

INDEPENDENT PROFESSIONAL CLERKING SERVICES

The St Cuthbert's Roman Catholic Academy Trust

Minutes of a virtual meeting of the Finance, Audit and Capital Assets Committee
held on 6 May 2021 at 5.00pm

PRESENT: Mr P Fearnley, in the Chair,
Mr M Davidson, Ms R Dex, Mrs L Dyas

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

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

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

598 APOLOGIES. Apologies for absence were received from Mr Davison and Mr Gallagher.

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

600 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 11 March 2021 be confirmed as a correct record and signed by the Chair.

601 MATTERS ARISING FROM THE MINUTES. It was noted that updates on actions would be received during the meeting.

FINANCE

602 BUDGET UPDATE. The Finance Manager drew attention to papers circulated in advance of the meeting and highlighted key points:

- Information had been received relating to the GAG funding for 2021/22;
- clarity had been sought on changes to the primary allocation due to reduced pupil numbers; the consistency with which the formula had been calculated was questionable;
- discussions had taken place with Executive Leaders and Heads of School to review staffing and curriculum requirements; special attention had been placed on Year 7 and the Sixth Form due to significantly increased student numbers which would require additional resources; and
- primary school budgets would be adjusted to reflect changes in pupil numbers.

Directors sought clarification regarding funding for the Teaching School Hub. In response, the Finance Manager explained that the funding would remain in the budget until a separate cost centre had been established. He reported that there had been no change in the funding position as income had covered expenditure incurred.

Cashflow

It was reported that cashflow had been well managed and remained within the £350,000 agreed.

Actual vs Budget

It was noted that variance reports had been circulated in advance of the meeting.

Directors questioned the difference shown in the consolidated income and expenditure. In response, the Finance Manager explained that this was due to the central charges which had been reflected in individual budgets.

Directors echoed concerns highlighted earlier regarding the reduced primary school income and the impact this would have long term.

Directors asked if the St Mary's College leadership restructure had been included in the information presented. In response, the CFO explained that work was on-going to develop scenarios based on potential outcomes, all of which would be within agreed tolerances. She expressed confidence that the selected option would be managed within this. The CFO added that assumptions for staffing had also been made based on updated intelligence which could result in duplication of costs; these would be addressed and more details would be available for the next meeting.

Directors asked if the projected deficit for the central services budget would be redistributed across the schools budgets. In response, it was confirmed that individual schools budgets would be amended to provide a zero balance for the central services budget.

Directors suggested that details of pupil numbers be added to the spreadsheets to allow them to assess the impact on budgets of pupil number variances. The Finance Manager agreed to this and asked if Directors were satisfied with the level of information provided. **In response Directors agreed the material circulated had evolved over time and was very informative.** The CFO pointed out that in addition to the termly information circulated to the committee, key points of which were shared with the Board, the Chair received updates and budget reconciliation information monthly.

Budget to Final Accounts Reconciliation.

The Finance Manager drew attention to the reconciliation report, copies of which had been circulated earlier in the day. He apologised for the late circulation and asked that any questions be presented after the meeting. Also circulated had been the variance report which explained budget variances had been mainly Covid related.

Balance Sheet

The Finance Manager reported that import issues had prevented update of the balance sheet; this would be presented at the next meeting.

Reserves

Directors were asked to note that reserves were being maintained above the agreed minimum level.

The Chair commended the quantity and quality of the information presented; he asked that thanks be conveyed to the team.

AUDIT

603 REPORT FROM THE CHIEF FINANCIAL OFFICER.

Accounting Officer Report

1. Regularity

- *Academies Accounts Direction 2020/21 had been published and a copy had been shared with the Chair of the Committee*
- *Condition Data Collection (CDC) 2 has commenced to help target future investment in the school estate in England. CDC2 will run from April 21- Mar 26. St Richard's was currently under review.*

The review of St Richard's was expected to raise the profile of the aging condition of the site.

- *2021/22 22 Student Financial Support Scheme Guides had been published and distributed to 6th Form students.*
- *Pupil premium conditions of grant 2021/22 had been released and suggest that the regularity of this funding may be checked formally during the external audit. The CFO was due to meet RSM representative this month to discuss preparatory work for the 2021 audit.*
- *Academy Trust Financial Returns 2021 -2022 as follows:-*
 - *Land Buildings Control Tool 9 November 2021*
 - *Financial Statements 31 December 2021*
 - *Accounts Return 25 January 2022*
 - *Budget Forecast Return Outturn 17 May 2022*
 - *Budget Forecast Return 3-year 26 July 2022*
- *View My Financial Insights Tool was now live, and the Chair, AO/CEO and CFO would be working on this together.*

Use of the Tool had been helpful in providing insights to comparisons for benchmarking; this would allow more work to be undertaken to obtain meaningful benchmarking data.

2. Propriety

- *A response had been received from the Regional Office in respect of the letter sent to Eileen Milner; a meeting was expected take place at some stage this term.*

3. Value for Money

- *The resignation of the Procurement Manager had put a hold on the big-ticket procurement exercises planned for this half-term.*

Work started by the Procurement Manager would be continued following the appointment of a replacement.

- *A range of mid value procurement exercise were underway for SMS text service, grounds maintenance and electrical testing.*
- *£75 million of low carbon funding had been released to the public sector on the 7 April 2021. Bids had been submitted for STM and St R's as soon as the portal opened, to be advised that all the funding had been allocated. A 3rd tranche of funding was due shortly and it was hoped the bids would be well developed by this point.*

The CFO expressed disappointment that the Trust had failed to secure any carbon funding; she highlighted that key successes had been connected to the NHS.

Directors were asked to approve expenditure up to £8000 to develop bids for St Thomas More and St Richards Primary Schools. The CFO explained that the funds would be used to source a third party to conduct fuel efficiency measurements to ensure information was based on actual and not estimated data; this would be used to support further applications for funding.

Directors asked how the proposal to seek external funding correlated with the ongoing surveys conducted on the primary estates. In response, the CFO acknowledged there needed to be a balance however, high risk areas needed to be mitigated. She advised that any changes to the estates would be known by the time funding was agreed; at that point, choices would need to be considered; until decisions were made relating to the future of sites, external funding would continue to be sought to prevent the risk of essential repairs which would be costly and funded from the Trust's budget.

RESOLVED: that £8000 to support applications for funding be approved.

Chief Financial Officer Report

Following the Easter Break, the Business Support function has returned, as planned, to full working from site. It has been a real boost to all staff members wellbeing to reconnect with colleagues and there has been an injection of pace given the improved opportunities for working collaboratively across specialisms on behalf of the Trust.

Given the strong progress we have made this year in the area of asset management and procurement practices, it was disappointing to receive the resignation of our Business Support Manager responsible for these areas. Steph Pinnell is due to move across to a strategy management role for the NHS and we thank her for all her efforts for the Trust and have sent her off with our best wishes for future success. The vacancy was internally advertised, and I am delighted to report that we have secured an excellent replacement from within our own resources. Emily Saddington will be stepping up to this junior management role and brings with her a level 4 AAT qualification and she is keen to continue her professional education with a level 5 Certificate in Procurement. We will be backfilling the team at a more junior level in the near future.

We received our 21-22 GAG statements at the beginning of April and they were lower than expected largely due to drops in associated income from primary admissions. The Lead Finance Manager and CFO have discussed how we can more accurately project future income streams around changeable admission numbers for the future.

The CEO / Accounting Officer, CFO and COOP met for the annual budget setting meetings with all primary HoS. Primary budgets this year are being set against a very challenging backdrop of declining primary admissions across the city and country, and the ongoing unplanned expenditure relating to COVID-19 and ensuring our schools continue to be safe. The Lead Finance Manager is presenting finance packs this evening on the basis of where we are at currently with the working budgets and there is more work still to be done here.

We have accessed all available extra funding for COVID expenditure but have not yet been advised of any further exceptional costs' payment. We continue to incur high levels of additional cleaning costs (staffing and materials) across the Trust. We recently answered the national call for schools to join the Daily Contact Testing pilot and St Mary's College was accepted and has gone live as part of the national control group. We are the only school in the Diocese to be included in the pilot and this will run from 19 April through to the 25 June. Alison Irwing from the Business Support team will manage this pilot which broadly requires us to provide any school based positive cases who have given consent with an alternative PCR test so that their results and close contacts can be separately monitored. We are being paid just over £1000 for each week of the trial.

Our newly named Vantage Teaching School Hub (North Humber) has been established and is moving at pace.

Finally, following a catastrophic cyber-attack on the Harris Foundation Academy Trust, there is now a lot of activity in the system about cyber risks in education. As previously reported to this Committee, we have joined a cyber risk pilot being run by our insurers, and this is requiring us to review our strategy and defences in this regard. Together with my ICT Network Manager, I will be recommending some generic staff INSET and a technical response in terms of improving the configuration of our own virus protection and filtering systems which are industry standard.

