

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The St Cuthbert's Roman Catholic Academy Trust

Minutes of a meeting of the Finance, Audit and Capital Assets Committee
held on 14 October 2021 at 5.00pm

PRESENT: Ms R Dex, Mr P Fearnley, Mr M Gallagher, Reverend W Massie

IN ATTENDANCE: Mr G Fitzpatrick, Accounting Officer,
Mrs A Hunter, Internal Finance Manager
Mr A Rookes, Finance Manager,
Mrs K Siedle, COO(Primary),
Mrs S Teasdale, Chief Finance Officer

GOVERNANCE PROFESSIONAL: Mrs M Gibson, Independent Professional Clerking Services

630 OPENING PRAYER. Reverend Massie opened the meeting with a prayer.

631 CHANGES TO THE FORMAT OF THE MEETING. It was explained that in order to comply with changes to requirements outlined in the Academy Trust Handbook, the meeting would be split into two distinct parts:

- i) Financial management, capital assets, health and safety, GDPR and data protection and sustainability
- ii) Audit and assurance reporting, risk registers and statutory reporting

Future meetings would be held independently with separate chairs and, as far as possible, different members.

It was pointed out that as membership and terms of reference had not been determined, this meeting would be conducted under the revised arrangements and recorded as individual meetings with Chairs being elected for each section.

RESOLVED: that membership and terms of reference to reflect the new arrangements be considered at the second autumn term meeting of the Board.

632 ELECTION OF CHAIR. A nomination was received for Mr Fearnley to Chair the financial management element of the meeting.

RESOLVED: that Mr Fearnley be appointed Chair for the meeting.

633 APOLOGIES. Apologies for absence were received from Mrs Dyas and Mr Sargeant.

It was noted that Mr Davidson had intended to join the meeting remotely. Subsequent to the meeting, an email was received advising that he had attempted to join the meeting without success.

634 DECLARATIONS OF INTEREST. No declarations were submitted in addition to those already received.

635 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 8 July 2021 be confirmed as a correct record and signed by the Chair.

636 MATTERS ARISING FROM THE MINUTES. It was noted that actions from the last meeting had been completed.

FINANCE

637 DELEGATED LEVELS OF AUTHORITY. Directors noted changes to the level of delegation agreed at the last Board meeting (minute 532 of the meeting held 23 September 2021 refers).

638 REPORT FROM THE CHIEF FINANCIAL OFFICER.

This academic year we have some exciting new technological developments to ensure continued improvements to the quality of our centralised services:

- *Finance - The Lead Finance Manager is rolling out a paperless invoicing system across the Trust which will further streamline our service and improve productivity. This is due to go live in early November. We are currently struggling with volumes of work resulting from increased student numbers at SMC, output from Vantage and also the time of year. I have this under review but want to capture the benefits of the paperless system before we consider staffing requirements.*
- *Premises - The Estate Manager is currently rolling out the sector leading "Every" system that will deliver significant improvements in Estate compliance and asset management. Some unforeseen personnel issues have knocked us off course from our implementation plan, but we aim to catch this up over the year. We have also launched a secure sign-in system at St Mary's College - "InVentry" - which despite initial teething problems looks to bring some strong safeguarding improvements to the accuracy of reporting of staff, 6th Form students and visitors on site.*
- *HR – we have tasked the Strategic HR Manager to research suitable HR systems that will improve efficiency and consistency throughout her team. We await her recommendations.*
- *IT – PrimaryTech have completed the initial audit phase of their project and have shared initial findings with the Executive Leadership Team today. We will be moving across to their central Helpdesk processes over half-term.*
- *Catering – we have introduced new cashless tills across St Mary's College, and these have a biometric option which will be rolled out next half-term when consents are in place. This will improve the speed that students get served and help catering staff manage the increased volume of students.*

639 BUDGET UPDATE AND REPORT FROM THE FINANCE MANAGER. The Finance Manager drew attention to papers circulated in advance of the meeting and highlighted key points:

Budget Update 2021/2022

- Additional funds received for catch up and other Covid related areas were unlikely to be available for future years.
- Catch up funding could be carried forward for one year, after which it would be reclaimed.

