

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



**Thursday 9<sup>th</sup> July 2020, from 6.00pm,  
in the Trust Conference Room.**

<b><u>ATTENDING :</u></b> Donna Bryant Alan Horne Alison Newman Susan Reynolds Kevin Thomas Phillip Woods  <b>In Attendance</b> Sean Pinhay Karen Teague		<b>DBr AHo ANe SRe KTh PWo  SPi KTe</b>
<b><u>APOLOGIES :</u></b> None.		
		<b><u>ACTION</u></b>
<b>3.</b>	<b><u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u></b>	
	The Chair welcomed all those present. Under <b>Declarations of Pecuniary Interests</b> , no additional declarations were forthcoming.	
<b>4.</b>	<b><u>MINUTES AND MATTERS ARISING</u></b>	
	The minutes of the meeting of the Finance & Resources Committee on 5 <sup>th</sup> March 2020 were agreed to be an accurate record and duly signed by the Chair. Matters arising included updates on: <b>Investment Strategy.</b> It was agreed this should be carried over to the next meeting due to more pressing matters. <b>Catering review.</b> As Chartwells' agreement with the former Keskowethyans schools was about to come to an end, SPi was revisiting this with the provider rather than putting it out to tender, as such a small amount was better approached as a bolt on. Chartwells were putting forward a set of scenarios for discussion. An update on this and whether in house catering was breaking even financially was to be provided at the next Committee meeting. <b>Capital investment.</b> Capital Investment was to be added to the Risk Register when this came on stream. <b>Areas for Internal Audit.</b> SPi had done work with Cornwall Council that Trustees would now consider in relation to the Risk Register, including the possibility of widening the sphere of the audit to include IT, safeguarding, etc in addition to finance and governance but that would be the Trustees' steer. SPi was to have wider discussion around this with the Chairs of the two Committees and the Chair of the Trust Board. This was to include Single Central Records being externally audited by Cornwall Council every 2 years and might include staff expenses claims. SPi added it had been necessary to cancel a visit by the external auditors but one would be arranged prior to the audit taking place. <b>Narrative with Graph.</b> This had been added to the paperwork for the current meeting. <b>Publishing an annual statement on Trustees' expenses claims for transparency.</b> This would take	<b>SPi  SPi  DBr  SPi  SPi  SPi</b>

	<p>place as part of the audit process.</p> <p><b>Staff expenses policy.</b> The phrase ‘other than by prior agreement with the Finance Team in extenuating circumstances’ had been added to 8.1.</p> <p><b>Charges and Remissions Policy.</b> See Item 11 below.</p> <p>See also Confidential Notes.</p>	
5.	<p><b><u>MANAGEMENT ACCOUNTS 2019/20 - MAY 2020 UPDATE</u></b></p>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <p><b>Trustees Full Management Accounts 2019-2020: May 2020.</b> The latest set of the full accounts for 2019/20, up to the end of May 2020 and including May salaries, had been shared to enable Committee members to dig deeper into specific areas and raise any queries accordingly.</p> <p><b>Trustees Summary Graphs of Management Accounts 2019-2020: May 2020</b> – the latest summary of the accounts for 2019/20, up to the end of May 2020, in pictures with supporting notes. These included:</p> <ul style="list-style-type: none"> <li>• Pupil to Teacher Ratio [adj. maternity] - per school and average</li> <li>• Pupil to Support Staff Ratio [adj. maternity] – per school and average</li> <li>• Expenditure per Pupil [incl. Other Activities] - per school and average</li> <li>• Income per Pupil - per school and average</li> <li>• In Year [Over]Underspends: All Activities - per school and Central</li> <li>• End of Year Reserve - per school and Central</li> <li>• In Year [Over]Underspends – Trust Total</li> <li>• End of Year Reserve – Trust Total</li> </ul> <p><b>Trustees Summary Management Accounts 2019-2020: May 2020</b> – the latest summary of the accounts for 2019/20 up to the end of May 2020.</p> <p>Questions and comments were sought from Committee members in light of what they had read. Matters raised and discussed included:</p> <ul style="list-style-type: none"> <li>• Committee members were happy with the formats used. SPi reminded them that, if any variations would be preferable, they need only let SPi know.</li> <li>• Attention was drawn to the fact this was a more tricky year than normal to predict given the ever changing circumstances. Furloughing had been built into the forecast. It was easier to know how larger sums would pan out but other areas were more difficult to determine, such as resources. SPi had built in that schools would still spend on resources / utilities as normal but he noted there should be underspends. He predicted there would be some improvement in the primary schools and a more significant one in the secondary schools.</li> <li>• In-house catering and nurseries had been the area of greatest concern. Furlough had helped with costs but had not covered all the cost involved.</li> <li>• PPE, cleaning materials, etc had not had a huge impact on budgets.</li> <li>• Regarding pupil to teacher ratio, it was important to note the graph showed the current year and the budget document showed the coming year so figures would be different. This was to show the changes across the two years.</li> <li>• Covid had had very little impact on staffing. Staff had been very fortunate, in as much as they had been paid 100% of their salaries throughout the crisis. Staffing matters were being addressed in the normal way. There had been some debates, such as that around ad hoc supply staff. The Trust had made a notional payment in line with available guidance but they would have been budgeted for anyway. Overall, there should be no big surprises further down the line.</li> <li>• If any staff were not yet being brought back from furlough, this would be around extended schools, catering and nursery provision but demand would pick up. There would be a slow return to full catering, for example. It could take a term or more for these areas to be fully re-established.</li> <li>• One or two members of staff had come back and decided to finish earlier than originally intended so there would be some financial benefits from that. Another member of staff had been recruited elsewhere so it had been necessary to backfill this position.</li> <li>• The Trust had not abused the grant system - Eg. staff had been reallocated where it had been</li> </ul>	

