

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The St Cuthbert's Roman Catholic Academy Trust

Minutes of a meeting of the Finance and Assets Committee
held at St Mary's College on 19 May 2022 at 5.00pm

PRESENT: Mr P Fearnley, in the Chair,
Mrs L Dyas, Mr G Fitzpatrick, Mr D Holtby
Dr M Nolan

IN ATTENDANCE: Mrs A Hunter, Finance and Internal Audit Manager
Mr A Rookes, Finance Manager,
Ms E Saddington, Business Support Manager (for minute 38)
Mrs K Siedle, Chief Operating Officer Primary
Mrs S Teasdale, Chief Finance Officer

GOVERNANCE PROFESSIONAL: Mrs M Gibson, Independent Professional Clerking Services

33 OPENING PRAYER. Mr Fitzpatrick opened the meeting with a prayer.

34 APOLOGIES. Apologies for absence were received from Mr Gallagher.

35 DECLARATIONS OF INTEREST. There were no declarations in addition to those already submitted.

36 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 17 March 2022 be confirmed as a correct record and signed by the Chair.

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

38 SUSTAINABILITY. Introductions were presented and the Business Support Manager was invited to deliver a presentation to outline the benefits of installing LED lights in all properties across the Trust. It was noted that:

- The whole site had been audited using eLight's Data App; this had included all internal and external lights fixed to the building for all eight schools within the trust.
- Areas with existing LED fixtures had not been included in the audit.
- The predominant type of existing technology found was linear T5 and T8 fluorescent technology, compact fluorescent bulkheads and downlights and some external SON and Metal Halide fixture.

Proposed solutions:

- High quality bespoke European sourced LED solution for all schools.
- A mostly "Point for Point" replacement, to deliver maximum savings with minimum disruption to building fabric and day to day activities.

- Corrosion resistant floodlights specified.
- Provision made to split electrical circuit, as requested in 2 offices at Endsleigh HC.
- The main halls in St Charles VCA and St Thomas More, re-designed with modern, surface mounted luminaires.
- Fully project managed installation.
- Maintenance free solution.

Validation of costs:

- To accurately calculate current lighting costs an industry recognised process and mathematical formula had been used.
- Current lighting costs = £ 163,152
- Year 1 gross savings £ 98,629
- Year 1 net savings £ 38,879
- 7 year net savings £ 217,673

The CFO advised that the savings projected were impressive despite being conservative.

Directors were asked to consider a proposal to agree a lease of the equipment for seven years; there would be an option to extend the lease for a further three years, after which the equipment would become the property of the Trust.

Directors sought clarification on arrangements for installation of the light fittings. In response, it was explained that the option to return the equipment would involve the removal of the fittings. New legislation allowed for leased equipment to be retained although if there had been improvements and developments, the equipment could be upgraded. The lifespan of the bulbs was longer than normal, and replacement could be managed centrally (in the same way as the photocopier maintenance was managed).

The CFO confirmed that the scheme was approved by the DfE and ESFA and the proposal had been benchmarked and validated by EFM.

In terms of energy prices, the current contract provided a level of protection; projected savings by installing LED bulbs and fittings would prevent a drastic increase once the current contract expired.

Directors asked why the conversion could not be completed internally. In response it was explained that the costs and savings were based on use of specific, top quality fittings supplied by eEnergy.

The Business Support Manager drew attention to further information which outlined proposals to optimise energy use. The CFO stated that although savings were not substantial, it supported a move towards sustainability targets and provided a tool to ensure savings could be delivered.

Directors asked if the scope of the installation could be extended beyond current schools in the Trust. In response, it was confirmed that the contract could be expanded should it be needed.

Directors asked that given recent national issues with energy companies, how credible and sustainable was the company. In response, it was pointed out that that the company had undertaken conversions in over 400 schools and was accredited by the DfE and ESFA as a leading provider.

Directors asked if timers could be added to automatically switch off lights in unoccupied areas. In response, it was explained that this had been explored in during the BSF process and thought not to be effective. The new system would allow for responsible rules to be applied.

Directors sought clarification on the condition of the heating systems across the estate. In response, it was explained that a decarbonisation survey had been conducted at St Mary's College and funding had been sought. Assessors had visited the college to review various factors; a report had been received and this would be shared. The report advised on a number of areas including projected costs for improvement. Much of the information received had already been known and replicated the asset management in terms of the work required. The assessor had suggested funding would be received but how much, and how it would be targeted was not known.

The CFO concluded that heating systems were in good condition due to regular maintenance.

RESOLVED: that the proposal to lease equipment for seven years, as outlined in the proposal presented, be approved.

The CFO expressed confidence that the work would be completed over the summer. She added that LED lighting conversion had been included in the capital plan for four schools; approval of the proposal would release the funding for allocation to other projects.

Miss Saddington was thanked for her presentation and left the meeting.

39 BUDGET UPDATE AND REPORT FROM THE FINANCE MANAGER

The Finance Manager drew attention to a number of reports circulated in advance of the meeting. The following points were highlighted and questions invited:

The height of the staffing changes season had been reached with the deadline for resignations at the end of May ready for a September start. The situation continued to be closely monitored and numerous meetings had been held to ensure changes were reflected in the budgets for next year.

Primary budgets had been continually reviewed to reflect changes reported at the previous meeting; no further significant changes were anticipated.

The budgets did not include potential savings identified through the PPA structural changes.

Staffing requirements for St Mary's College were being examined to ensure sufficient teaching time was available to deliver the curriculum. At present, with the exception of queries in a few curriculum areas, it was believed the current staffing assumptions in the

budget would ensure requirements were met. Recent changes identified should have a positive impact on the budget.

2023/2024 – Deficit

Directors were asked to note that the 2023/2024 budget was projecting a deficit of £73,951 from a positive position in March 2022. However, changes identified in staffing requirements should reduce this to around £20,000.

Budgets

Central

There were no significant changes to report. A reallocation of central costs would be conducted to reflect additional services provided.

Directors asked if the deficit reported in the central fund suggested that costs were under-recovered. In response, it was reported that expansion of the trust would provide an opportunity to review and reallocate costs. The music service and chaplaincy service costs had not historically been included however, any change in central costs would need to be balanced with expectations of the diocese. Directors were reminded that the vast majority of administration functions were provided centrally.

St Mary's College

There had been a decrease in the surplus for this year; this was replicated to later years. This had predominantly been due to increased costs of examination fees. Notice had been received of a credit to be applied to the fees by AQA, following their receipt of government funding, however, the value of this was unknown.

Additional staff, who had been appointed in anticipation of others leaving, had been included in this budget. Leavers remained in the budget until resignations had been received. The current position following receipt of confirmation for those leaving provided a saving of over £70,000. In addition, a couple of contracts had been extended to ensure full curriculum cover.

PRIMARIES

Overall, additional savings of £84,709 had been identified for 2022/2023.

Endsleigh

Additional teaching costs had been incurred in 2022/2023 following leadership changes across the trust; related savings are reflected elsewhere in the trust (STM).

St Charles

There were no significant changes in 2021/2022 however, savings would be made by replacing a UPS teacher with an ECT in 2022/2023.

St Anthony's and St Vincent's

There were no significant changes to report.

St Mary Queen of Martyrs

A saving for 2022/2023 had been identified following the resignation of a senior leader who would not be replaced.

St Richard's

The deficit for 2022/2023 had increased due to the transfer of teacher from St Thomas More to replace a teacher on a lower salary.

St Thomas More

Significant changes to 2022/2023 following the transfer of a teacher to St Richard's with no replacement needed.

Teaching School Hub

The Teaching School Hub continued to grow; it was anticipated a surplus of around £15,000 would be generated over each of the coming years.

