

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



**Tuesday 9th July 2019, from 5.00pm,
in the MAT Conference Room.**

<p>ATTENDING : Donna Bryant Alan Horne David Reynolds Susan Reynolds Tony Sanders Kevin Thomas</p> <p>In Attendance Sean Pinhay [Chief Financial Officer] Karen Teague [MAT Administrator]</p>		<p>DBr AHo DRe SRe TSa KTh</p> <p>SPi KTe</p>
<p>APOLOGIES : Catherine Bird</p>		<p>CBi</p>
		<u>ACTION</u>
3.	<u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u>	
	In CBi's absence, TSa took up the role of Chair and welcomed all those present. Under Declarations of Pecuniary Interests , no further declarations were forthcoming.	
4.	<u>MINUTES AND MATTERS ARISING</u>	
	The minutes of the meeting of the Finance & Resources Committee on Thursday 7 th March 2019 were agreed to be an accurate record and duly signed by the Chair. Breage car park, improvements to EYFS space and the new pre-school nursery build. DBr reported she had spoken with the school regarding this matter but, with no funding in place or applications having yet been submitted, they were not currently in a position to move forward so would be continuing with the provision already in place for the time being. There were no other matters arising not covered by items on the current agenda. All actions had been successfully completed.	
5.	<u>PREMISES REPORT</u>	
	Overview of Estate: April to June 2019. SPi updated Committee members on recent changes to the estates function, principally the running of the Central estate function being taken on by the Site Managers at both of the Trust's secondary schools for a trial period of six months following the resignation of the former Estates Manager and the appointment of a full time Roving Caretaker for premises work within those schools without a Site Manager. Roving Caretaker Update. The Roving Caretaker had joined the Trust in May and to date had been a huge success. Details of the tasks he had completed since he started and the number of visits he had completed at each of the schools was shared with Committee members. Q. <u>Is there a way to extrapolate how him undertaking these tasks represents a saving in spend?</u> A. It would be possible to do an overview to give this a perspective. In general terms, the cost is roughly one third of using an external provider. Another benefit is that schools are receiving	<p>SPi</p>

more proactive and timely work which off sets the need for more expensive repairs later on and maintains a vigilant eye for Health and Safety matters .

Medium Term Products Update. Tasks beyond the remit of the Roving Caretaker were compiled on a separate task list and overseen by the Secondary Site Managers. These tasks were either completed in house or third party contractors were employed to complete the project. The tasks were reviewed fortnightly by DBr and SPi to ensure progress and to offer appropriate support as required. Any issues highlighted by headteachers could also be fed into these meetings and, where necessary, priorities amended accordingly. A table showing the tasks completed between April and June 2019 and tasks due to be completed over the next three months was shared with Committee members.

Q. As a simple litmus test, are we getting more tasks done?

A. Yes – and, as all tasks are now being recorded and monitored in a more systematic fashion, the Central Team have a far better handle on this.

Larger Projects Update. There were currently four larger projects taking place within the Trust:

- Project One – 3 classroom modular build at Trannack School.
- Project Two – New septic tank at Garras School [the last of the backlog maintenance projects owed to the Trust by Cornwall Council.]
- Project Three – 4 classroom modular build [Maths Block] at Mullion Secondary School.
- Project Four – 3G surface at Helston Community College.

An update was given on each of these projects.

Project One was being overseen by a very competent external partner, who had also supported with the initial drawings and costings necessary to securing the 106 funding for Project 3. These were to be revisited in due course.

Building Compliance Update. Improvements had already been made to water testing, tree inspection and kitchen equipment testing. However, it would be some time before there was a fully consistent approach for all the Trusts schools. RGi was to take the lead in this area, with administrative support from SHa. It was estimated it would take a minimum of two years to fully align all the compliance contracts to single providers.

The plan was to use Google Drive to support this element of the estates work. SHa had already developed a reporting system which, once populated, would enable Headteachers to confirm the status of the compliance for their schools. The system would also allow Headteachers access to the various compliance reports provided by each of the contractors.

Q. How do Trustees know that actions have been completed and signed off?

A. In time, Trustees will also have access to this reporting tool, enabling them to check the status of compliance across the Trust's estate at any given time.

This was an ongoing task that would start to operate next term and be updated throughout the year.

Q. From a legal point of view, is it worth having a brief narrative saying we are aware of where we are and stating what kind of actions we are taking?

A. We are in the process of auditing where we are. RGi and SHa are meeting to undertake this work currently. In due course, a summary paper and overview of next steps will follow.

Health and Safety Update: Over the last three months, Health and Safety inspections had been completed by the Health and Safety Trustee and RGi at the four former Keskowethyans' schools. Reports were available to Trustees by request and further inspections were to be planned in for the autumn term.

SPi had recently met with the Senior Health and Safety Officer for Cornwall Council. During the meeting, they discussed how the Trust could make best use of the Core Health and Safety SLA offered by his team. To this end, SPi was recommending to Trustees that the Trust sign up to this service for a further three years, with costs being paid from the Central budget. [See Estates Report and Tendering Report for details of the services offered and costs involved.]

See Item 6 below.

Alongside this service, SPi also proposed the Trust buy into the Health and Safety Co-Ordinator Service, initially for one year. The focus of this provision would be the reporting of accidents and the status of risk assessments at each of the schools.

	<p>SCA (School Condition Allocation) Update. SPi shared a table showing the current status of the SCA budget and also the Sugar Tax budget on a school by school basis. Both budgets were capital budgets held by the Central Team and allocated to projects that fitted the Trust's SCA criteria for funding and that had been passed by either the SCA Committee or CEO/CFO, depending on the value of the project. Committee members were asked to bear in mind another payment would be received in April 2020, again with a two year spend period.</p> <p>Any Other Business. Discussion was to be had around the future direction for the Central Estate Team over the next 12 months, two years and five years.</p> <p>Please see Confidential Notes for additional information.</p>	
6.	<p><u>BUDGET PRESENTATION – 2019 / 2020</u></p>	
	<p><u>Budget – 2019 / 2020</u></p> <p>SPi had produced a summary for Committee members, with RAG rating, which had been made available to them prior to the meeting. The full details behind this had also been available to Committee members on request. The equivalent document for the previous year had been shared again for comparison and the latest showed the picture was looking far better. The three year forecasts show a reducing reserve but SPi confirmed that there are already plans were in place for years two and three which will see this position improve. SPi talked through key points for individual schools / Central Services and answered any questions around these before giving an overview of Total Primary Schools, Total Secondary Schools and SPCMAT Total [consolidated – impact of central recharge removed].</p> <p>The budget forecast assumed a price of living rise for all staff of 2%. Pay rises for teachers were recommended at a national level, but ultimately were at the discretion of the Trust. The biggest impact of staff costs this year was the increase to teachers' pension costs of just over 7%. In the short term, two years currently, the ESFA had provided an additional grant but there was no guarantee beyond year two. However, the budget forecasts presented had assumed this grant would remain for all three years. The budget forecast also made allowance for teachers' grade increases and the rule applied was if there was any chance the grade increase would be awarded it had been budgeted for.</p> <p><u>Q. How have you handled year on year income?</u></p> <p>A. This is based on flat rate at the moment so is not inflated in any way but adjusted for known / estimated pupil numbers. We are waiting for ESFA information before any other inflation is applied.</p> <p>Please see Confidential Notes for additional information.</p> <p>SPi asked the Committee if it would recommend that the budgets be approved by the full Trust Board.</p> <p>The Committee <u>agreed</u> to recommend that the budgets be approved by the full Trust Board.</p> <p>Committee members asked if a front sheet with an overview of key parameters could be provided in future years. SPi agreed this would be done and that the budgets were to be done at an earlier point in the next academic year.</p> <p>On behalf of the Committee, the Chair asked that their thanks to SPi be recorded. The budget presentation had been very clear and the Committee had full confidence in this.</p> <p><u>Update on Management Accounts</u></p> <p>The latest accounts showed a continuing improving trend in both the primary and secondary sectors. SPi informed the Committee that he expected further improvements over next few months as savings will start to roll through where there were underspends on the resource budgets, which is typical for the end of the financial year.</p> <p><u>Tendering Overview</u></p> <p>As the Trust's Procurement Policy required orders with a value of between £50,000 and £100,000 to be approved by the Committee, while orders over £100,000 required the approval of the Full Trust Board, SPi presented details of those purchases he required the Committee's approval for [see* below]. Details for a number of other material purchases had also been included for the Committee's information.</p>	SPi

- Catering Contract*
- Cashless catering
- Photocopiers*
- Health and Safety SLA
- Parentpay
- Perspective
- 3 Classroom Modular Build at Trannack School*
- Broadband and filtering* – improved offer since cost
- 3G Surface at Helston Community College*
- Replacement boiler at Mullion Secondary School*
- New heating system at Porthleven School*

The Committee **approved** all the orders marked * above.