- £52,000 16 to 19 tuition funding had been secured; this had been based on a disadvantage metric and although it would be used to benefit all students, it would be targeted towards the most disadvantaged.
- £100,000 new Recovery Premium funding had been received; discussions how this would be allocated were being held with Executive Leaders and Heads of Schools.
- £100,000 had been received for school led tutoring; this income was ringfenced for 1:1 or small group work and must be recorded on the census.

Directors asked if the Trust had been disadvantaged by recent national events in terms of energy prices and resource shortages. In response, it was reported that the Trust was locked into a favourable energy contract for the next few years, by which time it was hoped the market would be more stable. There had been no impact on catering supplies although this would be closely monitored.

The reduction of £20 per week Universal Credit was expected to impact negatively on many families. Free school meals for eligible families would be promoted and opportunities for support would be explored. Eligible students would receive free school meals during October half term and the Chaplaincy Team had enhanced the foodbank facility and were well placed to support families in need.

In response to a further question relating to energy costs, it was reported that the Trust was two years in to a five year contract. This had been negotiated through the brokerage scheme and it was likely the process would be repeated at the end of the term of contract.

Directors asked if plans were in place for the additional Recovery Premium funding. In response, the AO advised that plans were being developed however, it was expected Directors would be involved in finalising these. Arrangements would be made for Directors to attend an information session to receive curriculum plans for all schools and provide an opportunity to challenge and question how the funding had been targeted and agree the curriculum. The COO(P) advised that primary Heads of Schools had presented proposals for expenditure earlier in the day.

RESOLVED: that the Governance Professional inform all Directors of plans to arrange an information session on 9 November 2021 (specific details re timings to be confirmed nearer the date).

Directors asked if schools in the Trust had been directly affected by recent fuel shortages. In response, the CFO reported that leaders had worked with Ellie Rose (transport provider) to minimise use of the buses by allowing them to be parked on site during the day. It was the high level of roadworks across the city which was creating problems currently.

The Finance Manager drew attention to a report which outlined budget assumptions. The impact of changes to staff costs; increased national insurance contributions would cost £54,000 for 2021/22 and £100,000 for future years. The increase would be incurred nationally with no additional income expected to be received.

Changes had been made to the internal allocation of staff to better reflect their roles across the Trust. The CFO drew attention to the significant deficit reported for the central services team. She advised that a review of the management charge would be undertaken

to balance this; it was possible that charges currently included for enrichment activities could be removed as they were not included in the management charge for other trusts and could give the view the charge was excessive.

Directors sought clarification on the current management charge. In response, it was explained that schools contributed between 7 and 8%; the higher amount had been the top limit suggested by the diocese however, this had not taken into account the enhanced services provided.

In terms of staffing costs, it was reported that:

- St Mary's College had incurred additional costs due to increased student numbers
- St Charles had incurred £15,000 costs to cover a member of staff absent due to a road traffic accident
- St Richard's had generated a saving following the departure of UPS staff who had been replaced by less experienced staff

In response to a question relating to the support provided to schools in terms of finance, it was reported that a full support service was in place. Regular meetings were held with Heads of School and options to extend this to Heads of Departments at St Mary's College were being explored.

Sports Development Company

A surplus balance of £38,000 had been recorded for the year. Although the facility had been closed due to Covid, St Mary's College had continued to pay for contracted use, in line with guidance.

Directors sought clarification on the current staffing position. In response, it was confirmed that all staff previously furloughed had returned.

The Finance Manager advised that accounts for the SDC were almost ready for audit.

Directors conveyed thanks to the Finance Team for the comprehensive information presented which made it easier for them to clearly track changes.

The Chair commended the improved financial position at St Richard's and reminded Directors of the planned investment of support for St Thomas More.

The AO reported that St Thomas More Primary School currently had 14 pupils in Year 6; despite challenges faced by individual pupils, outcomes were expected to be very strong.

Vantage Teaching School Hub

The CFO reported that significant amounts of income were expected to be received. These would cover costs; any surplus would be invested in the Hub. Meetings were held weekly to review the financial position.

It was suggested that the Director of the TSH be invited to present to the committee at a future meeting.

Directors asked if the development of the TSH was completed. In response, it was reported that news and updates were being received daily and it appeared the DfE had failed to anticipate the difficulty of introducing various programmes at the same time.

Cash flow

A report outlining the cashflow position was noted.

640 ACADEMY TRUST HANDBOOK. Directors confirmed that they had received the link to the revised Academy Trust Handbook and the highlighted summary of changes.

It was noted that all recommended actions had been addressed.

641 POLICIES FOR REVIEW. Directors were asked to approve the following policies:

i) Capital and reserves policy

The level of reserves continued to be scrutinised to ensure expenditure on teaching and learning was maximised. Discussions had been held previously relating to the level of reserves; these had not been helped by the discrepancies in guidance issued by the DfE and the diocese and the reluctance of the ESFA to suggest a limit.

Historically, the level had been set at £350,000 however, as budgets increased the level required revision to better meet current needs. It was proposed that reserve limits be set at 1 to 3% of the GAG funding. The amount set would reflect the increase in funding and improved cashflow position. It provided flexibility to respond to circumstances and issues as they arose and would ensure funds were used to benefit pupils and students across the Trust.

Directors questioned the level of interest received at this point in time. In response, it was reported that funds were held in a short term accounts which paid 0.03% interest; a system was in place to move funds should interest rates improve.

Directors sought clarification on the way in which reserves were generated and if capital funding was included. In response, it was explained that the funds were allocated from non-ringfenced GAG funding. Capital funding was scrutinised closely to ensure it was spent in the appropriate area within the required timescales.

RESOLVED: that the capital and reserves policy be approved, as presented.

ii) Gifts and hospitality policy

The policy had been amended to ensure clarity and consistency for the purchase of gifts for long serving staff who retired. A limit of £500 had been proposed for the purchase of a keepsake; a range of corporate gifts would also be held to distribute, as appropriate.

Directors were reminded that it was clear in the guidance alcohol could not be purchased; this would be made explicit in the policy.

RESOLVED: that, subject to amendment to reflect guidance on the purchase of alcohol, the policy be approved.

HEALTH, SAFETY AND PREMISES.

642 CAPITAL ASSETS PLAN. Directors received for information, the capital expenditure plan for 2021/22. The CFO pointed out that despite significant challenges, works planned over the summer break had been completed.

Directors sought an update on the structural position of St Charles Primary School. In response, it was reported that stage 2 remedial work had been completed without having to close the school; this had been a result of flexibility of school leaders and contractors who had worked well to ensure the school remained open.

It was reported that in her role as Internal Finance Manager, Mrs Hunter had sought clarification on the best value process conducted for the works. It had been explained that initial work had been required to address an immediate issue and it had been difficult to obtain quotes for this. Subsequent works had been identified and it had been agreed to remain with the contractor to undertake the work which was expected to cost £150,000 once completed.

Directors agreed that the circumstances in which the contractors had been commissioned had made it difficult to undertake a full, best value appraisal.

Directors were informed that Willerby Caravans had been unable to honour a commitment to sponsor EYFS work at St Richard's Primary School. As the work had been planned, Trust funds had been redirected from a St Mary's College project to fund it.

The budget currently displayed a surplus of £4000; this would be carried forward to next year.

Funding bids had been submitted for installation of low carbon heating and hot water systems at St Richard's and St Thomas More Primary Schools. In addition, an application had been submitted to the DfE boiler decarbonisation project to renew the heating and hot water systems at St Mary's College.

643 HEALTH, SAFETY REPORT. It was reported that audits at three levels had been conducted:

- Stallard Kane had reported all schools had demonstrated a good level of compliance; ratings for individual schools had been at least good.
- The diocesan audit conducted on 22 June 2021; the Auditor had been impressed with the general health and safety processes as determined by the documentation held, and the positive attitudes of individuals met during the exercise.
- An internal micro audit had been conducted by the Estates Manager; this was in line with the agreed three year rolling programme which provided reassurance of systems in place.

Targets for August 2022 included the introduction of the Every Asset Management Module; expressions of interest for a Director to support this would be sought at a later date.

Directors asked that their thanks be conveyed to the Estates Team.

The CFO concluded that they had been able to support the absence of the Estate Manager with minimal disruption due to the systems in place.

