

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 virtually on 2 December 2021 at 5.00pm

PRESENT: Mr P Fearnley, in the Chair,
Mrs L Dyas, Mr G Fitzpatrick,
Mr M Gallagher, Mr J Sargeant

IN ATTENDANCE: Mr A Rookes, Finance Manager,
Mrs K Siedle, Chief Operating Officer, Primary
Mrs M Stead, Head of School, St Mary's College
Mrs S Teasdale, Chief Finance Officer

GOVERNANCE PROFESSIONAL: Mrs M Gibson, Independent Professional Clerking Services

659 OPENING PRAYER. Mrs Stead opened the meeting with a prayer.

660 APOLOGIES. Apologies for absence were received from Reverend Massie.

661 DECLARATIONS OF INTEREST. The CFO reported on a successful meeting with Mr Sargeant to review the purchase, supply and recycle of musical instruments. Mr Sargeant stated that given his position on the Board, negotiations would be handled by others within Yamaha to ensure compliance.

Mrs Siedle joined the meeting.

662 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 14 October 2021 be confirmed as a correct record and signed by the Chair.

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

664 TERMS OF REFERENCE. The CFO advised that she had revised terms of reference for the committee which would allow responsibilities to be split between separate Finance and Audit Committees. The terms of reference complied to the Academies Trust Handbook and would be presented to the Board for approval.

The Chair reiterated that the decision to create two committees would be proactive action in response to recommendations from the external auditor although it had been acknowledged there was no current requirement to do this.

FINANCE

665 REPORT FROM THE CHIEF FINANCIAL OFFICER.

Covid

In recent days we have become increasingly aware of the COVID-19 variant, Omicron. We are closely following government announcements as we plan the last few weeks up to the Christmas Break. We continue to manage both student and staff sickness and absence, much of which is still COVID-19 related. We have reintroduced some measures in line with national guidance and we are currently decision making on an event by event and day by day basis. As things stand, we are expecting our Christmas programme of activities to be negatively impacted, but our main concern is to keep our staff and students at school and learning in a safe environment.

The Head of School reported that there had been 20 confirmed cases of Covid on 1 December 2021; a further 26 cases had tested positive earlier in the day with three tests waiting results. There had been an increase in the number of positive cases amongst staff; this was being managed as well as possible.

Finance Headlines

- *Funding for 2022 – 23 we expect to see a 5% increase in real terms per pupil (3% basic pp + 2% floor increase) to cover increase in National Insurance and inflationary pressures. However, no specific detail is available as yet, so we will not build it into our budget until confirmed.*

In response to a point for clarification, the CFO explained that any increase would be added to the per-pupil formula; the Finance Manager had included the NI increase into the budget but not income as this had not been confirmed; funding received would improve the budget position.

- *Extra recovery premium has been announced for 2023-24 and 2024-25; details would follow.*
- *National Funding Formula (NFF) is still migrating to the direct version which means Hull LA continue to top-slice for High Needs etc. We are actively involved in Schools Forum the decision-making vehicle for NFF.*
- *School Management Resource Advisor deployment has started; an update would be presented at the next meeting.*
- *Statutory guidance had been issued on the cost of school uniform.*
- *The Paperless invoicing system has been successfully established across the Trust and is starting to embed. We are already seeing some improvements to productivity, and this will help us absorb some of the extra volume of work being generated by the Vantage Teaching School Hub.*
- *Objectives have been agreed for the Spring Term to include some finance staff training on Sage and Orovia.*
- *New and improved financial procedures had been introduced for trips and the canteen.*
- *Improved financial reporting for budget holders had been introduced.*
- *Staff CPD – CFO attended ESFA Academy Finance Professionals Event. Trust Finance Officers completed Fraud Education Programme. Business Support Manager attended ESFA webinars on “Buying for Schools”.*

Premises

- *Following two confirmed terrorist incidents in the past month, the JTAC have increased the threat to 'severe' and educational settings have been advised to review security. This has been completed at SMC and is underway in the primaries.*
- *Stallard Kane are undertaking the annual site audits and fire risk assessments. A full update will be given at the next meeting.*
- *Capital planning is underway for the next round of SCA. COVID-19 Risk Assessments reissued in view of new variant guidance. "Every" IT system continues to roll out across the Trust.*

Directors asked for an update on the work currently undertaken at St Charles. In response, the CFO advised that although costs were higher than anticipated, funds were available to cover; there would however, be significant disruption to the school population during the spring term; this was being brought to the attention of external agencies due to the imminent possibility of an Ofsted inspection. The CFO expressed confidence that the school could operate safely although there would be restrictions in terms of access.