	<p>possible to do so.</p> <ul style="list-style-type: none"> <li>Once a greater number of pupils returned, there would necessarily be an increase in the amounts of PPE, lidded bins, etc required and the cost of this could not be claimed back. However, the Trust had been very judicious and had not overspent.</li> </ul>	
6.	<p><b><u>BUDGET PRESENTATION 2020/21 [plus 2021/22 and 2022/23]</u></b></p>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <p><b>Budget 2020-2021: Trustees Detailed Presentation</b> - 3 Year Forecast Budget per school, which had been shared to enable Committee members to dig deeper into specific areas and raise any queries accordingly.</p> <p><b>Budget 2020-2021: Summary Presentation</b> - Summary of the budgets proposed for the next three years, RAG rated and consolidated.</p> <p>SPi talked through the summary presentation, school by school and in precis form, and sought any questions or comments arising from this. Matters raised and discussed included:</p> <ul style="list-style-type: none"> <li>Committee members were reminded that, where amber denoted a potential concern, there was a watching brief on this, and that NOR figures lagged. I.e. they represented what that year was funded at so were a year in arrears.</li> <li>There were variations in the ratio of pupils to TAs. The Finance Team were trying to work towards a standard for staffing levels in every school to minimise general variations. However, some schools attracted greater numbers of SEN pupils and this led to a greater provision of TA time.</li> <li>Regarding the new Headteacher for Breage C of E School, there were steps within the pay range that he could move up but these would be budgeted for.</li> <li>The Committee advised that no inflation had been applied to funding or other sources of income. Staffing, both teachers and support staff, had been inflated to allow for a 2.5% price of living rise in each of the three years. Allowance had also been made for the impact of the living wage increase and the latest white paper linked to Mainscale teachers' pay. 5% inflation had been applied to all insurance costs.</li> <li>The Committee advised that if a moderate 1% inflation was applied to both future budget years, an extra £180k would be added to 2021/22 and a further £360k added to 2022/23.</li> <li>The Central recharge had once again remained at 5% but this year schools would also be charged this fee on the Teachers' Pay and Pension grants. As these were introduced last year, the 5% charge was not applied in 2019/20 to these specific grants.</li> <li>A concern was raised regarding how long the Teachers Pay and Pension grants would continue to be paid. SPi explained that, as things stand, they were not confirmed beyond the current year but, due to the value - especially the Pension grant - he could not see them being withdrawn for a few years yet. SPi also highlighted his concern that, increasingly, the Government was putting more funding through specific or Ring Fenced funding streams which always makes them more vulnerable to reduction or even removal. However, this was something outside of the Trust's control.</li> <li>When figures were presented to the Government, it was only necessary to show Year 1 and not Years 2 / 3. If it had been necessary to include all three years, SPi would have proposed adding 1% to income to ensure this was always over a million pounds.</li> </ul> <p>It was noted the accounts were so thorough and clear that it made it very difficult for the Committee to find points on which to challenge SPi. It was also very helpful to have the accounts talked through by SPi, particularly for newer members of the Committee.</p> <p>See also Confidential Notes.</p>	
7.	<p><b><u>POLICIES</u></b></p>	
	<p>Not applicable on this occasion.</p>	

