THE CHALLENGE ACADEMY TRUST

Finance, HR, and Operations Committee
Meeting Minutes
Thursday 26th June, 6-8pm

Venue: TCAT Professional Development Centre
Chair: Peter Winter
Clerk: Melissa St. Clair m.alexander@tcat.uk.com

Committee Membership

Name	Category	Term Ends
Linda Boys	Trustee	31.08.2028
Andrew Moorcroft (AM)	**CEO,** Trustee	N/A
Anita Pailing (AP)	Committee Associate	N/A
Howard Platt (HP)	Trustee	01.07.2025
John Warren	Trustee	11.01.2028
Linda Waterson (LW)	Trustee	01.07.2025
Stephen Whatmore (SW)	Trustee	01.07.2025
Peter Winter (PW)	**Chair**	11.01.2028

Also in Attendance

Name	Role
Adrienne Laing (AL)	Operations Director
Ben Logan (BL)	Head of HR
David Halsall (DH)	Chief Finance Officer
Joanne Pennington-Jones	Rathbones

Documents Shared Prior to the Meeting:

Item 8a. TCAT Investment Update
Item 8b. TCAT Finance Report
Item 8c. Finance Presentation (narrated)
Item 8d. Business Plan Updates
Item 9. HR Report
Item 10a. Business Operations Report
Item 10b. Procurement Report
Item 11. Estate Management Update
Item 12a. Expenses Policy

<table>
<tr><th colspan="2">Agenda Items</th><th>Time Allocated</th></tr>
<tr><td>1</td><td>Welcome
MA welcomed the Committee to the final meeting of the academic year and made a profuse apology for the delayed start.</td><td></td></tr>
<tr><td>2</td><td>Any items for AOB/ Part Two – Confidential:
No additional items were raised for Any Other Business. Confidential matters were scheduled for discussion under Item 15.</td><td></td></tr>
<tr><td>3</td><td>Absence / Apologies / Non-Attendance:
Apologies were noted for Anita Pailing and accepted by the committee.
All other members were present, and their attendance was duly recorded.</td><td></td></tr>
<tr><td>4</td><td>Register of Interests:
No registers of interest were made by committee members.</td><td></td></tr>
<tr><td>5</td><td>Declaration of Pecuniary Interests:
No pecuniary interests were declared in relation to any of the agenda items discussed during the meeting.</td><td></td></tr>
<tr><td>6</td><td>Membership & Organisation:
The committee noted that the terms of Howard Platt, Linda Waterson, and Stephen Whatmore are due to end on 01.07.2025. MA confirmed that HP and SW would continue in their posts. MA shared that LW has resigned as TCAT Trustee, leaving a position for the Chair of the Audit and Risk committee. It was agreed that succession planning and reappointment discussions are required.</td><td></td></tr>
<tr><td>7</td><td>Minutes of the Finance, HR and Operations meeting held on Thursday 13th March 2025:

a) Acceptance of the minutes: The minutes from the previous meeting were accepted.
b) Matters arising: There were no matters arising discussed.
c) Review of Action Log: All actions from previous meeting were checked by PW and a brief update was given. All actions have been completed.

<table>
<tr><th>Minute Reference</th><th>Action to be taken</th><th>By Whom</th><th>Completion Date</th></tr>
<tr><td>8.</td><td>Submit DfE Resource Management Checklist</td><td>AL</td><td>14/03/2025</td></tr>
<tr><td>8.</td><td>Invite Relationship Manager of</td><td>AM</td><td>ASAP</td></tr>
</table></td><td>10 Minutes</td></tr>
</table>

	Rathbones to the next committee meeting on 26/06/2025		
11.	Monitor the rectification plan for the ground source heat pumps at required academies	AL	On going
12.	Confirm and approve the final list of projects for 2025-2026 with Heads and Principals	AL	ASAP

8	**Finance:** Spotlight - Investment – Rathbone JPJ shared details relating to performance, strategy and future considerations for the Trust, reminding that the initial investment was £4,000,000, invested in a low-risk strategy, to grow value but protect the capital sum, with low risk and predictable returns. JPJ presented an overview of the Trust's investment strategy, with a snapshot of the current investments profile, with varying terms to maturity, with a combination of interest returns (paid 6 monthly) and capital returns (upon maturity), although short term treasury bills do not pay interest, just the capital gain at the end. JPJ mentioned that the annual return thus far has been approximately 4.5 percent, and to achieve higher returns, one would have to go for longer-dated investments, which come with some risk. ***AM stated that the Trust currently operate on risk level one and questioned what risk level two would look like in practice.*** ***JPJ explained that the equity pot is where takes the risk and highlighted that the Trust would have to be comfortable with the potential risks. JPJ stated if the Trust are accountable for capital risk and raised the significance of being prepared to take risk.*** JPJ discussed the availability of Treasury stocks, stating that there will always be Treasury stocks available with multiple maturities each year. JPJ mentioned that the current longest	**35 Minutes**