In response to a point for clarification, the CFO outlined the extent of the work being undertaken.

The AO advised that approaches had been made to ensure the LA, the diocese and Ofsted were aware and to seek deferment of any visits / inspections, due to the health and safety implications. He added that the increased pressure external visits would place on staff whilst working during the building works would be unfair. He clarified that although he had not made a direct approach to Ofsted, he had sought advice via the LA.

The CFO stated that she would continue to monitor the position and update Directors as appropriate.

HR

- *Minister for Education, Nadhim Zahawi launched a Wellbeing Charter for Education Staff which we are currently working to adopt.*
- *Current policies being reviewed are staffing reduction and all CES policies.*
- *Current projects include Induction; Non-Teaching Achievement and Support; Stress in the Workplace, Polish School & HR electronic system.*

IT

- *Successful move across to PrimaryTech central Helpdesk processes.*
- *Hull local authority allocated the Trust 200 new lap-top devices for immediate deployment.*
- *DfE Get Help with Technology have allocated the Trust 200 new lap-top devices (100 primary, 100 secondary) due to arrive in the next few days.*
- *Full Asset IT audit complete and evaluation of results is underway and will be shared at the next meeting.*

Catering

- *Biometric option on tills delayed; this would be revisited Spring Term.*

Sustainability

- *The AO report included details of funding bids; this would be presented during the audit element of the meeting.*
- *Students were involved in COP 26 activities.*
- *Student Council leading "plastic purge" at SMC.*

The Chair conveyed thanks to the Finance Team for their work which had resulted in no recommendations being received from the external audit (this would be detailed later).

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

- *Teacher pay – assumed no increase from previous year. Returning to a 2% increase from 1/9/2022.*
- *National insurance increase of 1.25% included from 1/4/2022.*
- *Support staff – assumed pay increase of 2% from 1/4/2022.*
- *General inflationary increase of 2% on all non-salary expenditure.*
- *GAG – Assumes an increase of 2% each year. 2021/2022 GAG is based on the notification of funding received in April 2021.*
- *Other grants and income:*
 - *School-Led Tuition Fund (STF) has been included for SMC (£40,702) with part of this grant used for existing interventions.*
 - *Primary STF funding (£43,537) has not yet been included in the budget as it is assumed this will be used for additional expenditure and will have a nil effect on the budget.*
 - *16-19 Tuition Fund is also due to be received which we anticipate being around £25,000 but are still awaiting confirmation of the exact amount of this funding. This will be used to fund the Graduate Interns who support the 6th form students and which are already accounted for in the current budget position. As a result, we anticipate this to be a saving on the budget of the whole amount.*
 - *Recovery Grant (RG) of £48,503 for SMC and £60,501 for the Primaries has also not been included as, again, it is assumed these will be used to fund additional expenditure and result in a nil effect of the budget.*
- *Only confirmed grants are included on the budget forecast.*
- *The Marvell College Support contract income to cease 1/9/2021.*
- *SMC pupil numbers for year 7 in 2021/2022 to be 370 and 360 for each of the following years.*
- *Due to increase in numbers, Hull CC growth funding for SMC to continue for years where there is a 30+ increase across the year 7-11 at £4000 per additional pupil.*
- *Assumed SM6 funding to be based on 700 in 2021/2022 with funding lagged until 2022/2023 year.*
- *Teaching School Hub funding and related expenditure are included with additional income streams from ECF and AB funding.*
- *Central charges were currently set at 8%.*
- *There had been savings in the central budget following the movement of a member of SLT.*

St Mary's College

- The budget had been impacted positively by staffing changes
- Increased student numbers had resulted in the expansion of the catering services; income levels had not increased to cover increased costs; this would be reviewed in the spring term.

Primary Schools

- Biggest impact on budgets had been staffing costs (particularly NI increases) and the increased central charge.

