policy 2023, TCAT Maternity Policy 2023, TCAT Paternity Leave & Maternity Support Leave Policy 2023, and TCAT Shared Parental Leave Policy 2023, which would be shared with staff and LGBs to share with school staff.</p> <p>f) Safer Recruitment The Head of HR advised that there were a couple of questions to present to the Safeguarding Panel regarding this policy, and will be presented to the Finance, HR, and Operations Committee in due course.</p> |
| 13 | <p>Any Other Business</p> <p>Trustees formally noted their support to the staff, pupils, and community at Sir Thomas Boteler High for the loss of Emily.</p> <p>Trustees formally noted the loss of Sue Smith, who had been a very long serving member of staff at Bridgewater High and will be greatly missed.</p> |
| 14 | <p>Confirm Date and Time of Next Meetings</p> <ul style="list-style-type: none"> Thursday 12.10.2023, 16:30, TCAT Centre Thursday 07.12.2023, 18:00, TCAT Centre Thursday 07.03.2023, 18:00, TCAT Centre Thursday 27.06.2023, 18:00, TCAT Centre <p>19:42: PW left the meeting at this point.</p> |
| 15 | <p>Confidential Matters</p> <p>Discussion was captured within a Confidential Appendix.</p> |

The meeting closed at 19:44

Action Log

| Minute Reference | Action to be taken | By Whom | Completion Date |
|------------------|----------------------------------------------------------------------------------------------------|---------|-----------------|
| 6 | Ongoing open invitation to invite non-trustee LGB representatives to join committees as observers. | All | ASAP |
| 7b | Response to SRMA for ESFA will be considered by Trustees at the Trust Board meeting 13.07.2023. | AM | 13.07.2023 |

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Date.....



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| 7d | DM will speak with CCF (Cheshire Charitable Foundation) regarding their similar investment strategy with Flagstone. | DM | ASAP |
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