	maturity is until 2037, indicating the potential for long-term investment opportunities. Trustees discussed the implications of shifting to a higher-risk equity portfolio, with DH reiterating that the Academy Trust Handbook advises to prioritise security of funds over larger returmns. JPJ emphasised that early redemption of bonds was possible, but may expose the Trust to market risk, if we need to draw down on funds to meet operational needs. If held to maturity, though, returns are fixed. ***A Trustee asked if JPJ is happy with the way in which TCAT are communicating with Rathbones. JPJ confirmed that Rathbones are happy with current communications and confirmed that funds can be managed.*** JPJ concluded by sharing that the investment approach remains flexible, balancing long-term growth with short-term liquidity, including the use of longer-term investments such as Blackstone, while ensuring access to cash when needed. ***A Trustee questioned who is managing the Trust's investments.*** ***DH confirmed that he is responsible for managing the Trust's investments.*** JPJ highlighted that there are redemptions due in the coming months and shared the potential options to the Trust. DH confirmed that he would liaise with JPJ directly to discuss the Trust's options. ***A Trustee queried if TCAT are behind or working in line with other academies around investment strategies - JPJ shared that she does not work with a large number of Trusts or academies. However, JPJ added the low-risk element is very important for the Trust and highlighted the significance of the Trust not being seen to taking capital risks.*** DH commented that the Academy Trust Handbook advises to not take risk with capital investment. JPJ stated that if capital preservation is the Trust's priority, the Trust's investments are safe and predictable. JPJ left the meeting at 18:49. <u>Finance Report: DH</u> (For information and discussion)	

	DH reported an operational surplus of £113,000 up to the end of April, with an improvement to £200,000 year-to-date by the end of May. DH shared that the financial report for May would be sent following this committee meeting. ***A Trustee queried where the finances are for The Halliwell Jones Stadium.*** ***DH explained that some of the costs are paid out of Beamont Collegiate Academy's budget, and some is paid out of TCAT's central budget. DH referred to the business planning and explained that the strategy is to move out of this and bring it into the central levy.*** ***A Trustee questioned if the Alternative Provision will be itemised going forward.*** ***AM explained that the Alternative Provision is not paid via the Central Management Fee but is paid by the individual academies and the funding comes from academies who participate.*** ***DH confirmed that that transparency over Alternative Provision would be reviewed in future reporting.*** ***A Trustee questioned if the Trust have intentions to use central reserves for any specific developments to support TCAT students.*** ***AM explained that the Trust are in the process of developing the Trust Digital and Education Strategy and a proportion of this reserve could potentially be used to assist with the implementation of iPads across the Trust to ensure equity to make a significant educational impact.*** A brief discussion took place relating to 'GAG' pooling and 'Reserve' pooling and explained that 'GAG' pooling was not the way in which the Trust was originally formed. AM explained that induvial reserves still sit with individual academies and as a direct result, some academies are in stronger positions than others. AM explained that the Trust have moved towards increased shared capital. HP added that some academies have joined the Trust in deficit positions and have been led to move out of this position in a strategic manner led by the leadership team. ***A Trustee questioned if academies can request additional funding for site improvements/ estates projects.*** ***AM confirmed that individual academies can put forward requests and explained there are many examples of where TCAT have provided additional funding for capital investments.***	

	DH requested the committee's approval to delegate the authority for DH and AM to approve the Budget Forecast Return, which is due August 2025. ***This was approved by the Committee.*** DH provided an executive summary relating to the budget for the academic year 2025-2026 and explained that a huge amount of work has gone into developing a sustainable budget. DH shared the Trust's surplus for year 1 is £310k rising to £634k by year two and £1m by year three. DH referred to SCA funding that is received centrally is expected to be stable and will be used for capital projects adding that DFC funding is also stable. DH made reference to TCAT's potential spending relating to Peel Hall, which may need to be funded in the short term and then reimbursed. DH provided the committee with an overview of sector challenges and explained that nationally, schools are having to think very carefully to create a balanced budget. The following challenges were shared: - lagged funding - falling birth rate - drop in student numbers at Priestley College - Underutilised sixth forms at The Sutton Academy and South Wirral High School - Increased demand for alternative provision - Part funding for teaching pay increase. ***A Trustee challenged when the sector challenges will have a negative implications on students.*** ***AM explained that arguably this has already had a negative impact. AM shared that the Trust are unpicking this in a careful way to support with long term planning.*** A Trustee commented that there is an increasing need for places at alternative provisions. AM explained that at present, pupil places are currently covered by academy budgets which is adding additional pressures and added that TCAT are looking at the prospect of opening the Alternative Provision as a Free School to aid with funding. DH shared that the trust has made some significant strides in operational efficiencies trust-wide and provided insights into central procurements which have been made to reduce total spend across the Trust, providing examples from the energy efficiency schemes. DH explained that procurement is a key area of focus for the Trust going forward. <u>Consolidated Trust Cash and Investments:</u>	