In addition, SPi requested that the Committee allow the Procurement Policy to be bypassed for the purchase of the Health and Safety SLA.

Q. Why is this not going out to tender?

A. There is a genuine value and degree of contextual understanding here that a third party provider cannot offer, and the Trust is required to have an external Health and Safety adviser.

Details of this contract were shared and discussed.

The Committee **approved** a three year deal for the proposed Health and Safety SLA.

A query arose as to whether heat recovery / saving and other environmental aspects were being fully considered in relation to new heating systems so SPi was to speak with RCo about this.

SPi

Audit Update

During June and July 2019, the Trust had received three financial audits:

External Audit by Bishop Fleming - 17th to 21st June 2019. SPi advised Committee members that, as part of the annual audit, Bishop Fleming each year completed an interim inspection. The purpose for this inspection was the checking of accounting entries back to the source documents. Areas that were checked this year were: Creditors – Supplier Payments; Debtors – Customer Payments; Bank Reconciliations; Payroll; Lloyds Payment Cards; and Petty Cash. **The** auditors spent four days in the Central Office and the fifth day visiting a selection of Trust schools. During the audit, the auditors also checked that the Trust had taken actions to ensure concerns raised on the KIDD Report had either been addressed or plans were in place to address any concerns raised. No formal feedback had yet been received but initial indications would suggest there were no significant concerns.

Internal Audit by Cornwall Council - 27th June to 5th July 2019. The focus for the internal audit was not dissimilar to the audit completed by Bishop Fleming but tended to be more closely linked to the Trust's Financial Procedures. Checks completed focused on ensuring the Trust was adhering to its own rules. The auditor also spent a larger proportion of time checking procedures were being followed at a number of schools in the Trust. The balance of the time was spent with the Central Finance Team or preparing the report for the Trustees. As this audit was only completed the previous week, the report had not yet been received but the auditor had provided verbal feedback to DBr on Monday 8th July 2019. This had indicated (subject to moderation) the status for the Trust would move from Limited Assurance to Reasonable Assurance [grading levels being No, Limited, Reasonable and Substantial] and the risk level would remain at Medium [grading levels for risk being High, Medium and Low], as the auditor felt there needed to be more time to ensure new procedures introduced had become more fully embedded before the Trust could be graded as Low risk. However, this audit also showed the Trust was continuing to make improvements.

SRMA Audit: ESFA - 14th June 2019. As part of the ESFA procedures, if a Trust indicated a deficit budget the ESFA would complete a School Resource Management Adviser [SRMA] Audit. The Trust's audit was conducted by an experienced School Business Manager based in Devon. The aim of the visit was to double check the Trust's budget assumptions and to seek reassurance that the budget deficit had either been addressed or plans were in place to address it. The Auditor could also provide advice as applicable to assist the Trust to make further efficiencies. Again the audit went well and details of the findings contained in the SRMA report were shared with Committee members for their information.

The auditor had made the recommendation that staff absence be reviewed, with a tightening of protocols, procedures and improved reporting, but work was already being done in this respect.

