

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 20 January 2022 at 5.00pm

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

IN ATTENDANCE: Mrs A Hunter, Internal Finance Manager
Mr A Rookes, Finance Manager,
Mrs K Siedle, Chief Operating Officer, Primary (remotely)
Mrs S Teasdale, Chief Finance Officer

GOVERNANCE PROFESSIONAL: Mrs M Gibson, Independent Professional Clerking Services

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

2 APOLOGIES. No apologies for absence were received.

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

It was noted that there was one declaration form outstanding from a newly appointed Director.

4 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 2 December 2021 be confirmed as a correct record and signed by the Chair.

5 MATTERS ARISING FROM THE MINUTES. It was noted that outstanding actions from the last meeting had been included on the agenda.

6 TERMS OF REFERENCE. Directors were asked to accept the terms of reference for the committee. They had been reviewed and agreed by the Strategic Committee and would be presented to the Board for approval.

The CFO confirmed that all requirements of the Academies Handbook had been included.

RESOLVED: that the terms of reference for the committee be recommended to the Board for approval, as follows:

Finance and Assets Committee (FAC)
(Quorum 3)

Membership

Mr P Fearnley (Chair)
Mrs L Dyas, Mr G Fitzpatrick, Mr M Gallagher, Mr D Holtby,

Terms of Reference

Finance

- To ensure the financial sustainability of the Trust, stewardship of assets and efficient use of resources to maximise outcomes for students.
- To ensure rigour and scrutiny in budget management.
- To approve a balanced budget, and any significant changes to it, for the financial year to 31 August.
- To ensure that budget forecasts are accurately compiled and based on realistic assumptions.
- To regularly challenge assumptions made regarding student numbers.
- To adopt an integrated approach to curriculum and financial planning.
- To embed the use of ESFA financial tools with financial planning, performance, and resource management.
- To submit returns to ESFA by specified dates as published in the Academies Planning Calendar and report as required.
- To share monthly management accounts with the chair of trustees, and other trustees six times a year, even if they do not meet in those months.
- To robustly manage the Trust's cash position and avoid becoming overdrawn on any bank accounts.
- To ensure that any investment risk is properly managed.
- To seek approval from the ESFA for any novel, contentious or repercussive transactions.
- To demonstrate that public funds have been used as intended by Parliament.
- To ensure that internal delegation levels exist and are applied.
- To set financial policies and procedures in line with the Academy Trust Handbook.
- To ensure decisions about levels of executive pay (including salary and any other benefits) follow the ESFA guidance on setting executive pay.

Assets

- To manage capital assets according to the principles set out in Good Estates Management for Schools.
- To commission professional five yearly updates on property valuations for accounting purposes.
- To commission professional five yearly asset management plans.
- To monitor and review the Trust annual capital plan and ensure that capital funding is allocated and spent in the best interests of the Trust estate.
- To ensure that the Trust repair and maintenance programme is fit for purpose.
- To review any capital investments are compliant and in line with the Trust's best interests.
- To ensure that the Trust land and buildings and associated assets are insured in line with ATH requirements.
- To ensure that the Trust-wide ICT provision is fit for purpose.

7 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.

- Report 1 outlined the 5 year consolidated budget position
- Report 2 outlined the budget projecting no additional GAG income
- Report 3 reflected the position with updated pupil numbers
- Report 4 projected the position with updated pupil numbers plus 2% GAG increase

- Report 5 outlined the position with updated pupil numbers, 2% GAG increase and a primary review.

The Finance Manager explained that pupil numbers had been based on LA projections. This indicated a slight improvement for 2021 to 2023 followed by challenging years 2024 onwards due to a decline in primary school pupil numbers.

The CFO advised that report 4 provided the most accurate position, based on updated and qualified data. An increase had been included in the GAG to reflect information received from the Schools Forum. It was proposed that this be the model on which future budget projections were based.

Report 5 reflected adjustments made to teaching requirements based on reduced pupil numbers. These would be realistic savings, reflective of known factors, which would be achieved without the need for redundancy.

The Accounting Officer commented that issues highlighted had been conveyed previously. These were city-wide issues and the opportunity to work alongside the city-wide strategy would be explored. The shortage of places for SEND students would also be a key point of discussions with the LA.

It was reported that a notional target to achieve savings of £500,000 across all schools would be addressed by making efficiency savings and challenging recruitment decisions. Combined classes would ordinarily be avoided however, there may be no choice. Decisions needed to be made regarding the estate; waiting for the diocese to act was not an option and decisions would be informed and well-planned.

The Accounting Officer emphasised that the disruption to primary schools needed to be minimised. He reminded Directors that the issue was national and could not be addressed locally by marketing and improved teaching.

The COO(P) pointed out that in one school, Reception limit = 30; only 5 pupils had been registered to start September 2022; this would impact on income and expenditure.

The COO advised caution on action as it was expected pupil numbers would increase in the future.

The Accounting Officer reported on strong partnerships across the city. The Learning Partnership had improved collaborative working and had developed principles which school leaders would apply. The issues had been highlighted to the diocese and it was hoped they would engage with discussions to consider options, which had far reaching implications for the Trust in terms of financial viability and sustainability.

In response to a point for clarification, it was noted that a short-term solution to the issues would be difficult and the involvement of the LA would be limited due to the Trust's academy status.

Directors asked if Headteachers/Heads of School were aware of the situation. In response the COO(P) reported that individuals had been spoken to during a QA visit. They had been informed of the required savings and had been asked to consider where efficiencies could be introduced, especially in terms of staffing.

Directors pointed out that in terms of the financial position, St Richard's and St Thomas More continued to be the most challenging. The COO(P) stated that St Richard's had identified significant savings however, they were in line for an Ofsted inspection and action could not be taken which would destabilise the current position. She acknowledged that St Thomas More continued to be a challenge; it was hoped that 25+ pupils would be admitted in September to replace 15 Year 6 leavers; staffing was at a minimum and could not be scaled back further.

The AO emphasised that the primary objective would be to effect savings and focus on the Trust balance rather than individual schools. He advised that savings had already been identified.

Directors asked if there were further opportunities to generate income. In response, the CFO advised that this would not be significant. There was potential to benefit from the increase in 6th Form student numbers although this needed to be considered with caution. The AO pointed out that the projected increase in student numbers would create logistical issues which would require investment to address.

In response to concerns relating to the long-term position, the Finance Manager reminded Directors of the cautious approach for the setting of the budget. He explained that income was projected cautiously, and although after year 3 projections appeared concerning, they were created in line with ESFA guidance.

Directors were reminded that periods after year 3 always appeared challenging; the ideal would be to work within known factors and identify areas of uncertainty and how quickly these could be addressed.

Directors asked if inflationary factors had been included in the projections. In response, it was reported that information had been circulated to indicate supplementary grants would be received however, this may impact on income received via the National Funding Formula so may not be an increase in real terms.

Draft income and expenditure report:

The Finance Manager advised that the report, copies of which were tabled at the meeting, included unbudgeted income. This had been offset by an increase in costs creating a nil impact on the budget. Key areas had been:

- School Condition Allocation (SCA) – income received had been allocated to the estate's improvement plan based on current priorities.
- Additional Early Years funding had been received; it was possible a portion of this could be reclaimed by the LA.
- Income for transport and catering would be used to off-set costs.
- Surplus uniform had been purchased from Rawcliffes; income received would be less than the amount paid; the deficit would be offset by Pupil Premium funding as this would be the cohort to benefit.

Cashflow:

A report was presented which outlined the cashflow forecast from December 2021 to February 2022.

Directors' attention was drawn to the balance at December 2021, which had been projected at £595,000. The actual = £915,000 had been due to additional income received ringfenced for the Hull Learning Partnership. The funds had previously been held by Archbishop Sentamu Academy, however, following the departure of the account holder (Mrs Fillingham, now employed by the Vantage Teaching Hub), the account had transferred with her. The AO advised that it was highly likely a separate account would be established and the funds transferred.

The CFO reiterated the aspiration for the cash flow to be managed in line with the reserves policy, to hold cashable reserves between 1% and 3% of GAG income.

The Finance Manager asked Directors to confirm they were satisfied with the information circulated. **In response, it was agreed the comprehensive and detailed reports received was useful for tracking and allowed questions to be presented. It was suggested that not all reports be printed but circulated electronically to provide a complete overview.**

Directors conveyed thanks to the CFO, Finance Manager and the finance team for the detailed reports presented.

- 8 REPORT FROM THE CHIEF FINANCIAL OFFICER. The CFO presented her report, copies of which had been circulated in advance of the meeting.

Spring Term and the Finance Team has a real spring in its step, spurred on by the need to deliver as many financial efficiencies for the Trust as possible, in the face of unexpectedly high inflationary pressures and the impending increase to National Insurance.

The ESFA deployment with Phil Helme, School Resource Management Advisor, has been a considerable investment in our time but we are looking forward to his report early next month and any further improvement measures that he identifies. The CFO conveyed thanks to the finance team for their support during the process.

Finance Headlines

- *We are still waiting to see the specific information on income streams for the next funding period, including GAG, the supplementary grant to cover inflation and NI and School Condition Allowance. Some provisional information has been released by the LA Schools Forum suggests that our current projections are cautious but broadly accurate.*
- *School Management Resource Advisor deployment is due to end today following the meeting with the Chair of Finance.*
- *Marc Cooper, Director Vantage Teaching Hub, continues to work closely with us to ensure that his modelling and progress remains on track. Currently, Vantage are slightly ahead of their financial projections.*

The pace and quality with which the VTH was working, was commended.

- *A Director's Meeting has been set for 10 February 2022 at 12.30pm for the Sports Development Company; the agenda needed to be finalised.*

- *Staff CPD – CFO attended a CST IT strategy workshop and is due to attend Finance Professionals Event. Business Support Manager to attend ESFA webinars on Heating and Renewables & also Integrated Curriculum Financial Planning.*

Other CFO Headlines

Premises & Health and Safety

- *Draft Capital plan presented to this Committee for the next round of SCA for 2022/23.*
- *School Re Building Programme next round of prioritisation is due. This would be discussed further by the Audit Committee.*
- *COVID-19 Risk Assessments due to be reissued in view of updated rules from Thursday 26th January. Updated operational guidance had been received.*
- *“Every” IT system continues to roll out across the Trust.*
- *Estate Manager to attend RPA webinar on Legionella. SFO’s continue induction and training programme.*

HR

- *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 to provide consistency.*
- *Data Protection & GDPR requests growing and putting pressure on the department.*

IT

- *Serious issues being experienced with physical servers on site and detailed diagnosis and proposed response being prepared for discussion with Leadership.*
- *Short term IT staffing issues due to COVID – PrimaryTech are supporting.*

Directors sought assurance that there were sufficient skills and expertise to support IT issues as they arose. In response, the CFO advised that Primary Tech had provided support as required. She added that the serious issues had not resulted in loss of information and although inconvenient, the situation had provided an opportunity to address issues which had not been identified as a priority.

Catering

- *Biometric option on tills delayed and to be revisited Spring Term.*
- *Sustainability*
- *See AO Report for details of funding bids.*
- *Business Support Manager to review SALIX LED lighting projects.*
- *Message from Diocese to consult with them prior to engaging with DfE Decarbonisation project. They have yet to respond and SWECO deadline has been missed. I am keeping our DfE contact updated so we do not lose the chance of being involved. The Diocesan Director of Schools had been reminded of the need to respond.*

Directors sought further information on the decarbonisation project. In response, the CFO explained, if successful, this would allow the boilers at St Mary’s College to be replaced with a low carbon system which would eventually reduce costs and be better for the environment than the existing system.

The Finance Manager commended the commitment of the finance team to develop themselves and share their learning.

The CFO concluded that there had been a rise in the level of FOI and SAR requests; this had increased pressure on the teams which dealt with them.

- 9 FINANCIAL POLICIES FOR REVIEW. Directors were asked to approve the risk management policy, copies of which had been circulated in advance of the meeting.

RESOLVED: that the risk management policy be approved, as presented.

HEALTH, SAFETY AND PREMISES.

- 10 CAPITAL ASSETS PLAN. The CFO advised that the capital allocation for the year had not been confirmed. Plans had been agreed based on last year's allocation.

It was reported that the asset management plan had been developed following a survey conducted by Delaney Marling. All priority issues identified last year had been addressed; this had been commendable given the circumstances.

Each primary school had been allocated funds to complete work specific to the school.

Directors questioned the generous allocation awarded to St Richard's for refurbishment of the EYFS area especially as it had been reported pupil numbers were reducing. In response it was explained that there was a cohort of children for whom, EYFS provision was not acceptable. The project would be led by EYFS staff who were working closely with the Estates Manager. The COO(P) stated that the work needed to be completed quickly and she would speak to those involved to emphasise this.

In respect of other expenditure, it was highlighted that funds allocated to SM6 catering had been carried forward from last year and, the DFC allocation had been predominantly used for ICT investment.

RESOLVED: that the capital assets plan be approved, subject to receipt of expected funding.

- 11 HEALTH AND SAFETY REPORT. Directors received the report, copies of which had been circulated in advance of the meeting.

The CFO expressed confidence that the report provided external reassurance of compliance. She reminded Directors of the presentation received of the RPA audit conducted in the autumn term.

Directors were asked to note the key targets set for spring 2022:

- Estate Manager to review all site action plans and FRA's to check on track with any recommendations.
- Continued roll out of the "Every" asset management module.
- SFO induction and training programme.

- 12 SUSTAINABILITY. It was noted that this item would be considered by the Audit and Risk Committee.

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

- 17 March, 12 May and 7 July 2022 at 5.00pm.

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signature of chair

ACTIONS

Minute No	Action	By who	By when
6	The terms of reference for the committee be recommended to the Board for approval	Governance Professional - agenda	17.03.2022

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PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association.

- 14 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