

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



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

<p>ATTENDING : Donna Bryant Catherine Bird David Reynolds Susan Reynolds Kevin Thomas</p> <p>In Attendance David Ellis [Estates Manager] Sean Pinhay [Chief Financial Officer] Karen Teague [MAT Administrator]</p>		<p>DBr CBI Dre SRe KTh</p> <p>DEI SPi KTe</p>
<p>APOLOGIES : Phil Cardnell Alan Horne Lesley Lloyd Tony Sanders</p>		<p>PCa AHo LLo TSa</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, no further declarations were forthcoming.</p>	
4.	<u>MINUTES AND MATTERS ARISING</u>	
	<p>Finance Policies and Legislation. Actions around the Reserves Policy, setting financial limits around the Employer Discretions Policy and looking at IR35 [intermediaries legislation] to be carried over to a future meeting as work was still ongoing.</p> <p>SCA Monies. DEI was to talk to all Headteachers regarding their aspirations in order to find their priorities and to put these into a timeline.</p> <p>Speculate to Accumulate Pot. This was to be revisited as it had been necessary for more pressing priorities to be dealt with first but would be planned in a little later in the year. In the meantime, photography work which could form the basis of future publicity was being undertaken and a tour of the new build for potential students was to be considered as a means of attracting additional students.</p> <p>Other actions had been successfully completed.</p>	<p>KTe</p> <p>DEI</p>
5.	<u>PREMISES REPORT</u>	
	<p>DEI invited questions on his report to the Committee, which had been forwarded to Trustees ahead of the meeting. Key areas included:</p> <p><u>Overview</u> Priorities for the Estates Manager this term had been: compliance; reactive repairs and maintenance; backlog maintenance; condition surveys; health and safety walks around the Trust schools; inducting the new schools into the compliance matrix; compiling quotations for planned maintenance, Trust wide contracts, refurbishment and development work.</p>	

Quotations had been received from three companies for a Trust-wide asset management, compliance management and fault reporting system. The quotations were now to be analysed for value for money versus capability and a recommendation made on the preferred option.

Compliance Overview

- Compliance testing
- Kitchen assets and services
- Legionella testing, fire risk assessments and fire extinguisher testing

Health and Safety

Forms and procedures had been reworked in light of the initial round of health and safety walks around Trust schools. Health and Safety walks would now take place in accordance with an annual plan and headteachers would be given an initial debrief on their completion. Actions and responsibilities would be agreed during this meeting and a report would follow within one week which clearly detailed the areas inspected, any points raised and rectification proposals with a timeline.

Backlog Maintenance

Garras septic tank replacement. The project had been released on the minor works framework and DEI had been approached by one contractor asking if they could arrange a site visit to inspect the work area / access arrangements. On completion of the visit, they would be submitting a tender for the project. More contact was expected over coming weeks.

Mullion Secondary Roof. Works were now complete and the only outstanding action was the reinstatement of the school field area used as the site compound. Quotations had been received and approved by the council but a question had been raised by DBr regarding payment for this work.

Action: DEI to chase up Paul Solway.

Estate Development Work

Designated caretaking staff were now undertaking routine repairs and maintenance on Mondays and Tuesdays across the Trust. This had been supported by the purchase and stocking of a van for use by caretakers during routine maintenance activities. The plan was to slowly build up the tools and materials carried in the van on an 'as required' basis and use this vehicle for routine maintenance work or any high priority call out issues that might occur. Schools were aware of the service but DEI was to put together more detailed guidance and over the next few months to ensure these assets were fully utilised and provide maximum return of investment.

3 Year plan

The 4 funding allocations / streams for this work comprised:

- Backlog maintenance [county] legacy issues agreed for rectification in the Commercial Transfer Agreement
- Schools' DFC
- Sugar Tax fund
- School Condition Allocation Grant

A review of the Trust estate is needed, split into the following key areas:

- Health and safety
- Building fabric
- Curriculum need

Issues were to be collated in a spreadsheet and brought to termly meetings of the SCA Working Party for approval of the budget allocation. Tasks would then be added to the relevant work stream plan and managed accordingly.

Updates were given in relation to works relating to: Safeguarding, Health and Safety, Impact Upon Education and Longer Term Issues.

See also Confidential Notes.

Quotations for Asset Management Package

The purchase of an Asset Management Package for the Trust was tabled as an additional item in light of information recently received by DEI.

DEI talked through a series of quotations received, what these represented and the rationale behind his decision making in this respect. He added that having such a package for the whole Trust would bring about significant gains, such as the ability to obtain real qualitative data from across the Trust