644 GDPR AND DATA PROTECTION. The CFO reported that three very detailed requests had been received since the start of the academic year. They had been very time consuming to complete, nevertheless, had been returned within required timescales. No responses to the submissions had been received.

645 SUSTAINABILITY. It was noted that Ms Dex had asked for this item to be included on the agenda although, this subject had been identified as a strategic priority and would be reported on regularly at future meetings.

The CFO reported that current activity included applications for decarbonisation funding, replacement lighting to install LED and exploring the potential to install solar panels in various areas across the estate.

Ms Dex presented a report which highlighted five areas which could be easily introduced to help reduce the impact on the planet and inspire children within the care of the Trust to take better care of the environment now and in the future:

- Meat free Mondays – would reduce meat consumption; current levels were unsustainable and the meat and dairy industry accounted for 14.5% of global greenhouse gas emissions.
- Support sustainable palm oil production by supporting companies who produce palm oil without deforestation. Catering providers could be asked to ensure suppliers used RSPO certified palm oil.
- Reduce use of single use plastics – according to statistics, 12 million tonnes of plastic were swept into the oceans each year. Stop selling bottled water and encourage staff and students to bring a reusable bottle and refill it.
- Rewild areas of the trust estate – planting nature plants and trees supported by institutions including the Yorkshire Wildlife Trust.
- Kickstart the pre-loved uniform collection – this would provide affordable uniform for lower income families and reduce the environmental impact of increased production.

Ms Dex stated that the areas identified could be easily encouraged and extended beyond the schools and into daily lives.

The AO suggested that Ms Dex be invited to discuss the plan with students. In addition, he agreed to explore options especially those which would be budget neutral. He added that traditionally, St Mary's College had held meat free Friday; this had been cancelled due to Covid but was intended to be reintroduced.

Directors asked if students had displayed 'environmental anxiety'. In response, the CFO reported that uniform had been the first agenda item for the School Council at their recent meeting. She added that work had started with the uniform supplier to issue stock held by the previous supplier; once this was sold, options to distribute other resources would be considered. The CFO reported that following negotiation, £50,000 worth of stock had been obtained at a vastly reduced price; much of this would be sold but some pieces

would be packaged to provide welfare parcels. Confidence was expressed that once a system was in place, the organisation of the process could be managed by students.

Use of water bottles had been trialled previously but had not been successful; further thought would be given to establish how it could be reintroduced.

Rewilding of the St Mary's College site had been a key consideration during the recent new build; new phases of tree schemes would be explored.

Ms Dex advised that she could provide links to conservation groups who would provide out-reach support for schools; she agreed to maintain contact to help support the trust in this area.

Ms Dex informed Directors of her resignation from the Trust effective from 31 October 2021. She outlined the reasons for her decision adding that she had considered her position thoroughly. Directors conveyed their thanks to her and expressed hope she would continue to support the sustainability agenda.

646 DATES AND TIMES OF NEXT MEETINGS. Dates and times for meetings were confirmed as follows:

- 2 December 2021
- 20 January, 17 March, 12 May and 7 July 2022

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signature of chair

ACTIONS

Minute No	Action	By who	By when
631	Review membership and terms of reference for the committees for consideration at the second autumn term meeting	CFO Governance Professional	25.11.21
639	Inform all Directors of information session (9 November 2021)	Governance Professional	21.10.21

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held on 14 October 2021 at 5.00pm

PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association.

647 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 8 July 2021 be confirmed as a correct record and signed by the Chair.

648 MATTERS ARISING FROM THE MINUTES. There were no matters arising.

649 ACCOUNTING OFFICER AND CHIEF FINANCIAL OFFICER UPDATE. The CFO advised that she had no further information to present.

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signature of chair

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The St Cuthbert's Roman Catholic Academy Trust

Minutes of a meeting of the Finance, Audit and Capital Assets Committee
held on 14 October 2021 on the rising of the meeting held at 5.00pm

650 ELECTION OF CHAIR. A nomination was received for Ms Dex to Chair the audit element of the meeting.

RESOLVED: that Ms Dex be appointed Chair for the meeting.

651 APOLOGIES. Apologies for absence were received from Mrs Dyas and Mr Sargeant.

It was noted that Mr Davidson had intended to join the meeting remotely. Subsequent to the meeting, an email was received advising that he had attempted to join the meeting without success.

