

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The Board of Directors of St Cuthbert's Roman Catholic Academy Trust

Minutes of a virtual meeting of the Board of Directors
held on 14 January 2021 at 5.00pm

PRESENT: Mr C Cuthill, Mr M Davidson, Ms R Dex, Mrs L Dyas,
Mr P Fearnley, Mr M Gallaher, Reverend W Massie, Mr J Sargeant, Mrs A Ward,

IN ATTENDANCE: Mr G Fitzpatrick, Chief Executive Officer
Mrs A Hunter, Internal Finance Manager
Mr D Perry, Headteacher, St Mary's College
Mr A Rookes, Finance Manager
Mrs K Siedle, Chief Operating Officer, Primary
Mrs S Teasdale, Chief Finance Officer

Mr R Lewis, Senior Statutory Auditor, RSM (for minute 582).

CLERK TO THE DIRECTORS: Mrs M Gibson, Independent Professional Clerking Services

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

579 APOLOGIES. Apologies for absence were received from Mr Davison apologies for lateness were received from Mr Duffy.

RESOLVED: that consent be given to the absence of the above named Directors.

580 DECLARATION OF INTERESTS. Directors were asked to ensure that declarations submitted accurately reflected their involvement and interest with other organisations.

581 ELECTION OF CHAIR. A nomination was received and seconded for Mr Fearnley.

Due to the nature of the meeting Mr Fearnley was unable to leave whilst an election was conducted but he removed audio access.

RESOLVED: that Mr Fearnley be elected Chair until the first meeting of the 2021/22 academic year.

582 PRESENTATION OF ACCOUNTS.

Management Accounts

Mr Lewis, Senior Statutory Auditor, RSM, was invited to present the Financial Statement and Audit Report, which encompassed the Management Letter and systems findings to 31 August 2020.

Annual Report and Financial Statement

Pages 1 and 2 – confirmed reference and administrative details.

Pages 3 and 4 – outlined the responsibilities of Directors and explained the constitutional and operational structure.

Page 5 – outlined arrangements for setting pay and remuneration of key management personnel and reported on related parties and co-operation with other organisations.

Pages 6 and 7 – defined the objectives, activities, vision and values of the Trust including the public benefit of the organisation.

Pages 8 and 9 – detailed information on performance of each school; this included the impact of Covid-19.

Page 9 – financial risk objectives and management:

Mr Lewis reported that the Academy Trust has an effective system of internal financial controls and this was explained in more detail in the Governance Statement. He drew attention to key risks identified:

- Staff recruitment and retention
- Student numbers
- The age of the estate
- COVID-19

Page 10 – Mr Lewis confirmed that regular reviews of reserve levels were conducted. Directors were asked to be mindful of the impact of the pandemic and the pensions deficit on future balances.

Page 10 – Mr Lewis confirmed that cashflow and budget forecasts validated the organisation as a going concern.

Page 11 – outlined plans for how key risks would be managed.

Pages 12 to 14 – Streamlined energy and carbon reporting. This was a new requirement to report on the organisation's impact on the environment and carbon footprint.

Pages 14 and 15 – Section 172(1) statement. This sets out a series of matters to which the Trustees' must have regard in performing their duty to promote the success of the Trust for the benefit of its stakeholders. Engagement with Employees (including disabled persons).

Pages 16 to 18 – governance statement.

Page 19 – outlined value for money reviews conducted.

Pages 20 and 21 – outlined the risk and control framework. It was noted that his year's major challenge has been to manage the impact of COVID on all key aspects of financial management. The internal scrutiny plan had also been significantly disrupted as a result of the COVID-19 pandemic. Mr Lewis advised that based on the reviews undertaken the overall opinion on governance and control environment was satisfactory. Control was strong in most areas and clear plans existed to make further improvements in line with ESFA requirements. The centralisation of financial processes had enabled significant improvements to be made to procedures and the internal scrutiny programme, which was aligned to ESFA requirements.

Page 22 – regularity statement to be signed by the Accounting Officer.

Page 23 – statement of Trustees' responsibilities.

Pages 24 and 25– opinion of the auditor which was a true and fair view of the current position.

Page 26 - Consolidated statement of financial activities including consolidated income and expenditure account for the year ended 31 August 2020.

Mr Lewis reported that the £1.7m loss for the year had included depreciation and the impact of Covid on the pension scheme. He advised that there were no concerns regarding the cash balance.

Page 27 – Consolidated balance sheet as at 31 August 2020.

Page 28 – Academy Trust balance sheet as at 31 August 2020. Mr Lewis advised that the financial strength of the estate had been negated by the pension deficit; it was expected that the position would be improved next year.

Page 29 - Consolidated statement of cash flow for the year ended 31 August 2020; this included investments.

Mr Cuthill joined the meeting.

Pages 30 to 34 – Mr Lewis confirmed that financial policies were appropriate. He drew Directors' attention to the statement relating to the organisation as a going concern highlighting that this was a key point in the report.

Pages 35 and 36 – outlined income received including the GAG, donations, returns from investments and exceptional government funding (including Covid funding).

Page 37 – outlined costs.

Pages 38 and 39 – report on staffing costs including settlement agreements.

Page 40 – outlined assets and depreciation. Highlighted £300,000 investment in IT equipment.

Pages 41 to 50 – accounting reports covering individual academies.

Pages 51 to 54 – report on pensions and similar obligations.

Mr Lewis explained the Academy Trust's employees belonged to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which was managed by East Riding Pension Fund. Both were multi-employer defined benefit schemes. He advised that the LGPS rate had been unchanged however, the contribution rate for the TPS had increased from 16% to 24% w/e September 2019.

The next valuation result was due for implementation from 1 April 2023. The DfE had agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

Mr Lewis reported that there was an expectation for mortality to be impacted by the pandemic, as a result the share of scheme assets was expected to increase.

Page 55 – reported on related party transactions.

Page 56 – conclusions.

Mr Lewis drew attention to the concluding statements pointing out that:

‘We have carried out an engagement in accordance with the terms of our engagement letter dated 6 June 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by St Cuthbert's Roman Catholic Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them. In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them’.

Comments and questions were invited.

The Chair reiterated that the pension scheme deficit had been underwritten by government and was not an area of concern at this point. Mr Lewis added the government had confirmed to underwrite pension deficits in the event of insolvency; this was a factor in the determination of the contribution rate which would be reviewed in 2023; the change at this point was not expected to be significant.

The Chair drew attention to page 47 (expenditure by academy). He reminded Directors that a key area from last year had been to address the deficit position of individual schools, particularly at St Richards Primary Academy. This had been achieved through rigorous management and strategic planning. He acknowledged that the deficit for St Mary's College had also been reduced through sound strategic planning.

Mr Lewis reported that there were concerns in terms of cashflow. He pointed out that £350,000 had been set as a minimum and throughout the year the actual position became very tight. He advised that the ESFA had expressed concern relating to cashflow management nationally however, projections would be increasingly difficult as future funding settlements were expected to be impacted by Covid.

Audit Report

Mr Lewis explained that the report summarised findings in connection with the audit of the Financial Statement for the year ended 31 August 2020. He advised that subject to the satisfactory clearance of matters outstanding at the date of the report, no modifications were expected to the report presented and it would be submitted to the ESFA within the stated deadline.

It was proposed that the Chair and Accounting Officer be delegated to sign off the completed document.

Page 3 – Executive summary: the audit had confirmed that no unadjusted audit differences in excess of the clearly trivial threshold had been identified. The clearly trivial threshold had been determined at £26,000.

Mr Lewis confirmed that there were no concerns relating to the outstanding items to be resolved. He advised that confirmation of the organisation as a going concern was an area of particular interest for the ESFA and a second partner had been asked to conduct a review due to the tight cashflow levels.

Pages 4 and 5 – Risks identified at the planning stage: findings on areas of focus had been reported on; the statement from the auditor had been good.

Page 6 – Mr Lewis confirmed that there had been no instances on non-compliance identified in respect of funding received for the furlough scheme and Covid-19 exceptional grants. He commented that it was his view the organisation had followed the spirit of the rules.

Directors' attention was drawn to a payment made on termination of employment. It had been noted that the auditor had not identified any material instances of non-compliance in respect of the Academies Financial Handbook however, this matter had been managed internally by the Trusts own HR specialist and external legal advice had not been taken in respect of the payment of £27,601. Consideration had been given to management's justification for the quantum of this non contractual payment and concluded that the trust was able to demonstrate a justified business case and value for money. The auditor recommended that in all future settlements, to reflect best practice, external legal advice be sought. Mr Lewis advised that the CFO had confirmed retrospective legal advice would be obtained on the matter.

Page 7 – Mr Lewis confirmed that there were no further significant risks identified during the audit which should be brought the attention of Directors.

Pages 8 and 9 – recommendations on controls:

- Journals: it had been noted that whilst journals were reviewed as part of the monthly management accounts process, these reviews were not formally authorised therefore a sufficient audit trail was not maintained. This could result in financial inaccuracies in the monthly management accounts.

Recommendation: that when reviews of management accounts were carried out evidence of review of journal entries was formally documented.

- Income: St Marys College Sports Development Company does not retain gym membership forms.

Recommendations: that the Trust retains copies of the gym membership registrations.

- Payroll: during testing it was noted that information about pay awards made to employees since commencement of employment had not always been formally communicated to staff.

Recommendation: that when the Trust notifies employees of changes in their salary, these notifications were retained on the employee's employment file.

- Whilst carrying out testing it was also noted that casual members of staff were not issued with a contract of employment or formal written notification of rates of pay. This matter may expose the Trust to potential employment disputes, overpayments and/or additional liabilities.

Recommendation: that the Trust issue contracts of employment to all employees regardless of if they are a casual member of staff.

- In addition, it was understood that forms for new starters at the primary schools were not appropriately evidenced as authorised in line with the procedures at St Mary's College.

Recommendation: that authorisation of new starters be consistent across the Trust.

Mr Lewis reported that recommendations raised in the prior year audit findings had been actioned.

Page 11 – going concern: Mr Lewis emphasised the requirement of Directors to challenge the impact of the on-going cashflow situation.

Page 15 – there had been no adjustments to the profit and loss statements.

Page 17 – Mr Lewis commended the manner in which the Finance Team and Audit Team had worked together.

Mr Lewis drew Directors' attention to the Control Weaknesses in the Charity Sector report, copies of which had been circulated, and suggested this be used as a benchmark and contribute to the controls framework.

Mr Lewis confirmed that he had concluded his presentation and invited comments and questions.

Directors commended the completion of recommendations from the prior year audit and thanked Mr Lewis for the areas identified. It was suggested that centralisation of key functions would support the introduction and embedding of tighter controls.

Thanks were conveyed to the Finance Team and Audit Team for collating the information which had been presented in a user friendly and manageable way.

The CFO conveyed thanks to Mr Lewis and his team for their patience and tolerance during a frustrating process. She added that their relationship continued to be professionally challenging and this was reflected in the report.

The CFO reported that the points of recommendation had already been responded to; an overview of the actions had been circulated and would be considered at the next meeting of the Finance, Audit and Capital Assets Committee on 21 January 2021.

The CFO conveyed thanks to the Chair for his scrutiny of the preliminary accounts; this had ensured the final accounts had been an accurate representation to present to the Board.

- RESOLVED:
- i) that response points be inserted into the audit report and the report be signed off by the Chair of the Trust and the Accounting Officer.
 - ii) that the Financial Statements for the year ended 31 August 2020 be approved.

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

583 ELECTION OF VICE-CHAIR. A nomination was received and seconded for Mrs Dyas.

Due to the nature of the meeting Mrs Dyas was unable to leave whilst an election was conducted but she removed audio access.

- RESOLVED: that Mrs Dyas be elected Vice-Chair until the first meeting of the 2021/22 academic year.

584 MEMBERSHIP.

- i) The Clerk advised that the Diocese had notified of a 12-month extension of terms of office for foundation Cluster Board Members. Members affected would receive notification in the next few days. It was pointed out that the extension did not apply to Board Members.

The Clerk drew attention to ends of terms of office due throughout the year:

- 31 August 2021: Mr Davison (parent)
- 26 November 2021: Mr Cuthill (foundation)
Mr Davidson (foundation)
Reverend Massie (foundation)
Mrs Ward (foundation)
- 18 December 2021: Mr Fearnley (parent)

RESOLVED: that the Clerk and the CFO consider arrangements to minimise the impact of the high level of potential changes.

- ii) Directors were asked to consider the appointment of the CEO as a Director.

The CEO advised that he had no strength of feeling either way however, it may assist with the quorum at meetings given the size of the Board and potential changes highlighted in (i).

Due to the nature of the meeting Mr Fitzpatrick was unable to leave whilst his appointment was considered but he removed audio access.

Directors asked if appointment of the CEO was best practice and if it would require approval of the diocese. In response, it was reported that it needed to be demonstrated there was no conflict of interest and lines of accountability between Members and Directors were clear. The appointment could be made by the Board if they were satisfied there were no issues in this regard.

RESOLVED: that the CEO be appointed as a Director to the Board.

- iii) Directors were asked to appoint link Directors for statutory areas.

RESOLVED: that link appointments be approved as follows:

Mr Cuthill – careers
Mrs Ward – safeguarding and special education needs

585 MINUTES OF THE LAST MEETINGS.

RESOLVED: that the minutes of the meetings held on 9 July and 1 October 2020 be confirmed as correct records and signed by the Chair.

586 MATTERS ARISING FROM THE MINUTES.

Cluster Boards (minute 570 refers).

The Clerk and CFO reported that due to the current situation, no progress had been made on this.

587 MINUTES OF COMMITTEE MEETINGS.

RESOLVED: that the minutes of the following meetings be received for information:

Finance, Audit and Capital Assets Committee meetings held on 22 October and 3 December 2020.

Curriculum, Teaching and Learning Committee meeting held on 5 November 2020.

Human Resources Committee meeting held on 19 November 2020.

588 MATTERS ARISING FROM THE MINUTES.

Delegated Levels of Authority (minute 532 of the Finance, Audit and Capital Assets Committee refers).

Directors were asked to approve the recommendation of the committee to increase the level of delegated expenditure for primary headteachers from £1000 to £1500.

RESOLVED: that the recommendation of the committee to increase the level of delegated expenditure for primary headteachers from £1000 to £1500 be approved.

589 REPORT FROM THE CHIEF EXECUTIVE OFFICER.

The CEO conveyed thanks to the CFO, Finance Manager and Chair of the Board for their work to finalise the accounts. He acknowledged the significant burden placed on the organisation, which was becoming more onerous each year, to meet the demands of the ESFA and DfE.

The CEO commended the work of secondary and primary school staff who were wrestling with continual changing pressures. He pointed out that guidance was changing on a daily basis creating huge stress for individuals and the organisation.

Attendance – there had been good levels of engagement in schools and for on-line learning.

Estate – Esteem had been commissioned to conduct a review of the estate; this had been actioned with approval of the diocese to support medium and long term planning. Directors would be kept informed of the outcome.

Members' AGM – this would be held on 27 January 2021; the CEO and a number of Directors would attend.

Admissions – legal and DfE advice had been sought in relation to admissions. 900+ applications had been received for admission to St Mary's College; 200 had been submitted under the sporting aptitude criteria. Covid had made the assessment process difficult and guidance had been sought on how this could be overcome. This needed to be addressed as a matter of urgency as the deadline for admissions was very tight.

Primary School Update

The COO(P) presented an update on the current position of primary schools:

- Headteachers continued to meet at the 'Thursday Club'; despite demands and pressures, they remained upbeat;
- school improvement activity had been amended to reflect the focus on the remote offer;

- the remote offer had been adapted to reflect the needs for each community and reviewed weekly;
- communication with parents continued to be good; and
- the remote offer was providing exciting opportunities despite the challenges; it would remain on the agenda indefinitely.

Directors asked if comments had been received from the Trade Unions in relation to the number of pupils accessing on-site provision and had staff been comfortable with the arrangements in place. In response, the COO(P) reported that leaders had reviewed the capacity for each school based on available staffing and working within DfE guidance. The situation had been challenging however, not uncomfortable. She advised that demand for places had been high and, in some cases, requests had not been agreed although maximum flexibility (in so far as was possible) was applied.

St Mary's College Update.

The Headteacher reported that an average of 80 students were attending on site each day. This was manageable within the available structure and did not appear to be increasing. The situation would continue to be reviewed to ensure all students were receiving appropriate provision and resources.

Directors asked if trade unions had commented on the arrangements. In response, the CEO reported that good relationships had developed across the city with the LA, Trade Unions and MAT leaders; meetings were held weekly and areas of concern addressed. This had reduced the levels of concerns raised by the professional organisations who had expressed confidence in the actions of leaders.

Directors sought clarification on the role of the Chaplaincy Team during the current situation. In response, the COO(P) reported on support received from the team to deliver collective worship and their contribution to a primary phase newsletter. She advised that Google Classroom was used to conduct remote collective worship with children at home joined by children in school.

The Headteacher advised that similar activities were taking place at St Mary's College. Collective worship was being conducted by year group in addition to the support provided to individual students and families.

Directors were informed of the support the Chaplaincy Team had provided to the Foodbank. They continued to work with local charities, and staff had been generous with their time and donations of food and money.

Mr Cuthill reported a thought for the day had been shared by the Chaplaincy Team, they had also supported Fare Share to distribute food amongst the community. They had done this throughout the summer and had been very involved in helping needy families.

Directors asked for an update on staff welfare. In response, the CEO advised that regular checks were being made. Younger staff had been a particular focus as some had little family support. Monitoring of staff wellbeing would continue to be a trust-wide focus.

Directors commended the manner in which staff had responded to the significant changing situation and asked that thanks be conveyed to them to acknowledge the level of work done over a short period of time and in very challenging circumstances.

RESOLVED: that the update from Trust leaders be received with thanks.

- 590 REPORT FROM THE CHIEF FINANCIAL OFFICER. The CFO confirmed she had no additional information to present.
- 591 REPORT FROM THE CHIEF OPERATING OFFICER (PRIMARY). The COO(P) confirmed she had no additional information to present.
- 592 POLICIES FOR REVIEW. Directors were asked to approve the Parent Code of Conduct, copies of which had been circulated electronically, in advance of the meeting.

Directors were informed that the Code of Conduct had been introduced to address an increased number of problems presented by parents. This approach would support staff to address issues in a more formal manner.

RESOLVED: that the Parent Code of Conduct be approved, as presented.

- 593 REPORTS FROM DIRECTORS. It was acknowledged that due to the current situation, no visits had been conducted.

Mr Cuthill reported that over the last 15 years, St Mary's College staff and students had produced and circulated a CD version of a newsletter to the visually impaired. The demand for the CDs had increased owing to the current situation and the Chaplaincy Team had responded willingly to meet demand. He stated that this was in tune with the church's mission and expressed hope more students would become involved when circumstances allowed.

- 594 DATE AND TIME OF NEXT MEETINGS.

RESOLVED: that dates and times of meetings be confirmed as follows:

Spring Term 2021

Finance, Assets and Audit Committee:	21 January 2021 - 5.00pm
Curriculum, Teaching and Learning Committee:	23 February 2021 – time to be confirmed
Human Resources Committee:	4 March 2021 – 1.30pm
Finance, Assets and Audit Committee:	11 March 2021 - 5.00pm
Board meeting:	25 March 2021 – 5.00pm

Summer Term 2020

Strategic Committee:	15 April 2021 – 5.00pm
Finance, Assets and Audit Committee:	6 May 2021 - 5.00pm
Curriculum, Teaching and Learning Committee:	4 June 2021 – time to be confirmed
Human Resources Committee:	1 July 2021 - 1.00pm
Finance, Assets and Audit Committee:	8 July 2021 - 5.00pm
Board meeting:	15 July 2021 - 5.00pm

Curriculum, Teaching and Learning Committee meeting to be arranged late summer term to receive primary outcomes (date to be set in line with receipt of outcomes)

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Signature of Chair

Action

Minute No	Action	By Who	By When
581	Mr Fearnley elected Chair – update records	Clerk	25/2/21
583	Mrs Dyas elected Vice-Chair – update records	Clerk	25/2/21
584(i)	Consider arrangements to minimise impact of potential membership changes	Clerk & CFO	25/2/21
584(ii)	CEO appointed as Director – update records	Clerk CFO	25/2/21
584(iii)	Link appointments – update records	Clerk	25/2/21
588	Delegated levels of expenditure changes – update records	Clerk CFO	25/2/21

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The St Cuthbert's Roman Catholic Academy Trust

Minutes of a virtual meeting of the Board of Directors
held on 14 January 2021 at 5.00pm

PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association

595 MINUTES OF THE LAST MEETINGS.

RESOLVED: that the minutes of the meeting held on 9 July and 1 October 2020 be confirmed as correct records and signed by the Chair.

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

597 MINUTES OF COMMITTEE MEETINGS.

RESOLVED: i) that the minutes of the following meetings be received, for information:

Finance, Audit and Capital Assets Committee meeting held on 22 October and 3 December 2010.

Human Resources Committee meeting held on 19 November 2020 (amendment noted).

Human Resources Committee meeting held via email December 2020.

ii) that the minutes of the following meetings be confirmed as correct records and signed by the Chair:

Human Resources Committee meetings held on 21 and 24 September 2020

Appeals Committee meeting held on 27 November 2020

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

599 LEADER'S UPDATES – PART B. There were no further reports to receive.

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signature of Chair