604 CORRESPONDENCE FROM THE ESFA. The CFO drew attention to interactions with the ESFA since the last meeting:

- 31 March – GAG Statements uploaded to ESFA Document Exchange & 16 – 19 Bursary Fund and Checklist released.
- 21 April – COVID-19 Summer School Programme funding available.
- 5 May – Academies to receive separate Teachers Pay Grant and Teachers Pension Employer Contribution Grant allocations until Aug 21. From Sept 21 it will be included in NFF allocations.
- Primary PE and Sport Premium Allocations published.

Directors asked if there would be any impact on the budget position as a result of the change in the Teachers Pay and Pension Grants. In response, it was explained that details of how this would be introduced had not been received although it was expected there would be slight disadvantage; this would be difficult to detect due to the way in which the formula was reported.

The Finance Manager pointed out that pay and grants had been included in the AWPU funding; it had been other elements of funding which had impacted negatively, especially on the primary schools.

- 605 AUDIT REPORTS. The Internal Finance Manager reported on areas of review conducted since the last meeting:

Income – feedback was awaited although no areas of concern had been identified.

Document retention would be an area for review this term to ensure GDPR compliance.

The CFO reported that she had been satisfied with the manner in which internal reviews had been conducted. She advised that a meeting had been arranged with the External Auditor next week; this may result in the remit of the committee being reconsidered or proposed changes to the way in which audit matters were reported, to comply with expected changes in the ESFA Financial Handbook.

- 606 POLICIES FOR REVIEW. It was noted that the charging and community use policies were currently under review.

The CFO reported that during the review it had become clear the policies required updating to provide consistency across the Trust. Templates, with accurate local variations would be provided for each school; these would be forwarded to the Clerk for circulation to Directors for comment.

RESOLVED: i) that the charging and community use policy templates be forwarded to the Clerk for circulation to Directors.

ICT acceptable use policy – Directors were informed that the policy had been reviewed with the Network Manager, in response to the cyber risk management issues reported earlier. The detail of the policy required testing after which, it would be circulated for comment.

Directors asked who the policy was targeted towards. In response, it was explained the policy would be sub-divided to reflect expectations of the specific audience.

Educational visits policy – the policy would be reviewed to reflect recent challenges and the manner in which they would need to be addressed.

RESOLVED: ii) that the ICT acceptable use policy and educational visits policy be circulated to Directors for comment.

HEALTH, SAFETY AND PREMISES.

607 HEALTH, SAFETY UPDATE.

It was reported that the Estates Manager was working with site staff to complete compliance audits; these were being conducted using information provided by Stallard Kane. The audit of Endsleigh Primary School had been completed; no issues had been identified although works would be undertaken to improve the overall environment. Samples of the reports would be presented at the next meeting.

RESOLVED: that sample health and safety compliance reports be presented at the next meeting.

608 CAPITAL ASSETS UPDATE.

Directors were reminded that at a previous meeting, proposals had been presented for a schedule of repairs based on projected School Condition Funding. The amount of funding to be received had been confirmed and would allow all priority and most development requirements to be completed. Further requests had been received and meetings had been held with Executive Leaders to identify additional priorities.

It was proposed that once finalised, the plan be circulated for consideration.

In response to a question, the Finance Manager confirmed that funding would be received between June and August, prior to the majority of the work commencing.

Directors asked if reasons had been given for the increase in funding. In response, Directors were reminded of the small, ad-hoc increase received at the latter part of last year. No reason for that, or the recent increase had been given. There had been no increase in the Devolved Capital funding and criteria for allocation of the condition funding was very strict.

RESOLVED: that the final School Condition Allocation Funding plan be circulated to Directors.

609 DATES AND TIMES OF NEXT MEETINGS.

RESOLVED: that date and time of the next meeting be confirmed as 8 July 2021 at 5.00pm

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signature of chair

ACTIONS

Minute No	Action	By who	By when
606(i)(ii)	Charging, community use, ICT acceptable use and educational visits policies be forwarded to Clerk for circulation to Directors	CFO	17.06.2021
607	Sample H&S compliance reports be presented at the next meeting	CFO – reports Clerk - agenda	24.06.2021
608	SCAF plan be circulated to Directors	CFO	17.06.2021
612	Arrange for meeting with reviewer	Clerk/CFO	24.05.2021

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PART B - NOT FOR PUBLICATION

Confidential items covered by the Articles of Association.

610 MINUTES OF THE LAST MEETING.

RESOLVED: that the minutes of the meeting held on 11 March 2021 be confirmed as a correct record and signed by the Chair.

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

Mrs Hunter and Mr Rookes were thanked for their attendance and left the meeting.

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signature of chair