652 DECLARATIONS OF INTEREST. No declarations were submitted in addition to those already received.

AUDIT

653 REPORT FROM THE ACCOUNTING OFFICER.

1. Regularity

• *Academies Financial Handbook has been relaunched and is now known as the Academy Trust Handbook; updates had been detailed earlier.*

Academy Planning Calendar (Finance)

- *Land Buildings Control Tool 9 November 2021*
- *Financial Statements etc. 31 December 2021*
- *Audited Accounts Return 25 January 2022*
- *Audited Accounts published on website 31 January 2022*
- *SRMSAT 15 March 2022*
- *Budget Forecast Return Outturn 17 May 2022*
- *Financial Statements to Companies House 31 May 2022*
- *Budget Forecast Return 3-year 26 July 2022*
- *Internal scrutiny exercise completed by external agency; a report would be presented for discussion.*
- *Register of Business Interests for Trust updated – last few entries being finalised.*
- *Register of Business Interests for Directors updated – outstanding entries to be submitted to Governance Professional by the end of the month.*
- *Website Review undertaken and actions underway to bring governance and compliance items in line with current requirements.*

2. Propriety

- *Meeting with regional ESFA and DfE team to respond to Eileen Milner letter.*

3. Value for Money

- *A range of mid value procurement exercises have been completed to support the works on the Capital Plan.*
- *High value procurement exercises on transport and IT Managed Services will be handled by Hull CC Procurement Team and are due to commence in the Spring Term.*

4. Sustainability

- *We have applied to the DfE Decarbonisation Fund for St Mary's College main school to renew heating and hot water systems.*
- *Zenergi have submitted 2 bids to Salix for low carbon replacement of boilers at St Richard's and St Thomas More.*
- *Investigations would be conducted to establish the possibility of renewables (solar panels) at other primary sites.*

The CFO reported that a meeting had been held with the Pensions Actuary to agree contributions for this year.

- 654 ESFA REPORTING. Information relating to common theme assurance breaches had been received; the majority of breaches had been in relation to regularity on financial statements. There had been a high number of Trusts who had not given the opinion of a 'going concern;' this had not applied to St Cuthbert's Trust.

The CFO advised that there was no reason to expect opinions submitted by the Trust would be modified. It had been noted that systems in place for internal and external scrutiny exceeded expectations.

Further information had been sought on the School Resource Manager system; no response had been received.

- 655 STATUTORY ACCOUNTS. The Finance Manager reported that the end of year accounts were being prepared and would be submitted in line with required timescales.

Mr Fearnley advised he needed to leave the meeting. He was invited to comment on the audit report (minute 657 refers). **In response, he advised that he had submitted comments which had been added to the audit schedule.**

Mr Fearnley was thanked for his attendance and left the meeting.

- 656 RISK REGISTER. It was explained that the risk register would be the key document for consideration by the committee. A strategic priority summary had been developed which would link financial risks and outline potential risks which could prevent strategic priorities being achieved. The strategic priorities would reflect ambitions for the Trust and would be circulated for discussion at the next meeting.

657 AUDIT AND ASSURANCE REPORTING.

Audit Report

It was planned to work through the report received from the external auditor. There had been no surprises and recommendations received had been in relation to tightening procedures and systems.

One area identified had been payment of holidays for casual workers. The position, which had been historic, required harmonising with the pay policy.

In response to a point for clarification, it was confirmed that the issue applied mainly to catering staff.

The CFO advised that many of the issues identified would be resolved following the introduction of the paperless system reported earlier; support from Primary Tech would be sought to expedite its introduction.

Internal Review 2020-2022

Directors were asked to receive and comment on the proposed internal audit schedule for 2020-2022. It was noted that Mr Fearnley had reviewed the document and suggested the addition of VAT processes and returns along with teacher pension reporting.

The CFO concluded that external auditors would consider carefully how the committee monitored key areas, identified areas of concern and how they were being addressed.

658 DATES AND TIMES OF NEXT MEETINGS. Dates and times for meetings were confirmed as follows:

- 2 December 2021
- 20 January, 17 March, 12 May and 7 July 2022

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signature of Chair