8.	<b><u>SCA REPORT</u></b>	
	<p>Information presented to Committee members prior to the meeting and discussed comprised a summary of SCA capital projects: completed, work in progress or proposed. For each of the three categories, information included the financial year, project description, SCA level and spend, including total per school in each of the three categories.</p> <p>Any questions arising from the report were sought from Committee members.</p> <p>A query was raised around the status of a report on the swimming pool at Parc Eglos School. SPi informed the Committee he was now in receipt of this and would share it with Committee members. The report had concluded it would be worth investment overall so discussions would need to be had around this.</p> <p>No further questions were forthcoming.</p> <p>SPi advised Committee members he was determined to make this transparent so it was clear what monies had been spent where and that all schools benefitted over time, though decisions had to be made against need.</p> <p>Committee members asked if it would be possible to have a line against each school showing the actual spend as a percentage of the total they should have had so they could be seen to be monitoring this so SPi was to incorporate this going forward.</p>	SPi
9.	<b><u>ESTATES REPORT</u></b>	
	<p>An Estates Report for the period March to May 2020, including an appendix showing an artist's impression of the new Maths build at Mullion Secondary School, was shared with the Committee prior to the meeting.</p> <p>Items presented to Committee members and discussed included:</p> <ul style="list-style-type: none"> <li>• <b>Overview of difficulties and progress during the Covid 19 crisis</b></li> <li>• <b>Roving Caretaking Team Update</b></li> <li>• <b>Medium Term Projects Update.</b> These projects had been completed either in house or by third party contractors, as appropriate, at Crowan, Cury, Grade Ruan, Manaccan, Mullion Secondary, Sithney, St Keverne and Trannack Schools. The projects included resolution of the sink hole issue at Sithney and the outdoor swimming pool issue at St Keverne.</li> <li>• <b>Larger Projects Update</b> <p>There were currently four active larger projects taking place.</p> <ul style="list-style-type: none"> <li>○ <b>Project One – New Septic Tank at Garras School</b> <p>This was the last of the back log maintenance projects owed to the Trust by Cornwall Council. After a series of delays, the project was now reaching a conclusion and should be completed during July 2020. 10% of the total cost would be payable by the Trust.</p> </li> <li>○ <b>Project Two – 4 Classroom Modular Classroom Build [Maths Block] and New Caretakers Office and Store Mullion School</b> <p>This project was still on budget and on time to be open to students in September.</p> </li> <li>○ <b>Project Three – 3G Surface at Helston Community College</b> <p>After checking value for money and funding logistics, Trustees had granted the go ahead for this project. Works were to be completed by BAM over the summer term 2020 and the facility would be open to students / the public from early September. After a number of objections from various agencies, the Trust had eventually received the green light for the project, including a verbal agreement from its auditors that SCA funding could be used to fund the project. Details of the budgeted costs and specification had been scrutinised by Fox Partners, who had experience of installing similar pitches at a number of sites across Cornwall and were therefore able to provide a level of expertise that was not available within the Trust. Fox Partners had confirmed the project represented value for money and worked with BAM to make a few changes to the specification based on their knowledge of local environmental conditions.</p> </li> <li>○ <b>Project Four – New Heating System Helston Community College South Site</b> <p>The SCA working group had agreed to funding the essential and long overdue update of the heating system. The works were significant, as they involved replacing all the heaters and</p> </li> </ul> </li> </ul>	

	<p>associated pipework throughout the site and over both floors. It had also made sense to replace a number of large sections of suspended ceiling and address a number of minor building works whilst changing the heating system. The project was well underway and was due to be completed during August in readiness for the winter.</p> <p><b><u>Building Compliance Update</u></b></p> <p>Compliance was still going well and the Estates Manager with responsibility for compliance was beginning to renegotiate contracts at a Trust level to secure better value for money. The Estates Team now had a clear picture of what each school required, who currently supplied the service and when checks were due. The Estates Managers were working together to identify the checks that would be required for the new North Site building at Helston Community College. This had thrown up some new challenges, including the servicing of the new movable seating in the main hall.</p> <p><b><u>Health and Safety Update</u></b></p> <p>There were no new updates for this quarter.</p> <p><b><u>Capital Funding Update SCA</u></b></p> <p>The majority of the projects listed had needed to be funded and the core funding source for this was the SCA Funding the Trust received. The SCA Report set out how monies had either been spent to date or were planned to be spent in the future. SCA funding was allocated in conjunction with the SCA working party, who in turn used a series of predefined criteria to decide which projects were funded.</p>	
10.	<p><b><u>UPDATES TO THE RISK REGISTER</u></b></p>	
	<p>Due to the current crisis, it had been necessary for every school to complete and regularly review a Covid 19 Risk Assessment. These had subsequently become the major focus and, as finance had been covered off there through a section on Financial Losses, there had been no changes to the main risk register in this respect.</p> <p>Moreover, the Confederation of School Trusts had created a decision making framework for opening schools more widely and the Trust Board used this as reference when finalising its decision around 1<sup>st</sup> June reopening. This had included a section on Decisions and Actions to Manage the Financial Impacts.</p>	
11.	<p><b><u>ANY OTHER BUSINESS</u></b></p>	
	<p><b>Delayed introduction of new Charges and Remissions Policy to September 2021.</b> Given the current crisis, it had been determined the optics were not right for the introduction of this policy in September 2020. Anything new that came on line would go to the new rates therein but a blanket move would not now take place until September 2021. Some schools, mindful of the changes to come, were already taking minor steps towards the new rates in order to move in the right direction prior to their introduction. Should the situation improve vastly during the course of the coming academic year, there was always the potential to introduce the policy in January 2021 or after the Easter break, though it was generally most appropriate to make such changes at the start of an academic year.</p> <p><b>General Insurance.</b> Trustees asked it be minuted that, while Zurich had submitted a marginally cheaper quote than RPA by a 5.6% margin, overall the RPA was cheaper by a margin of 5.4% because they are exempt from the 12% Insurance Premium Tax [IPT] unlike Zurich.</p> <p><b>Chancellor's job retention bonus.</b> A query arose as to whether any of the Trust's furloughed staff would qualify for the £1,000 job retention bonus for employers who brought a worker back from furlough and then continued to employ them between November and January. SPi explained that the majority of wraparound staff would not qualify, as employees had to earn at least the lower earning limit for national insurance between November and January in order for employers to be eligible for the pay-out and these staff members were below that baseline. However, nursery and catering staff could be eligible.</p> <p><b>Chancellor's apprenticeship bonus.</b> DBr added the Trust had also taken on board the Chancellor's new bonus for employers who hired apprentices from August to January, which consisted of a £2,000 payment for new apprentices aged 16 to 24 and a £1,500 payment for new apprentices aged 25 or over, and this would be promoted across all schools.</p>	

	<p><b>Action: set dates for next year’s Trust Board and Trust Board Committee meetings.</b>  There were no further matters for consideration so the meeting was brought to a close at 7.50pm.</p>	<p><b>DBr</b></p>
<p><b>12.</b></p>	<p><b><u>DATES OF FUTURE MEETINGS</u></b></p>	
	<p>The next meeting of the SPCMAT Finance and Resources Committee will take place on a date to be confirmed.</p>	

**Chair’s Signature** \_\_\_\_\_ **Date** \_\_\_\_\_