

**Minutes of the Southerly Point
Co-operative Multi-Academy Trust
Finance and Resources Committee Meeting**



**Thursday 8th March 2018, from 6.00pm,
in the MAT Conference Room.**

	<p>ATTENDING : Donna Bryant Catherine Bird Philip Cardnell Alan Horne Lesley Lloyd David Reynolds Susan Reynolds</p> <p>In Attendance David Ellis [Estates Manager] Lois Horne [Business Manager] Sean Pinhay [Chief Financial Officer] Karen Teague [MAT Administrator]</p>	<p>D B C P A A L D S</p> <p>DEI LHo SPi KTe</p>
	<p>APOLOGIES : Kevin Thomas</p>	<p>KTh</p>
		<p>ACTION</p>
<p>3.</p>	<p><u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u></p>	
	<p>The Chair welcomed all those present. Under Declarations of Pecuniary Interests, no additional declarations were made at this time.</p>	
<p>4.</p>	<p><u>FINANCE REPORT</u></p>	
	<p>SPi gave an update on the work of the Finance Team since the last meeting of the Finance and Resources Committee. This included follow up work from the various audits, inputting data into the new accounts and budgeting system, completion of the Academies Accounts Return, payroll recs, closure of the previous financial system and work around Keskowethyans potentially joining the Trust.</p> <p>Reports for Individual Schools</p> <p>SPi presented a summary of income and expenditure for the current Trust schools with a focus on budget, forecast and actual. It also included a series of narratives to support any variances. As early projections, these erred on the side of caution but the position generally was looking positive for end of year. Budget preparations in the summer time would provide additional detail for schools.</p> <p>SPi noted any issues which, in the shorter or longer term, would require tackling.</p> <p>Two Year Budget Projection</p> <p>SPi talked through a two year budget projection for individual schools, central and consolidated. He outlined some potential ways in which any overspend issues might be addressed and adjustments made for coming year / the year beyond this. While it was necessary to recognise the requirements for a school could be very unique in a particular year, it was also important to manage any exceptions due to these anomalies carefully.</p> <p>Even taking a pessimistic view, the budget looked reassuring as a whole. Furthermore, the new funding formula would mean the majority of schools were better off and the Trust would therefore benefit overall.</p>	

	<p>Proposed Changes to the Central Team</p> <p>A breakdown of costings around proposed changes to the Central Team, requested by the full Trust Board, was presented to the Committee. This data gave an overview of the impact on the central budget over a three year period, firstly based on the current situation and then in light of other potential scenarios.</p> <p>SPi left the room.</p> <p>Having determined the impact of all changes was within the realm of tolerance anticipated by Trustees, and calculated a more appropriate differential between the salary of the Business Manager and that of the CFO, the Committee <u>agreed</u> the Central Team changes with effect from 1 April 2018.</p> <p>The question of whether, in addition to the restrictions of current financial procedures, the Trust needed tighter mechanisms for the spending of reserves was raised. It was agreed it would be necessary to formulate a reserves policy around this. The policy would include:</p> <ul style="list-style-type: none"> • The key aim is to have an agreed percentage of a school’s annual income in reserves as a contingency fund to meet unforeseen revenue expenditure. • Where a school does not have the agreed percentage in reserve, a budget plan will be put together to achieve this. • Once a year, during the budget setting process, the Finance and Premises Committee will be made aware of each school’s reserve position and, in turn, what impact the in-year over or under spend will have on this reserve. • Also during the budget setting and agreement process, the Finance and Resources Committee will be made aware of any significant planned capital expenditure so they have the opportunity to ensure this is in line with the Trust Plan and the Trust’s overall goals. • If during the year a school requests a significant capital outlay which was not in the original budget, this request would initially come to the Finance Team who would determine the appropriate procedures for authorising this expenditure. This would be linked to the financial procedures already in place for other purchases detailed in the Financial Procedures and Policies Manual previously ratified by the Committee. • As the schools have very different levels of income, consideration will need to be given to the level of authorisation per school. • There will be an annual review of reserves and the situation around these. <p>It would be important to know if schools would need their reserves for budgets or had any spends in mind. School Condition Allocation [SCA] funding might cover the cost of some of the projects going forward but having this information would still be vital due to the implications for cash flow.</p> <p>Action: Prepare list of proposed projects [nature of project, cost, where money will come from, how school will benefit from it] for next meeting.</p> <p>Action: Create a Reserves Policy for the Trust.</p> <p>Action: Add ‘Reserves’ as an agenda item for next meeting.</p>	<p>DBr / SPi / heads</p> <p>DBr / SPi</p> <p>DBr / KTe</p>
<p>5.</p>	<p><u>PREMISES REPORT</u></p>	
	<p>DEI briefly talked through his report to the Committee. Key areas included:</p> <ul style="list-style-type: none"> • General Overview • Compliance overview and achievements • Backlog Maintenance • Trust Estate Development Work • Safeguarding / Health and Safety Overview <p>DEI also reported that:</p> <ul style="list-style-type: none"> • Much of the past week had been given over to reactive maintenance as a result of the freezing conditions prior to this. • A quote from Parago for asset management software had now come through. The quote was competitive and offered a good level of discount. • The Trust’s SCA funding was not yet in but was expected imminently. <p>Questions were invited but none were forthcoming so the Chair thanked DEI for attending and DEI left the meeting.</p>	

6.	<u>SUPPORT STAFF REVIEW</u>	
	<p>DRe declared an interest in respect of this item, as his wife was a member of the support staff team at a Trust school.</p> <p>LHo outlined the purpose of the review, the review process, its proposal and the next stages. The key aim of the review had been to harmonise support staff pay in the fairest possible way through stream-lining the whole process so this would be equitable for support staff across all Trust schools, while still being affordable. It had taken into account both experience and the additional things a member of staff might bring to or offer the Trust.</p> <p>The Committee approved the proposal being taken to support staff unions.</p>	
7.	<u>SUPPORT STAFF PAY POLICY AND EMPLOYER DISCRETIONS POLICY</u>	
	<p>Support Staff Pay Policy</p> <p>Working from Neopeople’s policy, LHo had adapted this to reflect the ethos of the Trust’s support staff review.</p> <p>Action: LHo to send out new policy and Committee members to email back their responses/approval.</p> <p>Please see Confidential Notes for additional information.</p> <p>Employer Discretions Policy</p> <p>As a new employer, the Trust would have to formally adopt these discretions. The draft policy presented was essentially that of Cornwall Council, the only change being who would authorise any discretionary pension agreements. It was pointed out that, while these agreements do not tend to happen very often, they could potentially have a significant financial impact and that should be borne in mind when allocating this responsibility.</p> <p>The Committee agreed all discretionary pension agreements must be signed off by the Finance and Resources Committee or, where a significant cost will be incurred, by the full Trust Board.</p> <p>Action: Set some financial limits around this.</p> <p>Action: Reference the Academies Financial Handbook and its financial restrictions / guidance.</p>	<p>LHo</p> <p>SPi</p> <p>SPi</p>
8.	<u>MINUTES AND MATTERS ARISING</u>	
	<p>The minutes of the previous meeting, on 14th December 2017, were agreed to be an accurate record.</p> <p>DBr reported that all the various actions had been or were being completed. The action on IR35 was ongoing so this was to be carried forward.</p> <p>Action: Look at IR35 [intermediaries legislation].</p>	<p>SPi</p>
9.	<u>APPRENTICESHIP LEVY OVERVIEW</u>	
	<p>DBr outlined the current situation regarding apprenticeships within the Trust. While it would be hard to make this work in an educational situation, the Trust was looking at a variety of options for existing staff and working hard to find ways in which to push this forward. However, it would be necessary to develop a strategy around this going forward.</p> <p>Action: Explore the possibility of a teacher with a teaching qualification from outside of the United Kingdom obtaining a PGCE qualification through the apprenticeship route.</p> <p>PCa left the meeting with apologies.</p>	<p>DBr</p>
10.	<u>HEALTH AND SAFETY POLICY</u>	
	<p>Committee members were asked for any additional feedback on the SPCMAT Health and Safety Policy currently being consulted on. It was suggested a clear confirmation that all employees had received, read and understood the policy prior to the end of their first week of duties should be added.</p> <p>Action: Add slip for employees to sign to confirm they have received, read and understood policy.</p>	<p>DBr</p>

	This should then be reinforced by regular updates on the main points of / any key changes to the policy at staff meetings etc.	
11.	<u>RISK</u>	
	<p>DBr talked the Committee through the key points of the recent Risk Register review incorporating Strategic and Reputational Risk, Operational Risk, Compliance and Financial Risk. In terms of financial risk, robust financial processes were in place and any risk would further decrease as more detailed budgetary information became available. An important change in financial culture at school level was noted, whereby an increased awareness of the importance of taking risks on board was having a very positive impact.</p> <p>Similarly, the Trust was having a very positive impact on schools where a difficulty had arisen and support had been put into place to mitigate against any potential risks resulting from this.</p> <p>The question of any associated risk around governance was raised. It was recognised there was a need to tighten up on what was not working but the current model was being honed, in consultation with the NGA and Hub Councillors, to create a structure that was robust, workable and inclusive of all stakeholder groups while still reflecting the Trust's Articles of Association.</p> <p>Action: Amend points 3.4 and 3.9 around role of Company Secretary to make it clear that challenge / holding to account is at Auditor level and Finance Committee level, not at the individual's level.</p> <p>While 1.12 [Failure of schools & Trust to comply with legislative requirements] included mention of the Health and Safety policy, it was felt more detail was required on this and it should be included under Operational Risk [Section 2].</p> <p>Action: Include a section on Health and Safety under Operational Risk.</p>	<p>DBr</p> <p>DBr</p>
12.	<u>ANY OTHER BUSINESS</u>	
	<p>A recent Health and safety incident was discussed with Trustees and a confidential note was made of any points arising from the discussion to ensure any necessary actions were followed up appropriately.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 9.10pm.</p>	
12.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the MAT Finance and Resources Committee will take place on Thursday 14th June 2018, from 6.00 to 8.00pm, in the MAT Conference Room at Helston Community College.</p> <p>This will be the final meeting of the current academic year.</p>	

Chair's Signature _____ Date _____