Directors questioned how the surplus from the TSH would be managed. In response, it was explained that discussions were on-going relating to the expansion of the Early Careers Teacher provision.

Directors were asked to note that Mrs Fillingham who worked alongside the TSH Director had resigned. Consideration needed to be given to her replacement and the potential to build capacity within the administration support team as the expectations increased.

It was emphasised that the Trust would not profit from TSH status; the way in which the funds were managed would be closely scrutinised by the DfE.

Budget Forecast Returns

We will be finalising the 2022/2023 budget ready for approval at the next finance meeting in July as the Budget Forecast Return needs to be submitted to the ESFA by 26th July 2022.

RSM would deliver the audit plan and the proposed budget would be presented at the next meeting.

Directors were asked to note that the expansion of the Trust was incurring costs; this would be further discussed by the Audit and Risk Committee.

Cashflow

The cashflow continued to look healthier with the improved budget positions.

Actual to Budget – 6 months

The report shows an actual deficit for the half year of £42,458 compared to the budgeted surplus of £15,217.

Overall, much of this is as a result of front loading of the curriculum costs and the consultancy services and I anticipate that over July and August, these actual costs will drop off significantly and bring the actual back in line with the budget.

There are certain costs associated with the expansion of the trust that have not been budgeted for and are reflected in the overspend of non-education contracts.

There is also an overspend on the other services which are as a result of the purchase of the old uniforms, for which we may recoup some of the costs through sales or other funding such as pupil premium.

Directors sought clarification on where the reserves were held. In response, it was explained that these were held in the savings account. An investment policy had been agreed although it had not been necessary to apply it for some time. The balance of the account currently = £350,000; this was expected to generate a small amount of interest.

Directors were asked to be mindful of increasing inflation levels and the impact this may have on the financial position of the Trust. The CFO emphasised that inflationary allocations were not realistic but met national standards. The ESFA would not allow planning for worst-case scenario however, the finances continued to be closely monitored.

Directors asked if salary payments would affect the overall position. In response, it was explained that salaries equated to 75% of the Trust's costs; they were set nationally, although it could not be guaranteed funding would be received to cover potential increases.

The CFO added that the budget would continue to be operated cautiously and adjusted in line with ESFA guidance.

40 REPORT FROM THE CHIEF FINANCIAL OFFICER. The CFO presented her report, copies of which were tabled at the meeting.

The Summer term has, so far, been dominated by undertaking the financial due diligence for the proposed transfer of schools from SMCCAT. To date, there are no major red flags, although there are understandably risks which will be covered in more detail at Audit and Risk Committee.

We say a fond farewell to 2 junior finance staff, with Prattoy Chakma moving across to support the DEC team during a challenging examination season and Lauren Farrah who was successful in being appointed to the vacant Office Manager role at St Vincent's. We have taken on a very capable apprentice, Kennedy, who will fill some of the gap and we await to see how the central service staffing falls out from the middle trust before we commit to any further recruitment.

Finance Headlines

- Academies Account Direction 21/22 released and hard copy provided to Chair.
- 16-19 Tuition Fund Guidance for 22/23 released with slight change in direction.
- School Led Tutoring funds received this month with 15% uplift in final instalment. Discussions are underway regarding future strategy for education recovery funding. All funds will be used by the end of August (due to be returned to ESFA otherwise).
- View My Financial Insights tool has been updated. VMFI is part of the DfE/ESFA benchmarking offering and I recommend Trustees sign up to the webinar if they are able to on Tues 28th June 10 – 11am. The link is: <https://www.eventbrite.co.uk/e/view-my-financial-insights-vmfi-webinar-tickets-308475918777>. Directors were encouraged to access this to identify areas for benchmarking.
- Pupil Premium allocations 22/23 have been released. The Trust is receiving £926k on behalf of 762 PP qualifying students (18.7%).
- Senior Mental Health Lead Grant applied for and granted. A member of staff was undergoing training to support this. **In response to a question**, it was clarified that the funding would be aimed at supporting students; staff continued to access support from Focus Counselling if required.
- Continue progress to cashless Trust.