	<p><u>Proposal to Invest Surplus Funds</u></p> <p>It was evident that, after trading for 24 months, the Trust currently did not have any issues with cash flow - a common problem experienced by other Trusts. In order to make the most of the surplus, SPi proposed two investments be considered. All investments were to be with the Trust's current bank, Lloyds, thereby removing any risk.</p> <p>The Committee approved the proposed investments.</p> <p>Please see Confidential Notes for additional information.</p>	
7.	<p><u>SUPPORT STAFF PAY REVIEW UPDATE</u></p>	
	<p>DBr reported the culmination of the review had gone relatively well and only a small number of anomalies were still to be followed up.</p> <p>As the job descriptions do not go into exhaustive detail but rather set a standard for the types of tasks a member of staff in the role would undertake, an 'Additional Factors Unique to the Setting' sheet had been created for when - in exceptional cases - staff had duties not outlined in the job description in order that these duties commensurate with the role were noted. This had served to resolve a number of queries.</p> <p>The additional role of Primary School Secretary Grade 2 had also been created as part of the review process. To qualify for this grade, the post holder had to meet two of the following three criteria:</p> <ul style="list-style-type: none"> • Number on Roll of 75+ • Executive Headship Arrangement • Supervision and appraisal of another member of staff <p>The remaining queries were largely around the more unique roles which applied to only one or two people.</p> <p>The changes to pay would appear on support staff's payslips at the end of July 2019 and all pay adjustments would be back dated to April 2019.</p>	
8.	<p><u>POLICIES</u></p>	
	<p>Approval by the Committee was sought for the following policies. Details of any additions or amendments had been forwarded to Committee members beforehand, along with draft copies of the full policies, for their prior consideration.</p> <ul style="list-style-type: none"> • Debt Recovery Policy • Educational Visits Policy • Employer Discretions Policy • Health and Safety Policy • Support Staff Appraisal Policy • Support Staff Pay Policy • Teacher Pay Policy <p>See 'Policies for Approval by Finance Committee July 2019' for additional information around amendments.</p> <p>Subject to the agreed amendments, the Committee approved the above policies.</p>	
9.	<p><u>RISK REGISTER REVIEW</u></p>	
	<p>DBr advised the Committee an additional column had been added which sought to align the five key strands of the Trust Plan [below] with the Trust's business objectives.</p> <ol style="list-style-type: none"> 1. Teaching and Learning. Vision: Excellence in Teaching and Learning 2. Expectations and Aspirations. Vision: A culture of high expectations and aspirations, continuous improvement and commitment to learning 3. Behaviour and Wellbeing. Vision: Resilient people who show respect for others and contribute as active citizens to their communities 4. Leadership. Vision: Outstanding leaders at all levels through the schools and Trust who are confident, proactive and effective 5. Effective Management Systems. Vision: Excellent support services enable and support a 	

	<p>sustainable educational model for the community, optimising depth and breadth in the capability and capacity of the Trust.</p> <p>In light of the recent audits, a number of updates around financial procedures could be made. DBr talked Committee members through the proposed changes and sought any comments regarding these or other elements. A number of comments were noted and DBr was to update the Risk Register accordingly.</p> <p>Subject to the suggested amendments, the Committee approved the Risk Register.</p>	DBr
10.	<u>ANY OTHER BUSINESS</u>	
	<p>Cycle to Work scheme. It was recognised the scheme offered benefits in terms of wellbeing and the environment. Some potential concerns might need to be looked into, however. Eg. some bicycles cost thousands of pounds so a limit would need to be placed on spend. It was therefore decided discussion on this would be included as part of a wider piece of work around sustainability planned for the future.</p> <p>TSa suggested School Perkbox, an employee benefit scheme designed to reward employees for all their hard work and make life a little more affordable, might be worth exploring so DBr was to do this.</p> <p>DCEO / Executive Headship ratio. Through a prior email conversation around the percentage share between RLa's DCEO and Executive Headship roles, Trustees had agreed the split should be 60/40 in favour of the DCEO role subject to the Committee's approval.</p> <p>The Committee formally approved this percentage share.</p> <p>Recruitment to Committees. Whilst the scrutiny / governance of the budget ultimately lay with the Trust Board, the Committee agreed it was extremely useful for a school-level perspective to be offered at Committee meetings in addition to a Trust-wide perspective and proposed that Headteachers be asked to forward the names of any appropriate LGB members who might be willing to step into the role to fill the vacancies on the Finance and Resources Committee.</p> <p>If volunteers were not forthcoming, this matter would be raised at the training session for those new to governance that was scheduled to take place at the start of the new academic year and Linked Trustees would speak with governors whilst attending LGB meetings.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 7.55pm.</p>	<p>DBr</p> <p>DBr / KTe to ask Heads to action</p>
11.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the MAT Finance and Resources Committee will take place on Thursday 12th December 2019, from 6.00pm, in the MAT Conference Room.</p> <p>Thereafter, meetings will take place on:</p> <ul style="list-style-type: none"> • 5th March 2020 • 18th June 2020 	

Chair's Signature _____ Date _____