	DH focused on the year 2025/2026 and provided details relating to increased net operational cash flow, from £310,000 to £993,000 by 2027/2028 with positive increases over the next three years. ***A Trustee challenged if TCAT are guaranteed income from the Peel Hall development.*** ***AL confirmed that TCAT receive 12% every 100th house.*** ***AM added that if the developers were to go bankrupt, due to our phased approach to capital spend, would not see us over exposed.*** ***A Trustee questioned if Padgate Academy were required to increase their numbers for all year groups.*** ***AM confirmed that this is not an obligation, however, the academy has the provision to do so and this would be welcomed.*** <u>Consolidated I&E Summary:</u> DH shared that most academies are in a healthy financial position and highlighted key figures from the academy budget overviews. DH shared that there are a small number of academies who are in a less stable position and provided the following summaries: • Dallam Community Primary School: The school continues to operate within its own reserves. A review of resource levels has been completed, and the Trust is working closely with the school's leadership to provide appropriate support and maintain financial resilience. • Priestley College: A decline in student enrolment in 24/25 will impact on funding for 25/26. The trust have worked with the college to review staffing structures and transport arrangements, including bus services, to ensure alignment with revised student numbers and financial forecasts. • The Sutton Academy: The academy has experienced financial strain due to increased alternative provision placements and lower sixth form enrolment. The Trust is engaged with the academy to assess the financial implications and identify appropriate mitigation strategies. ***A Trustee questioned if the using of RAG rating indicates anything particular.*** ***DH confirmed that it was automated conditional funding function, grading from green to red, (the more red, the larger the financial challenge). DH added further details for individual academies can be located in the appendices.*** ***A Trustee challenged if a 3.5% surplus as a percentage of turnover is achievable?***	

	AM shared that 3.5% is the national recommendation and shared that the Trust use benchmarks to address overstaffing and taking a stronger line going forward. AM explained that stabilisation is essential to reduce disruption at academy level and confirmed that steps are going to be taken to take a more involved approach. **2025-26 Business Plan Update: DH (for approval)** ***DH presented the 2025-2026 Business Plan and requested approval from the committee.*** ***The 2025-26 Business Plan Update was approved by the Committee.***	
9	**HR Report:** (For information and discussion) BL provided the committee with a brief verbal update relating to the following areas: • Continued CPD for support staff and implementation of line management training which is scheduled to launch in autumn 2025 • Development of a flexible working framework to support staff wellbeing and retention • Evaluation of workforce data platforms to improve HR analytics and reporting • Implementation of teacher pay increases from 1st September 2025 • Monitoring the slight increase in sickness absence across the Trust. BL added that the HR team's engagement with academies was noted to be balanced between empowerment and timely intervention, and explained that where required, the HR Team are supporting individual academies with case work. ***A Trustee asked if the HR team are being welcomed into the individual academies when supporting with case work.*** ***BL confirmed that there is a balance between empowering and effective training. BL highlighted the significance of timey interventions to ensure cases are supported as early as possible.*** BL asked if there were any further questions. The committee raised no further questions relating to the HR Report.	**15 Minutes**
10	**Operations:**	**20 Minutes**

Business and Operations Report: AL (For information and discussion)

AL explained that developments had been made following the initial business compliance assurance reviews. AL added that a Trust Scorecard is in the process if being developed and referred to the key functions such as GDPR, governance and health and safety which are reviewed as part of the compliance assurance reviews.

Compliance and Assurance: AL (for information and discussion)

<u>Compliance and Assurance Reviews:</u>
The committee was informed that all scheduled compliance and assurance reviews had been completed. Key recommendations from these reviews were summarised, and it was confirmed that follow-up reviews have also been conducted to ensure implementation. Outstanding actions are now being systematically tracked through the academy business scorecard action tracker, ensuring accountability and timely resolution

<u>Risk Management:</u>
Risks identified through the assurance process are being actively monitored. Where necessary, support and risk assessments are being coordinated under the leadership of Lisa Gannon to ensure that appropriate mitigation strategies are in place.

<u>Statutory Maintenance Compliance:</u>
Significant progress has been made in statutory maintenance compliance across the Trust. The implementation of new procedures has been highly successful, with demonstrable improvements in adherence and reporting.

<u>Data Protection and Information Requests:</u>
The committee noted a decrease in Freedom of Information (FOI) requests and an increase in Subject Access Requests (SARs), indicating a shift in the nature of data-related enquiries. This trend is being monitored to ensure continued compliance with data protection legislation.