Consolidated Position

- The current balance, currently at £30,000 surplus had been impacted by income generated by the Vantage Teaching School Hub (VTSH).

In response to a point for clarification, the Finance Manager reported that the Early Careers Teacher offer had been well received and no drop in numbers was expected. He advised that although not expecting to make a profit, costings would be carefully calculated to ensure there was no loss.

The Accounting Officer stated that an update on the development of the VTSH would be presented each term to the Strategic Committee, with further updates received in a timely manner, as appropriate. He outlined changes to government policy in terms of Initial Teacher Training and the approach to be taken to ensure the VTSH was at the centre of future arrangements.

Directors asked if costs would be incurred by the Trust to support the VTSH. In response, it was explained that costs would be incurred for finance, HR and facilities support however, these would be re-charged.

Clarification was sought on the continued increased deficit position of the primary schools and how long this could be supported. In response, the Finance Manager advised that regular discussions were held with the AO, CFO and COO regarding this. He added that further work was needed on the budgets to ensure charges were appropriately reallocated to schools (for example charges for the music service).

Directors commended the work of the Finance Team to ensure the audit process had been conducted efficiently.

Arrangements for Submission of Annual Accounts to the ESFA

It was noted that arrangements were in place for a timely submission; details would be presented during the audit element of the meeting.

667 POLICIES FOR REVIEW. It was noted that all key policies had been updated and reviewed throughout the year.

Mr Rookes left the meeting.

668 APPOINTMENTS OF FINANCIAL SERVICES ADVISORS.

Directors were asked to review the contract for the appointment of Financial Services Advisors. They were reminded that current services were provided by RSM and Southgates.

RSM – there was no requirement to change provider although the Trust was required to demonstrate the principles of Best Value by reviewing the contract at least every five years (in line with current guidance). 2021/22 would be the fourth year; the service would be reviewed in year 5.

Directors were reminded that the appointment of RSM as external auditors was a responsibility for Members.

Southgates – the service provider knew and understood the Trust, its systems and procedures well. It was recommended the service be continued.

- RESOLVED:
- i) that appointment of RSM as external auditors be recommended to the Member Board.
 - ii) that the appointment of Southgates as Financial Advisors be approved for 2021/22.

HEALTH, SAFETY AND PREMISES.

669 CAPITAL ASSETS PLAN. The CFO advised that the capital assets plan was under review; it would be presented for consideration at the spring term meeting.

RESOLVED: that the updated capital assets plan be presented at the first spring term meeting.

670 HEALTH, SAFETY REPORT. The CFO reported that all risk assessment documents had been updated and realigned to meet national guidance.

All schools had conducted an annual fire risk assessment and although there were areas to follow up, no significant areas of concern had been identified; these would be followed up by the Estates Manager.

Annual site audits by Stallard Kane had been arranged for 2021/22.

A robust CPD plan had been developed for site staff. The team had been proactive to identify areas for personal, professional development. In addition, standards of compliance and practice had improved under the current Estates Manager who had clearly conveyed high expectations of his team.

671 GDPR AND DATA PROTECTION.

The CFO reported that three Subject Access Requests had been received during the term. All had been responded to within required timescales and no further correspondence had been received.

672 SUSTAINABILITY. It was reported that there had been lots of activity in terms of the sustainability agenda by leaders and students:

- potential options for the siting and funding of solar panels were being explored;
- the secondary School Council had embraced the 'plastics purge' and were following COP26 closely for ideas;

- three bids had been submitted for Salix and DfE decarbonisation funding; none had been successful. A letter had been received advising of a specialist inspection to be conducted in the new year; it was hoped this could lead to finance being received for a replacement heating system at St Mary's College.

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

- 20 January, 17 March, 12 May (to be reviewed) and 7 July 2022

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signature of chair

ACTIONS

Minute No	Action	By who	By when
668(i)	Appointment of RSM as external auditors be recommended to Member Board	CFO	13.01.2022
668(ii)	Appointment of Southgates be reviewed	Governance Professional / CFO	Autumn 2022
669	Updated capital assets plan to be presented	Governance Professional / CFO	First spring term meeting (agenda due 12.1.2022)

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PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association.

674 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 14 October 2021 be confirmed as
a correct record and signed by the Chair.

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

676 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