

## TWMAT Finance & Resources Committee

Wednesday 22 September 2021, 4.30pm

### MEETING SUMMARY SHEET

Actions from the Meeting			
Action Ref.	Action	Lead	Due Date
FR2209.1	Produce a report to benchmark Trust Budgets	SP	24.11.21
FR2209.2	Confirm the position on Members needing DBS checks and inclusion on the Trust Single Central Register	MF	24.11.21
FR2209.3	Review the Trustees Annual Report and ensure that Growth & Development Committee is referenced.	SP	24.11.21
FR2209.4	Invite Members of the Audit & Risk Committee to attend the Finance & Resources Committee on 24.11.21 for Bishop Fleming's report on the accounts.	MF	24.11.21
FR2209.5	Invite Bishops Fleming to attend Finance & Resources Committee on 24.11.21 to present the annual accounts.	MF	24.11.21
FR2209.6	Finalise and Publish updated policies as per the policy approval process.	MF	24.11.21
FR2209.7	Policy Approval Process to be added to the Board of Trustees Agenda for 20.10.21	MF	20.10.21
FR2209.8	Amend wording of Fusion Related Party Transaction to relate to "the Trustees of the Fusion Board should be consulted"	SP	24.11.21
FR2209.9	Arrange a meeting of the ASAP Sports Hall Working Group	MF	02.10.21

Decisions Made Under the Scheme of Delegation	
Item.	Decision
9.	The changes to the following policies were agreed: <ul style="list-style-type: none"> <li>• Data Protection GDPR</li> <li>• Due Diligence for New Schools</li> <li>• Finance Regulation &amp; Control Measures</li> <li>• Fire Management Policy – Non PFI Schools</li> </ul>
9.	The increased procurement thresholds in the Financial Regulations were agreed.
9.	The increase to £2,000 for approval of bad debts was agreed.
9.	Trustees were comfortable with the proposed changes to the Policy Approval Process.
10.	The Proposed Related Party Transactions for 2021-22 were agreed: <ul style="list-style-type: none"> <li>Exeter College – For Apprenticeships</li> <li>Exeter College (Haven Banks) – For Outdoor Education</li> <li>Fusion School Services Limited</li> </ul>
10.	The updates to the Related Party Transaction Policy were agreed
11.	Trustees ratified the expenditure during the Summer Term to Tim Lowther Ltd for printing.
11.	Trustees agreed to a tender process to create a bank of suppliers for design and print services for the Trust from February 2022.
11.	It was agreed to retain PHP Law's services for the forthcoming year. Advice would be taken regarding future tenders.

## Finance & Resources Committee

Wednesday 22 September 2021, 4.30pm

Microsoft Teams Virtual Meeting

**Attended:**

Alex Walmsley (AW) - Chair	Philip Bostock (PB)
Moira Marder (MM) - CEO	Richard Jacobs (RJ)
Charlotte Davies – Director of Business & Operations (CD)	Sue Pym – Director of Finance (SP)
Melody Floyd (MF) - Clerk	

**Apologies:**

Rob Bosworth (RB) - Accepted
------------------------------

## Meeting Minutes

Item No.	Business	Action
1.	<p><b>Welcome, Apologies and Declarations of Interest</b></p> <p>Apologies were received from Rob Bosworth.</p> <p>AW noted the potential of co-opting suitably skilled Governors from other LGBs to the Finance Committee in the future if desired.</p> <p>Declarations of interest were noted, as follows: AW: Director, First Federation Trust.</p>	
2.	<p><b>Minutes of Previous meetings</b></p> <p>The minutes of the meeting held on 23.06.21 were approved as a full and accurate record. All actions were recorded as complete.</p>	
3.	<p><b>Matters Arising</b></p> <p>PB queried the point, in the previous minutes, relating to benchmarking Trust budgets and whether this was available. <b>Action: SP to produce a benchmarking report on Trust Budgets for the next meeting.</b></p>	<b>SP</b>

### Items for Monitoring

4.	<p><b>Finance Update (STANDING ITEM)</b></p> <p>SP shared the budget and medium-term financial plan.</p> <p>The accounts from July showed an anticipated favourable outturn.</p>	
----	--	--

	<p>A grant had been received for Covid testing and there had been a reduction in exam expenditure and energy costs. There were also some unrecovered funds leading to the positive variations.</p> <p><b>A full record of the discussion is in Part B of the Minutes.</b></p>	
5.	<p><b>Minutes of LGB Meetings (STANDING ITEM)</b></p> <p>The minutes of the LGB Finance &amp; Resources focussed meetings were reviewed, no points for Trustees' consideration had been raised.</p>	
6.	<p><b>Academy Trust Handbook</b></p> <p><u>Summary of Changes</u></p> <p>SP gave an overview of the main changes to the Academy Trust Handbook for 2021 and confirmed that a summary had been circulated.</p> <p>There was a requirement to retender for the Trust's Audit service this year and SP confirmed that the documents were prepared and ready to go.</p> <p>It was noted that the Chair of the Trust should not chair the Audit &amp; Risk Committee, and that the Chair of Finance &amp; Resources should not also Chair the Audit &amp; Risk Committee. Options for this were being explored, including co-opting members from the Local Governing Bodies.</p> <p>A key risk for the Trust was Cyber Crime and the Trust would be undertaking a Cyber Audit once the new Director of IT had started in post. This would be followed up at the Audit &amp; Risk Committee.</p> <p>SP also noted the growing emphasis on parental representation on LGBs.</p> <p><u>Schedule of Musts</u></p> <p>The Schedule of Musts checklist was reviewed and the Trust was compliant in all necessary areas. There were a couple of points where more attention was needed. SP confirmed that a new Procurement Manger had been appointed.</p> <p>AW noted that the Members should have DBS checks and be included on the Trust's Single Central Register (SCR). <b>Action: MF to confirm the position on Members needing DBS checks in place and being included on the SCR</b></p> <p>RJ queried if the Trust had a direct line of communication with the bank. SP confirmed that there was an account manager and the support received was adequate. The Trust does not pay for bank services.</p>	MF
7.	<p><b>Trustees Annual Report</b></p> <p>The draft Annual Report was circulated. SP noted that there would be additional information added relating to Covid and that the document was evolving. Trustees were required to review and edit the Annual Report. AW noted that the highlighted points were very helpful and that, once the accounts were finalised, the document would be revised further.</p>	

	<p>PB noted that Section 13 did not have any explicit mention of the Growth &amp; Development Committee. <b>Action: SP to review the Annual Report and ensure that Growth &amp; Development Committee is referenced.</b></p>	<p>SP</p>
<p>8.</p>	<p><b>Internal Audit Report 2021</b></p> <p>SP noted the protected position of the Trust currently and that the main concern was consistency across all schools. SP would build this into the roles and responsibilities of team members to ensure that this was reinforced.</p> <p>AW noted the only amber point was for procurement and queried if this was carried over from the previous report. SP confirmed that Procurement was a point of focus and could be improved. Several compensating controls were being put in place including the appointment of a new Procurement Manager.</p> <p>AW queried if there were any increased risks around deliveries to home addresses. SP noted that internal reviews to ensure consistency were needed.</p> <p>AW confirmed that there would be an annual summary of the audit which would come to the committee for filing in November.</p> <p>AW noted that the auditors were asking for clarification on how they would be required to report on the accounts, now that there were split committees. AW also noted that it was often common practice that one joint committee was held. <b>AW suggested inviting the Audit &amp; Risk Committee Members to attend the next Finance &amp; Resources Meeting on 24.11.21. Bishops Fleming to be invited to present the audit report at this meeting.</b></p>	<p>MF</p>
<p><b>Items for Approval</b></p>		
<p>9.</p>	<p><b>Trust Policies</b></p> <p>The Schedule of Policy Updates was reviewed and the changes to policies were agreed.</p> <ul style="list-style-type: none"> <li>• Data Protection – GDPR</li> <li>• Due Diligence for New Schools</li> <li>• Financial Regulations &amp; Control Measures</li> <li>• Fire Management Policy- Non PFI Schools</li> </ul> <p>PB queried if there should be explicit agreement by the Board when taking on new schools included in the due diligence policy. CD confirmed that this was included within the wording.</p> <p>Victoria Strickson was working on a Capital Expenditure Policy to help with prioritisation of projects and timelines.</p> <p>SP confirmed that she would cover the updated Financial Regulations with Finance Managers during the Finance Network meetings to ensure compliance.</p> <p>A list of approved suppliers would also be created by the new Procurement Officer to be published on the Staff Hub.</p>	

	<p><b>The increased procurement thresholds on Page 52 of the Financial Regulations were agreed.</b> AW queried what this meant in terms of IT with the £50,000 threshold. SP noted that all hardware was bundled together and covered by Capital annually.</p> <p><b>The increase to £2,000 for approval of bad debts was agreed.</b></p> <p><b>Action: MF to finalise and publish updated policies as per the process.</b></p> <p><u>Policy Approval Process</u></p> <p>CD gave an overview of changes to the Policy Approval process. Previously all Policies had been approved by the F&amp;R Committee, however going forwards the proposal was that the Board would agree which Committee had delegated responsibility for each policy area and split out where policies would be reviewed.</p> <p>The initial draft and suggestions were shared. CD confirmed that this would go to the Board of Trustees for formal approval on 20.10.21 but any input from Trustees was requested.</p> <p><b>Trustees were comfortable with the proposed policy approval process.</b></p> <p><b>Action: MF to add Policy Approval Process to Board of Trustees Agenda for 20.10.21</b></p>	<p>MF</p> <p>MF</p>
<p>10.</p>	<p><b>Related Party Transactions</b></p> <p><b><u>Proposed Transactions for 2021-22</u></b></p> <p>SP confirmed the proposed Related Party Transactions for 2021-22.</p> <p>Exeter College for Apprenticeships – A statement of assurance is in place and costs had been checked with alternative providers. SP noted the proposals to work more closely with Exeter College as the main provider in the area. However, if this went above the threshold the ESFA would need to be notified.</p> <p>Exeter College (Haven Banks) for provision of Outdoor Education</p> <p>Fusion had also been added. AW sought clarification on wording relating to the PFI Working Group and suggested that this should be worded as “the Trustees of the Fusion Board should be consulted”. <b>Action: SP to make this amendment to the wording.</b></p> <p><b>The Proposed Related Party Transactions for 2021-22 were agreed.</b></p> <p><u>Related Party Transaction Policy</u></p> <p>Trustees approval was sought for the updated Related Party Transaction Policy. It was noted that annual approval was required. Fusion School Services had been added and was the main change.</p> <p><b>The changes to the Related Party Transaction Policy were approved without amendment.</b></p>	<p>SP</p>
<p>11.</p>	<p><b>Approval of Expenditure</b></p> <p><u>Tim Lowther Ltd</u></p> <p>SP noted that this arrangement had grown organically with the number of schools in the Trust. There was a bespoke arrangement in place, due to last minute changes often being</p>	

required. This had led to a situation where a large amount of work £180k was being put through the company annually and was a significant risk.

Some limited market testing had been undertaken. However, the need to demonstrate value for money was critical particularly in relation to the print element. Tim Lowther currently looks after both design and print. There were risks around there being only one supplier.

SP noted a substantial piece of work during the Summer term that had been undertaken and approved due to the lack of other options available. Ratification of the £70,000 expenditure over the summer was requested. **Trustees acknowledged the risk but agreed that they were content to ratify the decision.**

SP confirmed that it had been agreed that the provision of design and print services going forward would need a full tender process. The importance of the tender process was emphasised.

Agreement was also sought to go to tender to have a bank of suppliers available in February 2022. The tender would be split into two distinct areas – design and print. SP noted that this had been a learning area for the Trust. **This was agreed.**

RJ noted that a local firm called Storm Press had a good track record in this area and may be suitable for inclusion in the tender.

**RJ left the meeting at 18:00**

PHP Law Legal Retainer

**Trustees agreed to the recommendation to retain PHP Law’s services for the forthcoming year.**

It was agreed that advice would be taken from the Trust’s Procurement Manager regarding future tenders. AW noted the risk of a tender process leading to higher prices than those agreed outside of a tender process. CD agreed that this was a risk.

Insurance Renewal

CD noted that she was awaiting quotes for the insurance renewal. There was currently a mixed economy in the Trust schools, between RPA and commercial policies. In the longer-term cover would ideally be consolidated.

It was agreed that, once the costs were received, CD would make a recommendation to Trustees for approval by email outside of the meeting.

**Items for Information**

12.

**PFI Update**

CD gave an update on the status of the PFI Contract.

**A full record of the discussion is in Part B of the minutes.**

13.	<p><b>ASAP Sports Hall Update</b></p> <p>MF would be arranging a meeting of the Working Group within the next two weeks for a full update. <b>Action: MF to arrange meeting date for ASAP Sports Hall Working Group</b></p>	MF
14.	<p><b>ESFA Letter to Accounting Officers July 2021</b></p> <p>SP noted that the letter was standard and that there was now a new Accounting Officer in place.</p>	
<b>Any Other Business</b>		
	<p>AW noted that audit planning had been undertaken with the Auditors and that Fusion was currently the biggest risk to the Trust. However, the Auditors remained supportive.</p> <p>The meeting closed at: 18:09</p> <p><b>Date of Next Meeting: Wednesday 24 November 2021, 4.30pm</b></p>	

Signed by the Chair of the Committee:

Date:

