

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



**Thursday 4th March 2021, from 6.00pm
Online meeting due to the Covid 19 pandemic**

<p><u>ATTENDING :</u> Donna Bryant Alan Horne Alison Newman Susan Reynolds Kevin Thomas Phillip Woods</p> <p>In Attendance Sean Pinhay [SPCMAT Chief Financial Officer] Karen Teague [SPCMAT Administrator / Clerk to the Trust Board]</p>		<p>D B r A H o A N e S R e K T h P W o</p> <p>S P i K T e</p>
<p><u>APOLOGIES :</u> None</p>		
		<u>ACTION</u>
3.	<p><u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u></p>	
	<p>The Chair welcomed all those present.</p> <p>Under Declarations of Pecuniary Interests, no further declarations were forthcoming. KTh and PWo reminded fellow Committee members they both had a partner employed by the Trust so would therefore have to declare a vested interest in item 10 on the agenda.</p>	
4.	<p><u>MINUTES AND MATTERS ARISING</u></p>	
	<p>The minutes of the meeting of the Finance & Resources Committee on 10th December 2020 were agreed to be an accurate record and were to be duly signed by the Chair when circumstances allowed. Matters arising included updates on:</p> <p>LGB minutes being published on school websites. KTe reported she had recently checked school websites to determine whether the most recent set of approved minutes for each LGB had been uploaded and all but one school had uploaded these. An email had also been drafted to update Headteachers, secretaries and Clerks to Governors as to the expectations of the Trust in this respect. This would be sent out following the full reopening of schools on / from 8th March 2021.</p> <p>Building Compliance Schedule. See items 5 and 6 below.</p> <p>Investment strategy. Further details had been obtained from Lloyds and would be shared over the next few weeks. SPi argued it made more sense to stick with the current provider for increased flexibility rather than to spread funds more widely in smaller amounts, which would be a much more time consuming task where the benefits were unlikely to outweigh the time involved. SPi was also to write an Investment Policy for the Trust and share this at the next meeting of the Committee.</p> <p>Capital investment being added to the Risk Register. This was in train.</p> <p>Areas to cover in the internal audit. This action was to be carried over. SPi pointed out it was likely there would be two audits in the Summer Term now due to current circumstances and in the hope it might be possible to get auditors in.</p> <p>Action: Chair of Trust Board and Chairs of Trust Board Committees to meet to determine what the internal audit will cover this year.</p> <p>Cycle to work scheme. See item 13 below.</p>	<p>S P i</p> <p>K T h, S R e, K P r</p>