<u>Operational Highlights</u>:
AL reported notable successes, including the continued development of Ty’n-Y-Felin and the positive reception of the TCAT Governance Offer. These initiatives have contributed to strengthening operational capacity and governance engagement across the Trust.

	<u>Sustainability and Cost Efficiencies:</u> The Trust's commitment to sustainability was reaffirmed. AL highlighted that recent projects have led to significant cost reductions, generating substantial savings. Reference was made to the EDF energy visual, which illustrates the impact of energy efficiency measures implemented Trust-wide. <u>IT Infrastructure:</u> The current IT structure is under review and will be further developed as part of the forthcoming IT Strategy. This will ensure that digital infrastructure continues to support both operational efficiency and educational delivery. ***A Trustee asked if the ground source heat pumps are kept on during summer.*** ***AL confirmed they are not kept on over summer.***	
11	**Estate Management: AL** (For information and approval) <u>TCAT Asset Management Plan 2025-26:</u> This paper was not added to GovernorHub prior to the meeting. It was noted as an action for MA to upload this and collect approval from Trustees for the proposed Asset Management Plan. ***AL explained that minor changes had been made in relation to the costings due in this plan. AL requested provisional approval pending trustee assessment of the amended Asset Management Plan.*** ***The document was approved in principle by Trustees, pending upload to GovernorHub.*** ***MA will collect formal approval via GovernorHub.*** <u>Solar Projects and Energy Savings:</u> AL explained that TCAT received a notification from the DfE on 24/06/2025 to share that Padgate Academy and The Sutton Academy have been selected to engage in a solar project with Great British Energy. AL confirmed that the Trust are required to submit a proposal on 30/06/2025 explaining that the potential cost savings from this initiative could be significant as the work would be funded by the DfE. ***A Trustee queried if TCAT applied for this project.*** ***AL confirmed that TCAT did not apply, they were selected by the DfE.*** AL proposed that the Trust proceed with the submission of the proposal for Padgate Academy and The Sutton Academy on 30/06/2025 and continue with the Solar for Schools projects as per the solar project programme for the other twelve academies.	**20 Minutes**

	A Trustee challenged if Great British Energy and Solar for Schools are supported by government recommendations. AL confirmed that both work in line government frameworks. ***A Trustee queried if there would be benefits to TCAT making the applications for the DfE.*** ***AM confirmed that if the applications for The Sutton Academy and Padgate Academy were successful, these would be funded projects.*** AL provided the committee with a reasoning as to why the Trust are committed to the Solar Project Programmes and the financial benefits at an academy level. AM raised the importance of regularly capturing the savings that are made and ensuring this information is showcased to highlight the significant savings that are being made across the Trust. AL added that a new energy management tool has been implemented to support with the monitoring of energy savings. ***AL asked for approval for the Asset Management Plan*** ***The Committee approved the Asset Management Plan.***	
12	**Policy Update: DH** (For information and approval) <u>Expenses Policy</u> (For Approval) DH explained there are minimal changes applied to the Expenses Policy and explained that amendments have been highlighted in yellow in the document uploaded prior to the committee meeting. ***A Trustee raised that recommendations from the Charities Commission and NGA promote expenses being utilised to cover the costs of childcare/ care for a dependent adult for Governors and Trustees. It was highlighted that this would make the role of a governor/ trustee more appealing by ensuring this offer is in place.*** DH responded by explaining that this policy is in relation to the financial support of transportation costs and added that the Trust work flexibly to support governors/ trustees with the offer of joining meetings remotely, should they face difficulty in engaging with face-to-face meetings due to person circumstances. JW offered to share the Charity Commissions and NGA papers with DH. This was welcomed by DH. ***DH requested approval for the Expenses Policy.***	**15 Minutes**

	The Expenses Policy was approved by the Committee.	
13	**AOB:** There was no other business discussed during this meeting.	
14	**Date and time of next meetings: (For information)** • Thursday 9th October 2025	
15	**Part Two: Confidential Items** Confidential items have been captured in a separate Part Two document.	**10 Minutes**

This meeting began at 18:29
This meeting was closed by PW at 20:05.

Actions

Minute Reference	Action to be taken	By Whom	Completion Date
8.	Explore options for opening an alternative provision as a Free School.	AM/ DH	On going
8.	Get in touch at the beginning of July to decide on the appropriate actions for the funds maturing in July.	DH	W/C 07/07/2025
8.	Send the completed May financial report after the committee meeting.	DH	W/C 30/06/2025
11.	Submit the proposal for the solar projects for The Sutton Academy and Padgate Academy to the DfE by Monday.	AL	30/06/2025
11.	MA to collect Trustee approval for the Asset Management Plan.	MA	W/C 07/07/2025
12.	Share Charities Commission/ NGA recommendations for TCAT Expenses Policy.	JW	W/C 30/06/2025