

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

**Tuesday 19th July 2022, from 6.00pm
in the Trust Conference Room**

<u>ATTENDING :</u> Clare Kendle Will Smith In Attendance Mark Blackman [SPCMAT Interim CEO / AO / Ex-Officio Trustee] Karen Bond [Trustee] Sean Pinhay [SPCMAT Chief Financial Officer] Karen Teague [SPCMAT Administrator / Clerk to the Trust Board]		CKe WSm MBI KBo SPi KTe
<u>APOLOGIES :</u> None		
		<u>ACTION</u>
3.	<u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u>	
	The Chair 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 28 th June 2022 were agreed to be an accurate record and were duly signed by the Chair. Matters arising included updates on: Monthly Scrutiny of Accounts. Arrangements had been made and the addition of diary markers would ensure this was in hand. Retention of External Auditors. Members' approval of the proposal to retain the Trust's External Auditors until the organisation was wound up had been sought subsequent to the previous meeting. KTe confirmed Members had unanimously approved the proposal.	
5.	<u>ESTATES REPORT</u>	
	Information presented to Committee members and discussed included: Summer Projects. The key projects, where there was the most pressure, were under way. A small area of roofing at Mullion Secondary School was leaking and this would need addressing but the estimate for repairs was in the region of £12,000 so this was well within the criteria agreed. Estates Team. Members of the Estates Team had been in contact with the receiving trusts. Few details of additional roles available as a result of the transfers had yet been shared but MBI / SPi were liaising with all the receiving trusts in this respect. Q. Are any of the estates projects linked to safeguarding? A. Yes, that is a primary consideration and there have been various projects linked to safeguarding throughout the year. For example, a number of fencing projects have taken place and others are due to start shortly at Grade Ruan and Helston. Where any specific concerns have been raised we are prioritising key areas. Q. Where these works require engagement with external suppliers, are there any challenges?	

	<p>A. There is a limited pool of suppliers from which to draw and this is accentuated in areas such as the Lizard, which are the most geographically isolated. Ideally, there would be a bigger pool but that is not effecting this year's work and materials are less of an issue now than they were last summer.</p> <p>Q. Is it still predicted that all the large projects will be completed before the children return for the Autumn Term?</p> <p>A. The classroom refurbishments at Parc Eglos and Helston have started, as have preparations for the kitchen refurbishment at Porthleven, so all the largest projects are on track. The latter is being managed by a third party who has never failed to miss deadlines or hit targets. If the other projects run over, these could still be finished with children on site but that is not the plan. Should that have to happen, we will then take whatever health and safety precautions are necessary.</p>	
6.	<u>LATEST MANAGEMENT ACCOUNTS – 2021/22</u>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <ul style="list-style-type: none"> • Trustees Summary Management Accounts 2021-22 Apr-May-Jun22 Figures: Summary of the figures for the schools latest financial position for 2021-22. • Trustees Summary Management Accounts 2021-22 Apr-May-Jun22 Graphs: Summary of the schools latest financial position for 2021-22 in graph form for quick reference. • Trustees Detailed Management Accounts 2021-22 Apr-May-Jun22: Details of the schools latest financial position for 2021-22 to enable Trustees to delve deeper into any areas around which they might have a particular query. <p>Areas covered included:</p> <ul style="list-style-type: none"> • Pupil to Teacher Ratio [Adjusted for Maternity] by individual school and average. • Pupil to Support Staff Ratio [Adjusted for Maternity] by individual school and average. • Expenditure per Pupil [Including Other Activities] by individual school and average • Income per Pupil by individual school and average • In Year Over / Underspends – All Activities, budgeted and latest actual, by individual school and Central • End of Year Reserve, budgeted and latest actual, by individual school and Central • In Year Over / Underspends – Trust Total, budgeted and latest actual • End of Year Reserve – Trust Total, budgeted and latest actual <p>SPI outlined the main issues arising from the latest accounts and sought any questions or comments from Committee members.</p> <p>Points raised and discussed included:</p> <p>July Funding. Committee members were advised the data presented included the July funding.</p> <p>Expenditure. With 2 months' salary to go, expenditure was not expected to change significantly over the next two months.</p> <p>Budget Reports. Reports had been made available to Headteachers and Local Governing Bodies.</p> <p>Reserves. There was a healthy picture at year end, with an overall reserve of circa £2,500,000. The greatest success stories were the two secondaries. On inheritance, neither was in a positive position but both had been turned around. Helston was now in a position to be able to invest a little more. The incoming Headteacher had already spent some additional monies but had been quite prudent. The school could look at staffing alterations next year but its stronger position gave it the capacity to make changes, which was important. Mullion now had a reasonable reserve for a school of its size. The problems were with the primaries and the smaller they were, the more challenging they were.</p> <p>Committee members noted they had planned to ask a question around Helston's reserve but the explanation had been given.</p> <p>SSG. The biggest change since the end of March was the inclusion of the Schools' Supplementary Grant [SSG], which had subsequently been confirmed.</p> <p>Resource Budgets. Resource budgets that had not been spent would be declared as underspend and so the reserve would increase accordingly.</p> <p>Non-Anticipated Wins. Additional income as a result of Covid and the lack of a teacher pay rise had</p>	