5.	<u>ESTATES REPORT</u>	
	<p>Information presented to Committee members prior to the meeting and discussed included:</p> <p>Roving Caretaking Team Update - jobs completed and visits made between 1st November 2020 and 31st January 2021. Looking at tapping into SCA funding to find out if the current provision could be expanded to a second van and ideally employ two teams of two.</p> <p>Medium Term Projects Update - tasks completed since September 2020 and works planned for the future across the Trust.</p> <p>Larger Projects Update. SPi updated Committee members on any larger projects planned within the Trust.</p> <p>See also Confidential Notes.</p> <p>Building Compliance Update. Since the last meeting, RGi [the Estates Manager who takes the lead on compliance] had demonstrated the system for monitoring building compliance to the Health and Safety Trustee, who was satisfied with the system and could see the Trust was moving in the right direction. In Item 6, SPi was to demonstrate the system so Committee members could get a sense of the work that was completed in order to ensure school sites remained safe places for pupils and staff. Unfortunately, due to the pandemic, the schedule had been delayed as visits to sites were kept to a minimum during the last two lockdown periods to minimise the risk of the virus spreading between schools. The compliance visits had now been reinstated but, due to a backlog of work for the suppliers, there were more gaps than usual. It was hoped that, if there were no further lockdowns, the schedule would be back on track by the end of the next quarter.</p> <p>Health and Safety Update. The completed GAP Analysis for the schools was still being addressed. There were some specific areas SPi / the Estates Managers wanted to work on and these would become a more major part of what the Estates Managers were doing going forward.</p> <p>Capital Funding Update [SCA]. All the projects detailed in the report required funding and the core source of funding for these was the SCA [School Condition Allocation] funding the Trust received. A SCA report shared with Committee members prior to the meeting showed how the funding had either been spent to date or was planned to be spent in the future. Committee members were reminded SCA funding was allocated in conjunction with the SCA working group, who in turn used a series of predefined criteria to decide which projects to fund.</p> <p>See also Item 7 below.</p>	
6.	<u>COMPLIANCE SCHEDULE</u>	
	<p>See also item 5 above.</p> <p>SPi shared the Compliance Schedule, detailed in the previous meeting, to give Committee members a sense of what had been done / was being done around compliance and to assure them this was being comprehensively monitored. The aim was to allow Headteachers access to the schedule, including links, so they could have confidence their schools were up to date regarding compliance.</p>	
7.	<u>SCA WORKING GROUP</u>	
	<p>SPi reported the SCA working group had met prior to the meeting of the Committee and had been happy with the spend. Currently there was plenty of funding left to allocate but the Trust had not been underspending and therefore there was no risk funds would be clawed back.</p> <p>A SCA [School Condition Allocation] analysis and a DFC [Devolved Formula Capital] analysis had been shared with Committee members prior to the meeting.</p> <p>DFC. SPi reminded Committee members the amount of DFC was no longer a significant source of funding but was nevertheless a sensible amount to spend on IT provision in schools. He was investigating the possibility of converting DFC for some schools to revenue, as this could help offset their deficits and other schools would then have more money to offset capital expenditure, but he would have to look at the restrictions around this.</p> <p>SCA. In order to be transparent and to demonstrate that schools were being treated as fairly as possible, the analysis showed what had been spent on each school, what the school 'should' have had [as a notional figure] and the variance. While it was about bringing all schools up to the standard they needed to be in the first instance, spend would then be seen to be proportionate over a number</p>	

	<p>of years. He then shared the current balance for the Trust which confirmed neither an overspend or significant underspend which could in turn trigger a clawback of funding.</p> <p>Further questions were sought but none were forthcoming at that time.</p> <p>See also Confidential Notes.</p>	
<p>8.</p>	<p><u>LATEST MANAGEMENT ACCOUNTS</u></p>	
	<p>The Management Accounts for November, December and January 2020/21 had been shared with Committee members prior to the meeting in detailed, summary and graph form. Those for November / December had been included to afford Committee members an opportunity to follow any trends and those for January were to be reviewed during the meeting. SPi outlined key issues arising from the latest accounts. These included:</p> <ul style="list-style-type: none"> • The sharing of Management Accounts had become more timely, though it should be remembered that the figures were always a month in arrears. • Detailed Management Accounts would only be routinely shared with Committee members when the Committee met but were available in the interim if requested. <p>Staff Expenditure</p> <ul style="list-style-type: none"> • No significant changes. Overall very slightly better than planned, accounts indicated a £2k underspend at year end. • There had been a rise in spend at Mullion School but the Headteacher was aware of the need to be mindful of this. • Helston Community College continued to thrive and underspend against overall budget. A number staffing budgets were over and in turn underspending but there was no cause for concern. Since setting the budget, the school had decided to allocate savings identified on the teachers' budget to a number of support staff areas. • There had been a considerable saving at Landewednack School due to the drop to a three class structure. • Overall, the main pressures remains around Teaching Assistants linked to EHCP and additional cleaning due to Covid. <p>Other Expenditure & Income</p> <ul style="list-style-type: none"> • Cancellation of a trip at Mullion School was likely to create an overspend on the residential trips budget but SPi was looking into insurance so hopefully this might be reduced or removed. • By the end of the year, underspends on utilities should offset any overspends on cleaning. • Potential underspends in admin and resources due to schools being closed during the Covid pandemic would be firmed up over the next few months but the nature of the closedowns made forecasting this figure difficult at this stage of the year. • SPi had under budgeted on broadband in the smaller schools but was optimistic most of the overspends would disappear by the end of year because contingencies set aside to ICT hardware should be saved as schools were using their DFC budgets to meet these costs. • In terms of areas which generate their own income - Extended Activities, Nurseries, Catering – a true picture would not be available until schools had been back for a while but schools had used furloughing etc to offset lack of parental income so hopefully the potential losses will be reduced. A number of these activities had also closed during this period which hopefully would further reduce the drain that sometimes these enterprises put on the core school budgets. • There had been a small overspend on IT at Helston Community College but the College was underspending in other areas. • Overall there was an in year overspend of £40k but the reserve position was £484k better than the original budget. The reserve position was improved by higher than budgeted 2019-20 brought forward figure. • Generally, the overall picture was good and things were moving in the right direction. • SPi stated it would be hard to set budgets due to a lack of clean data over the last two trading years, but still remained very doable. 	
<p>9.</p>	<p><u>POLICIES</u></p>	
	<p>There were no new financial policies for review on this occasion.</p>	

