

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

**Tuesday 3rd July 2018, from 6.00pm,
in the MAT Conference Room.**

<p><u>ATTENDING :</u> Donna Bryant Catherine Bird Alan Horne Lesley Lloyd Kristin Pryor David Reynolds Kevin Thomas</p> <p><u>In Attendance</u> David Ellis [Estates Manager] Sean Pinhay [Chief Financial Officer] Karen Teague [MAT Administrator]</p>		<p>DBr CBi AHo LLI KPr DRe KTh</p> <p>DEI SPi KTe</p>
<p><u>APOLOGIES :</u> Susan Reynolds</p>		<p>SRe</p>
		<u>ACTION</u>
3.	<u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u>	
	<p>The Chair welcomed all those present. Under Declarations of Pecuniary Interests, LLI declared her role as Chair of Bright Sparks Pre-School at Breage.</p>	
4.	<u>MINUTES AND MATTERS ARISING</u>	
	<p>Reserves Policy. As the Finance Team had been working incredibly hard on budgets for all the Trust's schools, this item was to be carried over to the agenda for the next meeting. Action: Carry 'Reserves Policy' over to the agenda for the next meeting of the Committee.</p> <p>Employer Discretions Policy. This had been approved and forwarded. Financial limits were to be set around this. Action: Look at setting financial limits around the Employer Discretions Policy, with reference to the Academies Financial Handbook.</p> <p>IR35 [intermediaries legislation]. This action was to be carried over. Action: Look at IR35 [intermediaries legislation].</p> <p>Apprenticeship Route. It had been determined it was not possible for a teacher with a teaching qualification from outside of the United Kingdom to obtain a PGCE through the apprenticeship route.</p> <p>Policies – Essential Reading. A list of essential policies to be read and signed off by all staff had been sent to schools. Updates on policy changes and reminders of key components of policies were to be given at staff meetings, training sessions, etc. Action: Check at Heads' Group this is being followed up at school level and minute to say it has been done. Forward list of essential policies to Keskowethyans for their staff to read and sign off.</p> <p>Risk Register. The requested amendments to the Risk Register had been made.</p>	<p>DBr / KTe</p> <p>SPi</p> <p>SPi</p> <p>DBr / KTe</p> <p>DBr / KTe</p>

	<p>Support Staff Pay. For clarification, it was reiterated that teaching staff had been awarded 1% in the Autumn Term but with main scale teachers receiving 2%. In terms of equity, Trustees had agreed support staff should be awarded on a similar basis so that all those below the equivalent of teacher main scale 6 would receive 2% and those above this would receive 1%. There would be no increase to those on Grades B and C in primary settings [£8.03] and no additional increase to those on Grades B and C in secondary setting who have just received the uplift to the national minimum wage [£7.83] as this would only serve to increase anomalies across the Trust.</p>	
5.	<p><u>PREMISES REPORT</u></p>	
	<p><u>Premises Report</u></p> <p>DEI invited questions on his report to the Committee, which had been forwarded to Trustees ahead of the meeting. Key areas included:</p> <ul style="list-style-type: none"> • General Overview • Compliance overview • Health and Safety • Backlog Maintenance • Trust Estate Development Work [inc. 3 year plan] <ul style="list-style-type: none"> ◦ Priorities according to Safeguarding / Health and Safety / Impact upon Education ◦ Longer term issues <p>DEI also reported that:</p> <ul style="list-style-type: none"> • Mullion Secondary School. As much as possible was to be taken out of the compound while the school was still open and the bulkier items would then be removed during the break. In the interim, no scaffolding fees were to be incurred. • Garras School. Another tender had been submitted and was being reviewed to see if it was acceptable under the new streamlined framework. DEI reported that another of the Trust's existing contractors was going onto the framework shortly and would therefore be able to bid for future projects. <p>The question of whether Cornwall Council would cover the cost of fortnightly pumpings arose, as the Council had so little cash for projects. DEI stated this was being discussed.</p> <p>No further questions were forthcoming so the Chair thanked DEI for his comprehensive report.</p> <p><u>School Condition Allocation [SCA] Spend</u></p> <p>It was proposed that, now the most urgent projects had been prioritised by the given criteria and the necessary works were being put into place, a Working Party should be set up to look more fully into the allocation of SCA monies. This would look at questions such as:</p> <ul style="list-style-type: none"> • What categories of works should be covered by SCA and which items should be funded directly from the schools' budget – DFC, Repairs and Maintenance, Reserves? • Should there be a contribution rate from schools where DFC and reserves exist? • SCA threshold approval limit – at what value should approval be sought from Trustees? • What precisely is meant by Health and Safety within the context of prioritising projects? <p>CBi, AHo and KTh offered to be on the Working Party with DBr and a date at the start of the school holiday was to be arranged for its first meeting. The Working Party would also look at the reserves question as part of its remit.</p> <p>Action: Set date for meeting of SCA Working Party during week beginning 23rd July 2018.</p> <p><u>Work Log</u></p> <p>DEI talked the Committee through the Work Log as it currently stood and the reasoning behind the decision making. This incorporated:</p> <ul style="list-style-type: none"> • Work • Summary • Cost Allocation • Quotes Requested / Supplied • Best Quote • Date Work to be Undertaken • Balance of SCA and Sugar Tax monies after each spend 	DBr / KTe

