

**Minutes of the Southerly Point
Co-operative Multi-Academy Trust
Finance and Resources Committee Meeting**
**Tuesday 20th September 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 , SPi noted he was now officially employed by Crofty Multi Academy Trust but was being seconded by SPCMAT for four days a week to wind up the day to day finances and manage the financial elements of the closure of the Trust, as was MCo [Trust Business Manager].	
4.	<u>MINUTES AND MATTERS ARISING</u>	
	The minutes of the meeting of the Finance & Resources Committee on 19 th July 2022 were agreed to be an accurate record and were duly signed by the Chair. Matters arising included updates on: Adding variances to the Summary Management Accounts. This action had been completed. Adding implications of teacher pay rise to agenda for September meeting. A paper outlining the implications of the teachers' price of living rise at 5%, set against the budgeted for 3%, had been shared with Committee members for their information and consideration prior to the meeting. This had included: the impact for the full financial year, of which SPCMAT would only be liable for four months; the extra cost after four months and twelve months as a percentage of the total funding; the budgeted reserve position as of 31 st August 2022 and the updated reserve positions as of 31 st December 2022 and 31 st August 2023. Trustees were assured there were more than sufficient reserves to offset this scenario and that it should not hugely impact on the receiving Trusts, even if no additional monies were forthcoming to offset the increase. <u>Q. Have you done an equivalent exercise for support staff?</u> A. The support staff pay rise is traditionally not until April and will therefore not be a decision for SPCMAT to make but I am happy to do that exercise. Broadly speaking, it will be slightly less or similar. Trustees agreed that, as a Board, they felt this would be good to do. Action: SPi to undertake an equivalent exercise for support staff pay <u>Q. Has the increase in the starting salary for new teachers been included in these calculations?</u> A. Yes, this has already been accounted for in the original budget. <u>Q. Is there an agreement within the Trust to follow teacher pay and conditions?</u>	

	<p>A. Yes and historically this has been the case.</p> <p><u>Q. So the Board do not need to take the decision the support this rise?</u></p> <p>A. Theoretically, no. The stickier questions are usually around support staff pay, as there is no national recommendation, but increases in the living wage are usually the key determining factor in this respect.</p> <p>Trustees discussed the matter and gave their in principle approval of adopting the 5% price of living rise for teachers from September 2022. MBI was to liaise with the Finance Team to ensure all the necessary processes took place for teaching staff to receive this increase in their pay at the earliest opportunity.</p> <p><u>Q. Are the receiving Trusts following the teachers' pay rise, thinking about staff wellbeing going forward?</u></p> <p>A. Yes, they are.</p> <p>Consider what algorithms will be used to dictate where monies go / look at the risk profile so this is skewed to the more fragile schools and agree set of principles at next meeting. See Item 7 below.</p>	MBI
5.	<u>ESTATES REPORT</u>	
	<p>Information presented to Committee members and discussed included:</p> <ul style="list-style-type: none"> • An update by school on works undertaken over the summer period and those planned for the October half term. SPi reported the majority of works scheduled had been completed as planned. • Prior to the transfer of schools, only projects relating to safeguarding, health and safety or imminent damage to buildings would be started to facilitate the move to the receiving Trusts. • One member of the Estates Team had secured another role but the remaining staff members were still looking for alternative employment. The receiving Trusts had offered some roles but these had not been comparable. The Trust could therefore be looking at potential redundancies so this was to be discussed under Any Other Business at the Trust Board meeting directly following the current meeting. <p>Any questions or comments from Committee members were sought.</p> <p>Trustees thanked SPi and the Estates Team as a whole for all the work that had been completed and with very little extending beyond the allotted period.</p> <p><u>Q. Is everything going smoothly with regard to Cury School?</u></p> <p>A. Cury School formally ceased to be part of SPCMAT on 31st August and appropriate land / buildings have been returned to either the Diocese or Cornwall Council as appropriate. The Diocese have kindly allowed us to continue to have access to the building until the end of September to clear up final loose ends. Eg. the collection of the photocopier. The Trust is also currently finalising, with the new occupiers, a small number of contracts that are required to continue to ensure the building remains in good order. Again, this should be completed by the end of September.</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 July 22 Figures: Summary of the figures for the schools latest financial position for 2021-22. • Trustees Summary Management Accounts 2021-22 July 22 Graphs: Summary of the schools latest financial position for 2021-22 in graph form for quick reference. • Trustees Detailed Management Accounts 2021-22 July 22: 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 	