10.	<u>SUPPORT STAFF PRICE OF LIVING RISE</u>	
	<p>Background information on this had been shared with Committee members prior to the meeting.</p> <p>Committee members were reminded that, in the case of support staff, the pay cycle ran from April to March and not September to August as was the case for teaching staff. This was an historical anomaly.</p> <p>While public sector workers were set for a pay freeze and it was likely there would be no Price of Living rise next year, SPi clarified that did not relate to this year Price of Living rise due to support staff in April 2021.</p> <p>SPi explained that, although the proposed Price of Living rise was 0.25% higher than the budgeted figure, the budget had allowed for a much higher National Living Wage rise, which in turn had implications for the next two pay scales. Ultimately, the National Living Wage rise was much lower and therefore overall the proposed Price of Living rise would result in a small saving for the Trust, compared to the budgeted figure.</p> <p>SPi advised the Committee that back in November, when the teachers rise was agreed in principle, the Trustees agreed that Scale 1 would be in line with the National Living Wage and all other staff would receive a minimum rise equal to that of the teachers. SPi talked the Committee through the new proposed scales and the impact on the differentials and the fact that the differentials between Scales 1 and 2 had increased, which was an improvement on the current pay scales.</p> <p>Committee members noted their agreement to the new proposed Scales for 2020-21.</p> <p>It was pointed out that, if there was no Price of Living increase the following year but the National Living Wage went up, adjustments to lower grades may need to take place to protect the differentials but this would not be known until the National Living Wage was agreed by the Government</p>	
11.	<u>BENCH MARKING</u>	
	<p>SPi explained that we would review the Trust’s benchmarking using three external measures:</p> <ul style="list-style-type: none"> • The external auditors’ annual benching marking report - a report that had been shared with Committee members prior to the meeting for them to review and raise any questions at the meeting. • The View my Financial Insights [VMFI] tool - a tool to give finance and leadership teams insights into the financial performance of their Trusts by identifying areas that might require further attention and matching the data with relevant guidance / resources. The tool does this by using financial data, collected from academy trusts nationally, for comparison and analysis. • The School Resource Management Self-Assessment Tool [SRMSAT] annual return - a self-audit for the Trustees to complete based on data provided by the ESFA. <p>External auditors’ annual benching marking report</p> <p>SPi suggested Committee members look at the median for ‘All MATs’ and for ‘All MATs within Cornwall’ then raise any questions they might have around the figures for the Trust. He pointed out income per pupil was slightly higher than for ‘All MATS within Cornwall’ because of the number of smaller schools in the Trust and the fact that these schools attracted a disproportionate amount of fixed funding compared to larger settings.</p> <p>Concerns were raised around some of the outlying figures which, even allowing for factors unique to individual settings, seemed nonsensical. Moreover, the fact the highest figure in one line might be from a different school from the highest figure in another line which also seemed to make a nonsense of the figures. SPi acknowledged these concerns and agreed this was another reason to just concentrate on the median.</p> <p>It was encouraging to note the Trust was not doing anything radically different from the median of ‘All MATS within Cornwall’.</p> <p>View my Financial Insights [VMFI] tool</p> <p>SPi advised Committee members they would shortly receive an email from IDAMS with the login details they would require to access this tool and to their own benchmarking. In the interim, he opened VMFI and shared elements of this with them for their information.</p> <p>Committee members were advised VMFI would become a stronger tool when all Trusts moved to a standard set of ledger codes, which unfortunately was not the case for the figures used this year. SPi</p>	

	<p>was dubious about the quality of the data at the present time and too many parties were playing with the numbers but he was hopeful that - as everything became more standardised - it would be more valuable.</p> <p>SPi talked through the data for one of the Trust schools compared to schools of a similar size across the country. While there were clearly flaws in the system because some of the figures were inherently wrong, all agreed there was some real merit in this product and it would be reviewed each year when the data was updated.</p> <p>SPi suggested that this was a difficult piece of work to complete on a virtual meeting and suggested it was tabled at a future meeting when the Committee could meet in person. Guidance was to follow from SPi regarding logging in to the system.</p> <p>SPi informed Committee members there were lots of ways of looking at the data so it was worth taking time to just explore this. It was suggested they investigate one or two aspects and bring any challenges to the Committee. SPi reminded Committee members they could contact him with any issues they had in respect of this product in future.</p> <p>Committee members were advised to ignore the outliers and look at the median. However, if data for Trust schools appeared to be extreme either way, this could be an area the Committee needed to look at. When the next set of data came in, SPi was to advise the Committee accordingly.</p> <p>School Resource Management Self-Assessment Tool [SRMSAT] annual return</p> <p>SPi demonstrated the dashboard first of all. He explained that, once again, the principles of the table worked but the data was poor again – to the point where SPi was not recognising some of it. Eg. Central spend had been weighted in such a way as to make a nonsense of some of the costs. A number of queries were therefore in flow.</p> <p>SPi proposed using the table/format but populating this with data from the last set of management accounts for last year, as this should give a much better idea of where any RAG rating issues were. This could then be reviewed at the next meeting so Committee members would have some confidence in this.</p> <p>In the meantime, SPi stated he had gone through this. It was a naïve template which did not allow for sensitivities so, for example, the small schools had thrown the RAG rating completely. However, he had tried to address any concerns sensibly and, where there were any concerns he felt they were not aware of, he had put a note there to say this was being investigated.</p> <p>Committee members agreed this approach.</p> <p>SPi then shared the checklist of questions with Committee members so they could go through this together. He informed them that he and DBr had already pre-populated the answers but he was open to amending any of these if there was a challenge. Where any changes were suggested, these were discussed and agreed.</p> <p>Committee members were asked if they were happy that this be submitted on behalf of the Trust and Committee members indicated they were. KTh, as Chair of the Trust Board, was to sign this the following day.</p> <p>Action: Add benchmarking as standard item on agenda.</p>	<p>SPi</p> <p>Committee members</p> <p>SPi</p> <p>KTh</p> <p>KTe</p>
<p>12.</p>	<p><u>RISK REGISTER REVIEW</u></p>	
	<p>DBr talked Committee members through any updates on / proposed changes to pertinent elements of the Risk Register, seeking any comments regarding these.</p> <p>Committee members were advised that there was nothing materially different in the aspects being 'Tolerated' so there was no need to change their designation.</p> <p>Points raised and discussed included:</p> <p>1.1, around failure to recruit sufficient learners to make schools viable. The treatment around marketing Post 16 was ongoing and it was proposed pre-schools be added into this element as these needed to be going concerns, particularly in light of population forecasts.</p> <p>1.6, around failure to ensure that IT is maintained to the highest standard. DBr advised Committee members the rollout of the Trust wide ICT strategy was going very well and it was hoped additional funding might be forthcoming for some of the Trust schools through a pilot scheme that was to be part of the Rural Gigabit Project.</p> <p>1.8, around failure to recruit Trustees who have the correct profile. The Trust had received an expression of interest from a very strong candidate with a wealth of experience in finance /</p>	

	<p>accounting, an area the Trust Board was keen to enhance its expertise in. Subject to the necessary checks, it was hoped they might be appointed within the next month.</p> <p>1.9, around failure to comply with legislative requirements. Review of the Trust's Redundancy Policy was ongoing so it was proposed the target date for this be changed to May 2021.</p> <p>1.10, around failure to ensure there is a robust approach in place to deliver community involvement. While the establishment and growth of School Forums had been significantly impacted by the pandemic, stakeholders were nevertheless being involved through the various surveys that had been undertaken across the Trust.</p> <p>2.7, around failure to implement robust Health and Safety procedures. DBr advised Committee members the compliance schedule was becoming embedded, as had been demonstrated previously, and Health and safety issues were being logged / followed up on.</p> <p>3.2, around failure to ensure schools comply with environmental legislation. This had not changed so needed to be moved on.</p> <p>4.12, around failure to ensure the Trust has a robust set of treasury procedures in place. These treatments were still within the given timeframe.</p> <p>The Committee approved the proposed changes to the Risk Register.</p> <p>DBr was to update the Risk Register accordingly.</p>	<p>DBr</p>
<p>13.</p>	<p><u>ANY OTHER BUSINESS</u></p>	
	<p>External / Internal Auditors</p> <p>SPI advised Committee members that, at the recent AGM, the Trust's Members had approved the re-appointment of Bishop Fleming as external auditors for an additional year as an interim measure. Members had also approved the re-appointment of Cornwall Council as internal auditors, as it was felt Cornwall Council was one of the few providers that undertook a robust and not a light touch internal audit. The scope of the internal audit was not limited merely to finance but included policies, health and safety, etc so, wherever the Trust required the focus to be, Cornwall Council had a team to cover that. Committee members noted their agreement of this.</p> <p>Cycle to Work Scheme</p> <p>SPI shared an introductory paper with Committee members to enable them to peruse this information before indicating whether they were happy with the sort of parameters suggested. This information included benefits [such as the spread of costs and savings on tax / NI], issues to be aware of, parameters to consider, options for running the scheme [namely, in house or using a third party] and technical considerations [such as restrictions relating to the National Minimum Wage].</p> <ul style="list-style-type: none"> • There were benefits for the employee and the employer • The period the employee had to pay back the cost of the bike might be rather narrow so could this be extended slightly? • There would need to be a cut-off point in terms of the maximum commute a person could cycle to their place of work, to prove to HMRC that sense checks were being undertaken in this respect, but how would this be defined and could there be any flexibility in this? • It would be necessary to ensure any third party providers had local contacts so cycles could be purchased locally • This was a great scheme but had to be done for the right reasons – namely, to help people to commute greenly to work. • In terms of the Trust values of equity and equality, the scheme would need to be offered to all staff and all staff allowed to borrow the same amount. There could be some kickback around not being able to purchase more expensive cycles through the scheme but the scheme had to be fair to all. <p>In principle, Committee members were in favour of the scheme if tight parameters were set and it was open to all. It was suggested the maximum spend be set at £1,500, the period of repayment be set at 24 months and the maximum commute be no greater than a 60 minutes cycle to work [using Google maps as the benchmark] or a given distance.</p> <p>SPI was to create a proposal for sign off via email in due course.</p> <p>SRe left the meeting at this point and KTh stepped into the role of the Chair for the remaining agenda items.</p>	<p>SPI</p>

	<p>When will residential trips recommence?</p> <p>Committee members were asked for their position on this. Current advice was for schools not to expose themselves or parents to financial risk by booking any new trips at this stage. In the case of postponed trips, companies should be asked to hold the deposit over until such time as guidance states trips can be booked / take place.</p> <p>Committee members approved this stance until such time as firm government guidance was forthcoming.</p> <p>Staff additional hours due to emergency callouts</p> <p>DBr explained the SPCMAT Support Staff Pay Policy currently stated that: <i>Additional hours will be paid at flat rate, with the exception of the Estates Team staff with contracts for:</i></p> <ul style="list-style-type: none"> • 37 hours or greater and 52 weeks per annum and • up to and including Scale 5 <p><i>when time and a half will apply</i></p> <p>However, it was proposed these parameters be amended slightly to take account of the fact that other staff now did more at a Trust level and sometimes needed to respond to problems occurring. The potential rewording would state that, for staff working 37 hours or greater and 52 weeks per annum, additional hours would be paid as follows:</p> <ul style="list-style-type: none"> • Up to Scale 5: time and a half. • Scale 6 to Scale 9: flat rate, or time in lieu if practicable • Above Scale 10: part of contractual obligation for role and scale <p>Committee members approved a change to the policy in principle but the final version would need to be ratified by the Full Board. DBr was to produce a paper for ratification.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 8.30pm.</p>	DBr
14.	<u>DATES OF FUTURE MEETINGS</u>	
	The next meeting of the SPCMAT Finance and Resources Committee will take place on Thursday 17th June 2021 , from 6.00pm , in the Trust Conference Room.	

Chair's Signature _____ Date _____