



MINUTES

Finance, Audit & Risk Committee Meeting

17:00 on Monday 5 June 2023

PRESENT: Tom Attwood, Stephen Gough (Ch), Chris Weavers

ALSO IN ATTENDANCE: Jonty Clark (Interim T4 CEO), Kingsley Mayuku (CFO, T4), Suresh Shan (CFO, Beckmead Trust), Asad Muzammal (Clerk)

1. Welcome and Apologies for Absence:

- a. None.

2. Declarations of Pecuniary Interests:

- a. None.

3. Minutes of the previous meeting and matters arising:

- a. Deferred.

4. Finance Update:

- a. The Executive advised that the finance reports are being audited by SS and ten more days are required to prepare the finance papers for the meeting. Trustees agreed that they would want to review the most up to date and accurate financial information and that another meeting should be scheduled in around ten days.

In response to questions, KM confirmed that the Trust is solvent and can meet all salary and financial commitments for the next few months.

- b. Trustees noted that the ArtsX roll is expected to increase to 54 this term and there is more stability in the number of students with statements. Six of the nine new students have income attached of around £45K. The college will lose some AP and self-referral students at the end of the Summer term. The college has a PAN of 25 AP students. TA advised that a nearby AP provision is to close and it is likely that there will be an increase in the number of applications from AP students.

Trustees noted that some of the self-referral students have referred themselves to KS5 and the college is not set up for this. The college receives £6.5K for each of the nine AP self-referral students, giving a teacher to student ratio of 1:5, which is not sustainable for the college. Trustees agreed that the college should no longer consider any self-referrals for KS5 and should reverse any self-referral placements that have already been made for the next academic year.

Trustees noted that the Executive are preparing a line-by-line analysis of each student to have a clearer understanding of which students will still be on roll in September and this will be reflected in the finance reports. Trustees noted that there are 31 members of staff, of which 22 are on permanent contracts. Trustees discussed the general working assumption of 24 students per class and more accurate reporting on the college roll and the finances, would allow for better decision making around the number of staff who could be let go in the summer months and staffing positions filled again when the roll increases.

- c. KM advised that in preparation of the 2023-24 budget, he has arranged meetings with the Heads of schools to understand their expectations of the budget.

In discussing the budget assumptions, KM said that the assumption for income is to increase by 3.4%. Teacher pay rises are forecast to increase by 5% in the first year, the second year by 3.5% and the third year by 3%. Agency staff costs are expected to have a similar increase.

In discussing the income assumption, Trustees agreed that there should be more accurate reporting on how this translates into the number of students on roll and the mix between AP and EHCP students in September. Trustees discussed how the roll does not remain flat over the year and historically the schools start with a lower number of students on roll and this increases over the year before dipping in the Summer term after students complete their exams.

In discussing the assumptions on staffing costs, Trustees agreed that there should be more accurate reporting on the changes in the mix between F/T permanent staff and Agency staff, as this will have more impact on the budget than the percentage increases in pay awards.

Action 230506/01: Monthly income to be tracked against a model of the seasonality trend changes in the roll seen in previous years and staffing level requirements to be tracked in a similar way. The figures and assumptions to be quality assured by SS. (KM, SS)

- d. Trustees acknowledged that finance support staff at the college have been engaged in several HR related matters and discussed more support required for KM in preparing the meeting papers.

Approved: 10 days of paralegal support from Winckworth Sherwood to help clear expediate various HR issues.

5. Audit Update:

- a. Deferred.

6. Premises Matters:

- a. Deferred.

7. Health & Safety:

- a. Deferred.

8. Policies & Documents:

- a. JC confirmed that the policies presented are trust-wide policies but will have some differentiation between the different establishments.
- b. Policy review/approval deferred to the next meeting.

9. Any other Business:

a. Forward Agenda

- Reserves Policy
- T4 Fundraising Projects
- 3-Year Capital Expenditure Plan
- Health & Safety Audit report
- 18-month view on cashflow
- Appointment of AO

10. Date of the next meeting:

■ **FARC meeting: 19 June**

■ **Board meeting: 17 July**

11. Any Confidential Items:

None

12. Items for non-Staff only:

None

The meeting closed at 17:30

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Chair

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Date

Decisions

Approved: 10 days of paralegal support from Winckworth Sherwood to help clear expediate various HR issues.

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Actions carried over:

Action 220228/01: A pipeline analysis to be brought to the next meeting, detailing how many students are at each stage of the referrals process; details of the maturity of how long students have been on the waiting list; the potential funding and costs of each student in the pipeline; and how the pipeline will impact recoupment of the cash loss over the year. The pipeline analysis to be updated and circulated to Finance Committee members monthly. (KB, JW)

Action 230220/01: A projection of the year-to-date budget against a forecast if numbers on roll at both schools were to remain the same to be brought to the next meeting. (KM)

Action 230220/02: An aged debtor list by LA, showing how much has been invoiced against each individual student, and how much is against a yet to be signed student agreement, to be sent to the Committee following this meeting. (JW)

Action 230220/03: The SRMSAT return to be forwarded to the Committee before being submitted to the ESFA. (JW)

Action 230220/04: Potential designs and costs of the 5G pitch and climbing frame to be brought to a forthcoming meeting. (JW, AM)

Action 230220/05: Winckworth Sherwood to be contacted for a copy of the IMHS lease. (JW)

Action 230220/06: The tender documents to be sent to the Committee following this meeting. (JW)

Action 230220/07: The wording of the section on severance pay to be changed to say that the Trust will follow the latest ESFA guidance at the time. (JW)

Action 230220/08: Policies in future to be submitted to Trustee meetings with tracked changes and a cover summary sheet of any changes. (Executive)

Actions from this meeting:

Action 230506/01: Monthly income to be tracked against a model of the seasonality trend changes in the roll seen in previous years and staffing level requirements to be tracked in a similar way. The figures and assumptions to be quality assured by SS. (KM, SS)