	<p>been non-anticipated wins.</p> <p>Deficits Year End. There were now only three schools looking at a deficit year end, where previously there had been five – largely due to the inherited issues with the former Keskowethyans’ schools.</p> <ul style="list-style-type: none"> Coverack was an expected deficit and was under constant review. St Keverne had been predicted to come out of deficit this year but an additional KS2 class, which had been recommended for school improvement purposes and had been catered for, had removed the chance to clear the deficit this year. Wendron was a new school in deficit, which was purely a result of the recent Ofsted outcomes. Crowan and Landewednack had also been impacted by their recent Ofsted outcomes but had avoided being in deficit. <p>ESFA. Conversations were being had with the ESFA around the longer term distribution of monies.</p> <p>Surplus. Committee members noted that, if the Trust had not been splitting, they would be asking if the surplus was impacting on quality in schools but recognised this was a moot point given the circumstances.</p> <p>SPI assured Committee members he would be having a conversation with them now about GAG pooling to further increase efficiencies and relieve funding pressures if the Trust were not in the position it was in.</p> <p>Committee members congratulated SPI on the work he / MCo had done and acknowledged there had been no lack of success in the budget work.</p> <p><u>Q. Are we viable as an organisation; are we projecting a healthy end of year position so risk is mitigated; and is our cash flow sufficient to pay salaries and so on?</u></p> <p>A. Yes, the viability of the organisation has been evidenced here and we have recognised that, if anything, the balance is too healthy. Wendron’s deficit will leave us by the end of the year but St Keverne’s deficit is part of a big picture issue, as is Coverack’s – which will be discussed later. Cash flow rarely falls below 5 million.</p> <p>Committee members pointed out that other trusts had received letters from the ESFA to say their reserves were too healthy so it was important to be aware of the nature of the landscape in this respect. SPI informed Committee members he sat on a local forum and had recently been quoted in the press as saying some schools sat on too much. Even within this Trust, there were healthy schools that needed to share - hence the reference to GAG pooling.</p> <p><u>Q. Can we be assured that page 8 of the Trustees’ summary accurately reflects the current picture in a nutshell?</u></p> <p>A. Yes.</p> <p>Committee members noted it might be helpful to see variances on there but this was not a big issue. If the information could be presented more clearly, SPI was to look at this for next month.</p>	SPI
7.	<u>BUDGET PRESENTATION: 2022/23 [PLUS 2023/24 AND 2024/25]</u>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <p>Budget 2022-23 Trustees’ Summary Presentation - Summary of the budgets proposed for the next three years, RAG rated, consolidated and with KPIs for 2022-23, prepared by SPI / MCo.</p> <p>Budget CEO Assurance – a commentary prepared by MBI to sit alongside the budget summary.</p> <p>SPI informed Committee members he had been advised by the ESFA to prepare and submit three- year budgets for all the Trust schools less Wendron, Crowan and Cury to the government. Therefore, the budgets presented here were for those schools that were remaining in September.</p> <p>MBI reported he had scrutinised these in detail and thoroughly checked them as part of his CEO assurance.</p> <p>The salient points, by school, were requested for any schools rated red.</p> <p>See also Confidential Notes.</p> <p>Pay Rise for Teachers</p> <p>SPI advised Committee members the only change since the budget had been set was the indication as to a 5% pay rise for teachers, which had been announced that afternoon. SPI had budgeted at 3% so</p>	

	<p>rate from September 2022.</p> <p>Helston and Mullion</p> <ul style="list-style-type: none"> • 51% of the costs incurred by the catering functions were linked to staff wages and, due to the new National Living Wage rise in April 2022, the Trust had been forced to increase the scales on which catering staff were paid by between 7.74% and 3.5%. • 43% of the costs incurred by the catering functions were related to the purchase of food and food prices were currently experiencing inflationary pressures of 6.7%. <p>These were all factors the Trust could not control but only manage.</p> <p>Committee members ratified the proposed increases in catering charges.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 6.50pm.</p>	
10.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the SPCMAT Finance and Resources Committee will take place on 20th September 2022, from 6.00pm, in the Trust Conference Room should a meeting be required prior to the commencement of the new academic year.</p> <p>Thereafter, meetings were to take place on:</p> <ul style="list-style-type: none"> • 18th October 2022 • 15th November 2022 • 13th December 2022 	

Chair's Signature:

Date: