

**Minutes of the Southerly Point  
Co-operative Multi-Academy Trust  
Finance and Resources Committee Meeting  
Tuesday 15<sup>th</sup> November 2022, from 6.00pm  
in the Trust Conference Room**

<b><u>ATTENDING :</u></b> Clare Kendle Will Smith  <b>In Attendance</b> 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
<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 further 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 18 <sup>th</sup> October 2022 were agreed to be an accurate record and were duly signed by the Chair. Matters arising included updates on: <b>Teachers' Price of Living Rise.</b> See Item 8 below.	
<b>5.</b>	<b><u>ESTATES REPORT</u></b>	
	<p>SPI advised Committee members there was nothing of significance to report on this occasion. No new projects had been taken on due to the imminent transfer of the schools to the three receiving trusts. However, in order to ensure the Trust continued to fulfil its statutory obligations, projects relating to safeguarding, health and safety or imminent damage to buildings continued to be addressed by the Estates Team.</p> <p>There had been one near Riddor incident but advice had been sought on this which had concluded it was not worthy of reporting. It was important to note that schools were still following the appropriate procedures when matters relating to health and safety arose.</p> <p>Any questions or comments from Committee members were sought.</p> <p><b><u>Q. Is there anything that might be a potential risk at the present time and which Trustees should be aware of?</u></b></p> <p><b>A. No. Building compliance and other checks are still being undertaken and, if an issue arises, then a check will still be commissioned if this is prior to 1<sup>st</sup> January. All of the Estates Team are focusing on this now so Committee members can be reassured in this respect.</b></p> <p>A brief update on the remaining Central Team members was shared with Committee members for their information.</p>	

6.	<b><u>LATEST MANAGEMENT ACCOUNTS – 2021/22 [FINAL] AND 2022/23 [FIRST]</u></b>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <ul style="list-style-type: none"> <li>• Trustees Summary Management Accounts 2021-22 August 22 Figures: Summary of the figures for the schools latest financial position for 2021-22 [Final version].</li> <li>• Trustees Summary Management Accounts 2021-22 August 22 final Graphs: Summary of the schools latest financial position for 2021-22 in graph form for quick reference [Final version].</li> <li>• Trustees Detailed Management Accounts 2021-22 August 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 [Final version].</li> </ul> <p>The same documentation pertaining to the Management Accounts 2022-23 September 2022 had also been shared.</p> <p>Areas covered in each set of Management Accounts included:</p> <ul style="list-style-type: none"> <li>• Pupil to Teacher Ratio [Adjusted for Maternity] by individual school and average.</li> <li>• Pupil to Support Staff Ratio [Adjusted for Maternity] by individual school and average.</li> <li>• Expenditure per Pupil [Including Other Activities] by individual school and average</li> <li>• Income per Pupil by individual school and average</li> <li>• In Year Over / Underspends – All Activities, budgeted and latest actual, by individual school and Central</li> <li>• End of Year Reserve, budgeted and latest actual, by individual school and Central</li> <li>• In Year Over / Underspends – Trust Total, budgeted and latest actual</li> <li>• End of Year Reserve – Trust Total, budgeted and latest actual</li> </ul> <p><b>August 2022</b></p> <p>Committee members were advised that, based on the current audit, it was not expected the August accounts provided would change so these would be the final figures. The revenue reserve at end of year was circa £2.4 million. Compared with the first draft of the August 2022 accounts, the overall reserve had increased by £27,000, which in turn meant a £45,000 decrease compared to the accounts produced in July 2022.</p> <p>SPI informed Committee members that two schools had breached the SPCMAT Reserves Policy. It was reiterated that the maximum reserve a school was able to hold had been agreed to be 25% of total annual GAG Funding. The reserve level was measured at the end of the financial year and any monies that breached this maximum level of reserve would be pooled centrally and held for redistribution to other schools in the Trust as and when they met the criteria for additional funding. Subsequently, the additional monies had been clawed back to the central reserve in accordance with these stipulations. The remaining schools had all been below the agreed threshold. Details were shared with Committee members for their information.</p> <p>Any questions or comments from Committee members were sought.</p> <p><b><u>Q. When the schools leave this Trust and there is an allocation of surplus, what will that include?</u></b></p> <p><b>A. Three tranches of funding will follow the schools to the receiving trusts. As the revenue and Devolved Formula Capital [DFC] monies have never been pooled, it is possible to easily identify the balance for each school at the point of closure at Christmas will go across with the school. However the School Condition Allocation [SCA] was always held centrally and therefore, as agreed with the new Trusts and the ESFA, the balance of these funds will be allocated on a per pupil basis. Any monies remaining at the very end in the Central Trust budget will go across to Aspire Academy Trust to look after the records for SPCMAT and to support their revenue work.</b></p> <p><b>September 2022</b></p> <p>SPI advised Committee members the next set of accounts for the new fiscal year, to the end of October 2022, would really drill down as more detail on the arrangements for the end of the Trust was now available to him. This would provide additional reassurance to Committee members.</p> <p>Other matters shared and discussed included:</p> <ul style="list-style-type: none"> <li>• The in-year overspend had increased by £14,000 but the effect of this on the bottom line would be minimal.</li> <li>• There was a predicted revenue reserve of £1.9 million at the end of the Trust and a capital balance of £1.3 million. These figures were likely to get better rather than worse but it was not expected</li> </ul>	

	<p>there would be a significant change either way.</p> <ul style="list-style-type: none"> <li>• Redundancy costs would total approximately 60% of the original figures for a worst case scenario.</li> <li>• Non-contract staffing costs were being transferred to the new trusts as far as possible.</li> </ul> <p>Any questions or comments from Committee members were sought.</p> <p>No questions were forthcoming at this time. Committee members thanked SPi for the narrative he provided with the reports as this helped to clarify exactly what the situation was.</p>	
<b>7.</b>	<b><u>AUDIT UPDATE</u></b>	
	<p>Committee members were advised the previous week had been the first week of the Trust's external audit with Bishop Fleming. This had largely comprised sampling and nothing had been flagged there. Sampling had continued into the current week but the auditors were now starting to deal with the preparation of the accounts. SPi and MCo had been able to answer all the questions raised and there were no real concerns at this point. There would be testing on the Trust's internal audit as well but the findings had been minor so again nothing of consequence was expected here.</p> <p>There was to be an internal clearance meeting on 2<sup>nd</sup> December and then a presentation to the Finance Committee by the external auditor on 13<sup>th</sup> December prior to the accounts being signed off by the full Trust Board.</p> <p>Committee members expressed their thanks to SPi and all the team for their hard work in this respect.</p> <p>It was noted priorities would come out of this audit that would require addressing prior to the next audit. This would need to be scheduled for the start of March as part of the winding up process.</p>	
<b>8.</b>	<b><u>TEACHERS' PAY AWARD - IMPLICATIONS</u></b>	
	<p>The paper outlining the implications of the teachers' price of living rise at 5%, set against the budgeted for 3%, shared with Committee members for their information and consideration prior to the September meeting of the Committee had been re-shared prior to the current meeting. This paper 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<sup>st</sup> August 2022 and the updated reserve positions as of 31<sup>st</sup> December 2022 and 31<sup>st</sup> August 2023.</p> <p>SPi advised Committee members the rules on National Insurance had very recently changed. This had dropped back by 1.25% so there would be some offset to the figures here.</p> <p><b><u>Q. Will there be more to divvy out as result?</u></b></p> <p><b>A. No, as this is a shortfall. Some of budgets will be slightly worse due to this rise but the overall impact will be minor.</b></p> <p>Committee members were assured the additional costs resulting from the pay award were more than manageable, even for Helston Community College as the Trust's largest school.</p>	
<b>9.</b>	<b><u>ENERGY CONTRACT</u></b>	
	<p>A paper around the proposal to manage the energy contract [see minutes of October meeting of the Trust Board: SPCMAT/22/11] had been shared with Committee members for their information and consideration prior to the meeting. Committee members were reminded the proposal relied on the Trust being financially viable to the end and the underwriting of funds to provide for the Trust should the used amount exceed the provision in the funds. Areas covered by the paper included:</p> <ul style="list-style-type: none"> <li>• Steps to achieve the required outcome</li> <li>• Preparations</li> <li>• Note on balances to transfer</li> </ul> <p>MBI reiterated the DfE were happy with the proposal as this would mean they would not then need to deal with the issue around this. The risk would then sit with Trustees, however.</p> <p>It was suggested that, instead of dealing with a recharge mechanism, it would make sense to retain funds to cover costs. It was noted the same offer had been extended to Kernow Learning MAT for Wendron C of E School, who were also still in the current contract.</p>	

	<p>While retaining funds would present a problem to the receiving trusts, who would not then be shown to have made energy payments, there was a workaround for that involving the receiving trust invoicing SPCMAT for their respective schools.</p> <p>The energy contract would need to be wrapped up at the end of August 2023 prior to another academic year and in readiness for the final strike off of SPCMAT in September 2023.</p> <p><b><u>Q. Are we able to realistically predict the likely cost?</u></b></p> <p><b>A. We do know what to expect, as the schools are on a fixed tariff and usage is relatively well known, and we will include a small contingency on top of this. If it is evident there is a shortfall after a few months, we will come up with a mechanism to deal with that. It is in the interests of the other trusts to work with us in this respect too.</b></p> <p>Committee members noted their support of the proposal around the energy contract going to the Trust Board for formal approval.</p>	
<b>10.</b>	<b><u>POLICIES</u></b>	
	<p>A copy of the following policy had been shared with Committee members for their information and consideration prior to the meeting. Committee members were advised the only amendment on this occasion was that to include the new pay points in line with School Teachers' Pay and Conditions [STPCD].</p> <ul style="list-style-type: none"> <li>Teachers' Pay</li> </ul> <p>Committee members noted their support of the updated version of the Teachers' Pay Policy going to the Trust Board for formal approval.</p>	
<b>11.</b>	<b><u>ANY OTHER BUSINESS</u></b>	
	There were no further matters for consideration so the meeting was brought to a close at 6.30pm.	
<b>12.</b>	<b><u>DATES OF FUTURE MEETINGS</u></b>	
	<p>The next meeting of the SPCMAT Finance and Resources Committee will take place on <b>12<sup>th</sup> December 2022</b>, from 6.00pm, in the Trust Conference Room.</p> <p>Thereafter, meetings were to take place on:</p> <ul style="list-style-type: none"> <li>24<sup>th</sup> January 2023</li> </ul>	

Chair's Signature \_\_\_\_\_ Date \_\_\_\_\_