	<p>Discussion was had around increasing consistency of approach and further growing work already being done in this respect. Key areas of discussion included:</p> <ul style="list-style-type: none"> • Ensuring there is a clear, consistent brief for every tendering process so all quotes are for the same provision. Eg. a sheet to clarify exactly what was being quoted for, with precise details and specifications. • Always being mindful of the threshold for tender so that, as soon as a quote looks as if it might breach this threshold, the project is flagged as one needing to go to tender. • A cover sheet to explain which company was picked and a narrative to cover the decision made and the reasoning behind this. <p>Committee members offered some useful suggestions as to how the Work Log might be of even greater use from their perspective.</p> <p>Action: Place quotes in cost order going forward so these are easier to compare.</p> <p>Action: Add an 'Additional Comments' column for other pertinent information.</p> <p>It was agreed it would be necessary to have a 3 or 5 year vision against SCA monies coming in so that it would be possible to see the larger picture against which decisions could be more accurately made. This would need to include a rolling programme of snagging issues and big ticket items, as well as clarity around how the spend would be divided in relation to each of these [Eg. 50 / 50], and the initiation of rotations in terms of spend.</p> <p>Action: Working Party to look into compiling a 3 or 5 year vision against SCA monies coming in, including the aspects specified above.</p> <p>The Chair thanked DEI for a useful and constructive conversation around the Work Log.</p> <p><u>Compliance Spreadsheet</u></p> <p>DEI outlined the processes currently taking place and invited any questions or comments that might help sharpen this process. He explained how dates in the spreadsheet were hyperlinked to original source documents such as certificates. Similarly, alongside the Compliance Data, there was also Asset Data and Quantitative Data was also being added in order to build up central knowledge around estates.</p> <p>Q. Does Health and Safety not cover the fire risk assessment?</p> <p>A. No, these are deemed separate entities.</p> <p>Q. Should the new fire risk assessment following any building work be part of the tender so there is no additional cost to the Trust?</p> <p>A. It would be useful to incorporate this into the tendering going forward.</p> <p>The Chair thanked DEI for his work and he left the meeting.</p>	<p>DEI</p> <p>DEI</p> <p>Working Party</p>
<p>6.</p>	<p><u>FINANCE REPORT – 2017 / 2018 UPDATE</u></p>	
	<p>A Finance Report for each individual school for the year 2017-18 was shared with the Committee, including:</p> <ul style="list-style-type: none"> • Funding / Income, against various ledger descriptions and including Budget; Actuals; Committed; Actuals [including Comm]; % Received / Spent; Forecast; Forecast + Actual; Variance. • Expenditure, against the various cost centres and including Budget; Actuals; Committed; Actuals [including Comm]; % Received / Spent; Forecast; Forecast + Actual; Variance. <p>Where necessary, an explanatory note was made against an aspect.</p> <p>The resulting In Year Surplus / Deficit, Opening Reserve and Closing Reserve were then presented. Key Performance Indicators for this year were also used to give an additional overview.</p> <p>Finally, an overview of primary, secondary and overall totals served to summarise the situation.</p> <p>SPI apologised for not having forwarded the data to Committee members beforehand. Next year, the plan would be to do the budget work just after Easter so it would be possible to revisit budgets but the various pressures and time constraints of the current year had meant this had simply not been possible. Also, HCSS had improved its suite of reports and the Finance Team had received instruction on how to produce these reports so this would significantly aid the production of Management Accounts going forward.</p>	

	<p>SPi advised Committee members the production of the school budgets had been an open and transparent process. All headteachers had met with the Finance Team to review these, along with the respective finance governor in many instances.</p> <p>Moreover, where cuts had been made, these were cuts that were achievable.</p> <p>Trustees noted the progress made at Mullion Secondary School in the last twelve months.</p> <p>Action: DBr to advise the headteacher of Mullion Secondary School this progress has been noted.</p> <p>The latest forecast for 2017 / 2018 identified an in-year underspend of £430,703 across the Trust, in turn creating an end of year reserve of £1,311,105.</p> <p>School Meals. The cost of school meals across the Trust was to be £2.30 from September 2018.</p>	DBr
7.	<p><u>BUDGETS – 2018 / 2019</u></p>	
	<p>The individual budgets for each school for 2018-19 [including projections for 2019-20 and 2020-21 to give a longer term view] were shared with the Committee.</p> <p>These included:</p> <ul style="list-style-type: none"> • A breakdown of Core School Activities in terms of Total Funding / Income, Total Costs and the Net Surplus / Deficit • A breakdown of the Net Surplus / Deficit in the various Additional Activities • Net Core and Additional Activities Surplus / Deficit • Net Surplus / Deficit Capital • Grand Total Net Surplus / Deficit • Brought Forward Reserve • Carry Forward Reserve <p>Key Performance Indicators for 2018-19 were used to give an additional overview.</p> <ul style="list-style-type: none"> • Budget for Central Services, with built in notional costs and income for Keskowethyans. • Overview of primary and secondary. • Final totals <p>Based on the budgets presented, the in-year overspend for the Trust would be £555,486, meaning that the schools reserve at the end of August 2019 would stand at £755,619. Predictions for the following two years were showing a similar theme, with a material deficit being projected for August 2021. Committee members agreed that, during the Autumn Term, actions would be identified to address the schools that were creating the majority of the shortfall.</p> <p>SPi highlighted that, although the expenditure predictions are based on known changes, we are still yet to receive indications of what future funding will look like. Therefore, the funding used to produce these budgets is anticipated on the prudent side.</p> <p>It was proposed a ‘speculate to accumulate’ pot be set up, or that marketing be included as a central line that all schools contribute to so the Trust does not lose pupils to competitors. Eg. Initial 6th Form choices are made by Year 11 students in January so there is a window of opportunity to work on promoting the 6th Form at Helston Community College prior to this.</p> <p>Action: Working Party to consider setting up a ‘speculate to accumulate’ pot.</p> <p>SPi assured the Committee that, during the Autumn Term, the Finance Team would start to address issues for the budget year 2019-2020 as soon as possible.</p> <p>See also Confidential Notes.</p> <p>LLo left the meeting at 8.10pm with apologies.</p> <p>Central Service Charge. It was pointed out that levels of support, financial gains on procurement and so on were better for primaries than secondaries and the question of how to better balance this arose. Different mechanisms would be explored and tabled for discussion at a future date.</p> <p>For 2018 / 2019, however, the Committee <u>agreed</u> the current 5% central charge would remain in place.</p> <p>CBi asked if Committee members were minded to accept the initial budgets on the proviso any actions discussed would be taken to address the key issues.</p> <p>The Committee <u>unanimously agreed</u> to recommend the budgets for approval by the Trust Board.</p>	Working Party

	<p>Q. How will the Committee be kept updated in terms of the key issues?</p> <p>A. SPi will re-forecast in light of measures taken regarding the key issues and will update the Committee by email towards the end of September.</p> <p>CBi expressed the Committee's grateful thanks to SPi and the Finance Team for all their hard work and for giving visibility in terms of all that was going on, with an appropriate level of detail.</p>	
8.	<u>RISK</u>	
	<p>DBr advised the Committee there were no significant updates to those already shared with Trustees at the last Full Board meeting. Further training of the Finance Team on Management Accounts was noted as an improvement and it was hoped the risk rating would be better again by the next meeting.</p>	
9.	<u>ANY OTHER BUSINESS</u>	
	<p>Catering Contract. The process of tendering was to be started during the Autumn term. The Trust's Business Manager had already met with the tendering company who work on behalf of the Trust and the current exercise would be completed by 9th May. The schools from Keskowethyans should benefit straight away from an improved deal. AHO noted how impressed he had been by what he had seen of kitchens and catering facilities during his Trustee Health and Safety visits to schools.</p> <p>Apprenticeship Levy. The amount of money being spent was nowhere near the amount of money the Trust was laying out, as with many schools and MATs. Even though the existing staff were being encouraged to undertake further training in addition to the taking on of new apprentices, it was almost impossible to make this financially viable and the amount being lost could potentially be a significant amount.</p> <p>Action: Derek Thomas [MP] to be asked to push back on this and on 6th Form funding.</p> <p>Keskowethyans. Following a conversation with Derek Thomas [MP], Lord Agnew had written to DBr to say the funds to be repaid would be reduced to reflect the additional costs incurred in the closing of St Martin School and offered clarification around any redundancies which might result from this. The MAT Development and Improvement Fund (MDIF) monies included costs for Keskowethyans joining the SPCMAT as well as funds for training. Southerly Point staff would be able to benefit from this training alongside Keskowethyan staff.</p> <p>Internal Audit. Cornwall Council Audit Team, who were undertaking an Internal Audit of the Trust, were to present their findings to Trustees at the upcoming Full Board meeting on 12th July 2018. There were no further matters for consideration so the meeting was brought to a close at 8.55pm.</p>	DBr
10.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the MAT Finance and Resources Committee will take place on Thursday 1st November 2018, from 6.00 to 8.00pm, in the MAT Conference Room at Helston Community College.</p> <p>Thereafter, meetings for the academic year will take place on:</p> <p>Thursday 13th December 2018 at 4.00pm Thursday 28th February 2018 at 6.00pm Thursday 6th June 2018 at 6.00 pm</p>	

Chair's Signature _____ Date _____