DEI

	<p>schools; the potential to identify trends which would assist in predicting spend; and an increased degree of control and flexibility.</p> <p>Committee members were advised the total cost of the Parago quote would mean this was just into the High Value category, which would normally require this going to tender. However, in exceptional circumstances, the Committee could give their approval based on a consideration of three formal quotations and it was requested they do so in this instance.</p> <p>DEI proposed the Parago quotation for a five year period be approved, as Parago were deemed to give the best value for money and – due to the large amount of information that would need to be put onto the system – to potentially then have to change this again in three years could only have a negative impact.</p> <p>Committee members approved this proposal.</p> <p>Committee members suggested it would be good to see some form of quantification going forward as to what savings were being made as a result of the purchase. It was recognised that some aspects might be hard to quantify, such as time, but it would be helpful for headline feedback to be brought back to the Committee later for formal justification.</p> <p>When asked about the cost this purchase represented to schools, DEI stated the plan was to grow the ‘van’ concept which would fund this software package along with other savings. No additional cost to schools would then be accrued.</p>	
6.	<p><u>FINANCE REPORT – 2017 / 2018 UPDATE</u></p>	
	<p>SPI talked through highlights of the Trustee Management Accounts for individual schools and the Central team which had been forwarded to Trustees ahead of the meeting. He informed the Committee that:</p> <ul style="list-style-type: none"> • The figures were close to projected overall and the picture generally looked positive. • Moves were in place to deal with any deficits. • Any examples of overspend were being closely monitored. • A firm grasp on capital was in place. • Reserves were better than budget. This was due to the treatment of a school’s deficit on transfer to the MAT. Instead of being treated as a deficit, this was now being treated as a loan by the ESFA and would be repaid over the next three years. Other savings were a combination of resource budgets not being spent up across a number of the schools. • Accounts would be going out monthly, apart from when the external audit was taking place. All adjustments requested by the auditors had been included. <p>Action: Trustees to receive monthly reports.</p> <p><u>Q. What has been the impact of the four new schools joining?</u></p> <p>A. There is an incoming deficit and learning is still taking place. On the positive side, MDIF monies have come in which will support the shortfall. There was an advance against a cash flow shortfall so that wages could be paid. Part of this has been written off but there will be a balance to pay back to the ESFA. Monies towards redundancy costs have also been received. The extra money received towards the initial deficit covers approximately 75% of the shortfall.</p> <p>Importantly, in the longer term, any issues should be fixable and there was no reason to believe the schools would not be cost effective.</p> <p>Action: Trustees to receive monthly reports.</p> <p>Current Term. SPI advised the Committee that payroll was coming in as planned this term and non-payroll had not thrown up anything material so this was very positive.</p> <p>Cash flow summary. This currently stood at £4 million so some monies were to be moved across to where the Trust could start to earn money from it.</p>	<p>SPI / MCo</p>
7.	<p><u>PROPOSED PURCHASING LEVELS</u></p>	
	<p>SPI apologised for this paperwork not being given out beforehand but this had been due to an external audit the previous week. He noted the auditors had only picked up on two minor points and both of these had already been rectified.</p> <p>SPI explained that, as the current system would benefit from clearer guidance on procurement and tendering, a draft Procurement Policy had been created. The headlines in various procedures would</p>	

	<p>be explained more fully here and this would back up a proposed flowchart for headteachers. He added that what the Trust was doing was tighter than the government recommendations so the Committee could be reassured by this. He had determined the idea of levels relating to size of school was not the best approach and had therefore gone back on this to 'one policy fits all'.</p> <p>SPCMAT Draft Procurement Policy</p> <ul style="list-style-type: none"> • Values • Budget Responsibilities and Budgetary Control • Planning Ahead • Ordering Authorisation Levels • Procedures for Types of Expenditure – Invoiced Expenditure; Payment Cards Expenditure; Petty Cash Expenditure. • Procedure to Make an Actual Purchase. • Tendering Procedure - Forms of Tender; Preparation for Tender; Invitation to Tender; Tender Acceptance and Opening Procedures; Tender Evaluation Procedures; Aspects to Consider When Evaluating the Tender. • Tendering for Major Contracts via the Official Journal of the European Union [OJEU] • Contracts • Sundry Procurement • Appendix 1 – Internal Order Request Form • Appendix 2 – Procurement Summary Form [for Medium Value Purchases] <p>SPi informed the Committee he had requested tender training as part of his recent Performance Management Review.</p> <p>Examples of what this would mean in practice for schools were given. SPi assured Committee members the limits were reasonable and would not stop the Trust functioning but would rather give a greater degree of control.</p> <p>SPi suggested the policy go out to schools in its draft form so they could start to put the basic structure into place. The addition of a flow chart beforehand would make the process clearer for schools. At the same time, Committee members would take the document to review this and offer feedback to SPi prior to the next meeting.</p> <p>The Committee agreed the policy could go out to schools in draft form.</p> <p>Action: Committee members to review draft Procurement Policy and offer feedback to SPi, including any perceived omissions.</p> <p>Action: KTe to forward draft Procurement Policy to Committee members.</p> <p>DEI advised that in going to tender, caution was needed to ensure that risk lay with the contractor not the Trust and that third party expert advice should inform the tender response. SPi pointed out this could be judged on a case by case basis and taken back to the Committee if or where necessary.</p>	<p>Committee Members KTe</p>
8.	<p><u>RISK</u></p>	
	<p>Risk Register Review – Red / Amber</p> <p>As this has been covered in some detail by the recent Trust Board meeting, it was agreed it was not necessary to revisit this during the current meeting. DBr pointed out the current review of procurement would change some ratings and regular monthly reports to schools would improve others which would be reflected at the next meeting.</p>	
9.	<p><u>ANY OTHER BUSINESS</u></p>	
	<p>Growth of Finance Team. SPi reported that the impact of the Finance Apprentice recently appointed to the Finance Team had been superb.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 7.45pm.</p>	
10.	<p><u>DATES OF FUTURE MEETINGS</u></p>	
	<p>The next meeting of the MAT Finance and Resources Committee will take place on Thursday 13th December 2018, from 4.00pm, in the MAT Conference Room at Helston Community College.</p> <p>Thereafter, meetings for the academic year will take place on:</p>	

	Thursday 28 th February 2018 at 6.00pm Thursday 6 th June 2018 at 6.00 pm	
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Chair's Signature _____ **Date** _____