Procurement / Best Value

- Best Value Procurement exercise for all items on capital plan and projects awarded.
- Framework procurement exercises underway for external windows and doors; IT Managed Service, Scholar Transport & Primary School Cleaning.

Other CFO Headlines

Premises & Health and Safety

- *Capital investment of £350k from Hull LA for SEND building improvements. Concern was expressed at the time taken to access the funding; it was hoped the change in political administration would not impact on the allocation and it would be received whilst the work was affordable.*
- *Amendments to Capital plan to be presented to this Committee for approval tonight.*
- *“Every” IT system successfully rolled out across the Trust. Estate Manager to attend RPA webinar on Active Risk Assessment.*

HR

- *Main focus is Primary PPA Proposal to be shared with Trustees on 23 May 2022.*
- *TUPE Consultation for PPA Proposal commenced.*
- *TUPE Consultation for transfer of SMCCAT schools commenced.*

IT

- *Infrastructure project on track with main benefits to be delivered this term.*
- *Hardware project almost complete. Presentation to Trust Leadership scheduled for 25 May 2022 and Directors at next Finance and Assets Committee meeting on 7 July 2022.*

Catering

- *Biometric option on tills in plan for Summer Term.*

Sustainability

- *Decarbonisation report for SWECO received and we await news on whether we have been successful in our bid for funding towards improvements.*
- *CFO & Business Support Manager to present LED lighting and energy efficiency project proposal tonight.*
- *SMC student led eco warriors project has been kicked off and is applying for funding from the LA to support recycling project.*

41 FINANCIAL POLICIES FOR REVIEW.

Directors were informed that a review of policies would be undertaken to ensure they were updated and fit for purpose in readiness for introduction to all Trust staff.

42 CAPITAL ASSETS PLAN. The CFO advised that work detailed in the plan shared earlier in the year had been completed or booked to be completed before the end of the year.

Directors were asked to consider proposals for three projects which had been received from school leaders:

- 1) repair/replace the boundary wall at Endsleigh Primary School. This had been agreed provisionally although the estimated cost had increased from £50,000 to £85,000.
- 2) improvements to the music block; project originally scoped at £50,000; this had also increased to £85,000.
- 3) improvements to the toilets in the Storey Centre. This would allow the facility to be effectively managed without continually having to be locked. The estimated cost = £80,000.

The Accounting Officer advised that in terms of the boundary wall, it was essential to undertake the work in the interests of health and safety. It was his view that the toilet proposal was also essential.

The CFO reported that an IT infrastructure review was due to be conducted; this could influence options to move the music room which may provide alternative solutions.

In response to questions regarding the wall, it was explained that it had been inspected by a structural engineer; it was situated in a conservation area and needed to be restored to the original structure. It was anticipated the work would be guaranteed for 15 years however, this needed to be clarified with the contractor.

RESOLVED: that projects 1 and 3 be approved.

- 43 HEALTH AND SAFETY REPORT. The CFO advised that Stallard Kane, external auditor, would conduct a health and safety review and a fire risk assessment before the end of term; reports would be presented in September 2022. It was expected the process would be more effective following the introduction of the Every system.

ANY OTHER URGENT BUSINESS.

- 44 ITT NATIONAL MARKET REVIEW. The Accounting Officer reported that St Cuthbert's and The Vantage Teaching School Hub had been successful in their bid for accreditation. Hull SCITT and the university had not been successful; the impact of this needed to be considered. He stated that this was good news for the Trust as it would provide opportunities for recruitment. A £25,000 start-up grant would be provided for September 2024.
- 45 DATE AND TIME OF NEXT MEETING. The date and time for the next meeting was confirmed as 7 July 2022 at 5.00pm.

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signature of chair

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PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association.

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signature of chair