	<p>Central</p> <ul style="list-style-type: none"> • 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 advised Committee members there would be two drafts of the August accounts. The initial draft was being prepared and would be available by the end of the week but the second and final draft would not be available until the auditors had finished their piece of work towards the end of October. Initial indications showed very little movement on the accounts in August and Trustees should expect not to see material changes after the auditors had done their checks.</p> <p>SPi sought any questions or comments from Committee members.</p> <p><u>Q. Have any of the Trust schools done anything of concern over the summer period, for example excessive purchasing?</u></p> <p>A. No and it has been made very clear to Headteachers that a strict process will have to be followed over the coming weeks. They have been advised it will be necessary for schools to stop all purchasing on 24th October to allow the Finance Team to wrap up accounts, pay invoices and so on before the end of the month after schools transfer out. The transfer of surplus should also then be possible at the end of January. Payment cards will be taken back at the end of the October half term and one will be retained centrally for emergencies only.</p> <p>Thanks were expressed to SPi for the comprehensive nature of the accounts presented and to the Finance Team as a whole for the continually high standard of the work they were undertaking.</p>	
7.	<u>PROPOSAL FOR DISTRIBUTION OF FUNDS</u>	
	<p>With the winding up of SPCMAT, there was a need to distribute the remaining funds to the receiving Trusts in a fair, transparent and equitable way. A confidential proposal for the distribution of funds following the transfer of the schools from SPCMAT had therefore been shared with Committee members / the full Trust Board for their information and consideration prior to the meeting. This included:</p> <ul style="list-style-type: none"> • Report – including Income Assumptions, Staffing and Other Expenditure • The Mechanism for Distribution of Funds • Capital Allocations – DFC and SCA • Indicative Timetable <p>MBI advised Committee members that discussion had been had on the detail of the proposal with the ESFA and the DfE Regional Team so there was no requirement that the Trust refer back to them any further prior to sign off and it was now for the Trust Board to agree a proposal. Conversations had also been had with the receiving Trusts by both MBI and the ESFA so it was now Trustees' gift to pass these monies over.</p> <p>MBI reiterated the headline points and reminded Trustees the basic principle being used was that any funds distributed to the receiving Trusts should be guided by three core aims:</p> <ul style="list-style-type: none"> • to support ongoing school improvement • to minimise risk of school or Trust failure • to ensure resources are available to support the receiving Trusts' capital work <p>It was proposed SCA monies received by SPCMAT be divided by the number of pupils and allocated on that basis, which the ESFA had deemed reasonable. These monies would go to the receiving Trusts, as unrestricted funding, not to the schools directly and the receiving Trusts would decide how these monies were spent but the schools were to be advised of the amount that would be going across so capital conversations could be had early.</p> <p>MBI sought any questions or comments from Committee members.</p> <p>WSm thanked MBI for an excellent piece of work. It was important this be done right and a great deal of work had clearly been put into the proposal.</p> <p><u>Q. Are there any instances where the state of the school being handed over is a real issue?</u></p> <p>A. Sithney and Godolphin are of the most concern and both these schools are going to Crofty. The Trust will pick up monies but we will encourage them to have a conversation with the DfE around rebuilding. As part of the handover of Godolphin School, a piece of freehold land will be made</p>	

	<p>available which would be suitable for a new build. However, that is a fight for the other Trust to have now.</p> <p>Q. How will the smallest of the schools be transferring?</p> <p>A. It was acknowledged that Aspire Academy Trust would be receiving three very small schools and that it was important to have considered that fact so they will be well cared for. The proposal for distribution of funds is supporting the smaller schools by ensuring the criteria for the distribution of SCA funding [which ultimately becomes unrestricted funding upon receipt] is calculated on a per pupil basis. This will ensure both Aspire and Crofty receive a larger element of this funding, which in turn means that all three of the receiving Trusts end up with a more even spread per pupil of the reserves that remain with SPCMAT. Aspire will also become the Trust that will hold the records for SPCMAT and answer any post etc and, for taking on this additional task and the associated risk, will become entitled to any centrally held reserve when the Trust is ultimately wound up. The ESFA were keen for Aspire to be supported and they also feel this proposal makes consideration for the additional risk associated with the schools transferring to the Trust.</p> <p>Q. Will there be sufficient money at the end to deal with any liabilities, including any redundancies should these be necessary?</p> <p>A. Yes but balances will continue to be monitored and ultimately, if central funding does run out, school reserves will be used to meet any shortfall but this is not anticipated.</p> <p>Q. Will there be another winding up mechanism for the very end, with what is really left at that point?</p> <p>A. Yes. Actual trading will cease on 31st December but it is anticipated the remainder of the spring term will be required to tie up loose ends.</p> <p>Q. Do we need to take out indemnity insurance in case a claim is made against the Trust when it no longer exists?</p> <p>A. That cover may be required but RPA, the Trust's current insurer, will remain the insurer for any liabilities that might arise in this way. The ESFA are also happy for there to be no merger partner in this instance, as the risk is minimal.</p> <p>It was noted that having two schools transfer early had been very useful as lessons had been learnt before the main group of schools began the transfer process.</p> <p>Committee members agreed that, as they were confident all bases were being covered, they were happy to support the proposal and for this to go to the full Trust Board meeting for formal approval.</p>	
8.	<u>POLICIES</u>	
	Not applicable on this occasion.	
9.	<u>ANY OTHER BUSINESS</u>	
	<p>Sign Off Of Invoices Relating to the CEO</p> <p>SPi advised Trustees there would occasionally be invoices relating to the CEO that could therefore not be signed off by him and asked if a Trustee would be able to make themselves available to act as signatory on these occasions. As WSm was more geographically distant, CKe and KBo offered to liaise with one another to ensure they covered this off between them.</p> <p>There were no further matters for consideration so the meeting was brought to a close at 6.40pm.</p>	CKe / KBo
10.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the SPCMAT Finance and Resources Committee will take place on 18th October 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"> 15th November 2022 13th December 2022 	

Chair's Signature _____ **Date** _____