



TRUST BOARD RESOURCES COMMITTEE

Minutes of a Virtual Meeting of the Resources Committee of the Trust Board of South East Cornwall Multi Academy Regional Trust held on at Wednesday 8th June 2022 at 5.30 pm.

Present	Yes/No	In Attendance	Yes/No
Mr Marcel Aarts	Yes	Mr D Buckley, CEO	Yes
Mr Lee Hallam	Yes	Mrs J Lumbard, CFO	Yes
Mr Chris Piper	Yes	Mr Steve Green, COO	Yes
Mr R Newton Chance, Temp Chair	Yes	Mrs K Williams, Clerk	Yes

Summary of matters for the Trust Board

- a) The draft budgeting process was discussed ahead of the next Resources committee meeting in July.
- b) Mr Aarts has joined the Resources Committee as the newly appointed Finance Trustee.
- c) The LGCs raised two areas of concern: Landulph ICLFPs for future years and Liskeard's boilers. Both concerns have been considered and Liskeard will have the boilers replaced under PFI funding.
- d) The Trustees have reviewed the 16-19 Bursary Policy and would like to recommend it for full Trust Board approval.
- e) The Trustees have discussed the Trust's response to the climate emergency and sustainability of the schools. This will be discussed again at future meetings.

27. **Welcome**

Mr Newton Chance agreed to chair the meeting and welcomed everyone, especially Mr Aarts, recently appointed Finance Trustee.

28. **Declaration of Business or Pecuniary Interest and Academy-related parties - update on any changes since completion of written declaration**

There were no declarations.

29. **Apologies for Absence**

All Trustees were present.

30. **Approval of minutes of meeting held on 28th March 2022**

The minutes of the meeting held on 28th March 2022, having been circulated in advance, were agreed as an accurate record and will be signed.

31. **Matters Arising**

M18. Matters Arising

M10. Review the effectiveness and efficiency of the staff model used and consider the Annual Pay Settlement for approval to Trust Board

- b) A Trustee queried the teacher contact ratio for Looe and thought it was not correct. Mr Buckley

advised that the formula might not be correct.

Update 28-03-2022: Mrs Lumbard advised that it was an issue with the formula and the correct figure is now 0.97. Trustees felt that this was incorrect. Mr Buckley advised that this might include PPA. Trustees requested that this be reviewed again. To be clear, it should be total number of timetabled periods divided by the FTE x total hours in a timetable cycle (probably 25 or 50).

*Update 08-06-22: Mrs Lumbard advised that teacher contact ratio comes out at 0.85 and previously the formula was not correct. **A Trustee noted this is very high** and Mr Buckley advised that the majority of staff work part time and the Headteacher is creative with timetabling.*

32. Finance Update

Including draft budgeting process. A document had been circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that in previous years, she has been able to provide a draft copy of ICLFPs (Integrated Curriculum Led Financial Planning) but this has not been possible this year because of the timing of the Easter holidays and we have had some staffing issues with long term absence which have resulted in there being some pressures within the finance teams at Liskeard and Dobwalls. **A Trustee asked if Mrs Lumbard needs support.** Mrs Lumbard summarised the current situation and in the short term, she is managing but she will be seeking support from colleagues. **Trustees felt that buying in more personnel would be beneficial and they would support Mrs Lumbard with this.**
- b) Mrs Lumbard advised that she will be meeting with Mr Aarts for a Finance Trustee induction.
- c) Mrs Lumbard advised that budgeting assumptions have been made. In regard to the National Funding Formula, the hard formula should be adopted in 2025/26 but may be pushed back to 2027/28.
- d) **A Trustee asked for clarification on the Teachers' Pension Grant.** Mrs Lumbard advised that is weighted on pupil rates. Mrs Lumbard advised that there are changes to teachers pay for the next two years and starting salaries will increase to £30k and in order to achieve this, there is a proposal for pay increases which are tapered from lower to higher and UPS increases are coming in at 3% which reduces over time to 2%. Support Staff pay increase is 4.7% from April 2022 and then decreasing in future years.
- e) **A Trustee asked about an uplift in the budget and queried if this is a low assumption in the current environment.** Mrs Lumbard advised that it is but she is using the assumptions from ASCL. We tend to adopt the NJC (National Joint Council) increases based on their negotiations and they have just launched a support staff pay claim for 2022/23 where they are looking to have a 4.7% increase in pay with a decrease of working hours to 35 per week with an additional days leave. Mrs Lumbard hopes that negotiations don't go on for as long as last year as this does impact Support Staff pay which then needs to be back paid and they are some of the lowest earning staff.
- f) Mrs Lumbard advised that we are still waiting for the announcements on the continuation of Sports Premium Funding for our primary schools. This funding provides our primary schools with the money to be able to have sport related projects within schools. We are hoping that the government will release information as soon as possible.
- g) Mrs Lumbard advised that employer deficit contribution for LGPS (Local Government Pension Scheme) is a key risk. **A Trustee asked about the likely risk for this.** Mrs Lumbard advised that she does not have this information at the moment but at the last triennial revaluation it remained static. **A Trustee asked if it were to increase by 5% for example, what would happen.** Mrs Lumbard advised that there are two elements of employer contribution to the LGPS. There is the employer deficit contribution and a percentage paid per employee dependant on earnings. Currently this is 17.80%. **A Trustee asked if this is an invested fund and is it dependant on the stock market. A Trustee asked if this scheme is for the support staff.** Mrs Lumbard advised that

this is for the Support Staff it is an invested fund and teachers have their own pension scheme which is not. **A Trustee asked if this then only relates to a small percentage of staff** and was advised that it is not a large amount of staff although Mr Buckley added that a third of staff in the Trust are support staff but in terms of salary impact, it is less than the teachers.

- h) **A Trustee asked for clarification on the teachers' pay increase and if this is fully supported by the government.** It was advised that the government do not commit to fully funding pay rises. Mrs Lumbard added that as a Trust, we can choose to adopt the NJC pay increases for support staff and we weigh up the affordability with the retention of staff and to date, the Trust have adopted these increases. Mr Buckley advised that there are very few Trusts who go outside of the national framework.
- i) **A Trustee asked about the Dobwalls nursery staff and where they sit in terms of the pension scheme.** Mrs Lumbard advised that the staff have been TUPE'd over onto the LGPS and they would have been included as part of the revaluation but the impact of them joining is not significant due to the number involved and their level of earnings
- j) **A Trustee asked about the budget deficit for 23/24 and 24/25 on the ICLFP and are these due to incremental cost increases.** Mrs Lumbard advised that this was correct and the updated ICLFP is looking improved in future years which includes Landulph which has been highlighted as an area of concern by the LGC (Local Governing Committee). Trewidland are still reviewing their class model as they have increased pupil numbers so are in a much more favourable financial position.
- k) **A Trustee asked if the financial situation is manageable long term.** Mr Buckley advised that long term, it is manageable. We strongly control the replacement of staff and we have temporary contracts in place to allow flexibility if there are changes to pupil numbers.
- l) **A Trustee queried the issues at Saltash** and Mr Buckley advised there have been changes in staffing and ECTs (Early Career Teachers) have impacted budgets as they are now more expensive than the previous NQT (Newly Qualified Teacher) framework.
- m) **A Trustee asked in terms of staff retention and recruitment, what is the impact of having more temporary contracts.** Mr Buckley advised that we have some flexibility around Learning Support and Teaching Assistants and in terms of Teachers, we have not offered incentives to attract teaching staff.

33. **Resources update (IT, H&S, Catering, Cleaning, Capital projects)**

Estates vision & Strategy documents had been circulated in advance of the meeting. From these:

- a) Mr Green advised that we have severe IT staff shortages but this is not manifesting in issues due to having the single domain in place and the investment in this. We only have three IT technicians on sites across the Trust at the moment.
- b) An IT security review was completed in March and an email and phishing package has been approved and purchased and should be installed this week. **A Trustee asked about IT staffing issues and is this a sickness issue.** Mr Green summarised the long-term sickness and recruitment within the IT team. We are advertising for a new IT apprentice for Saltash.
- c) H&S
A draft H&S policy statement has been circulated and a further draft will be shared once feedback has been received from the Local Governors. Mr Green has checked and corrected the links within the policy.
- d) Building compliance
The target was to embed the compliance spreadsheet which has been rolled out to all the schools. It has been initiated but not embedded and the exception list is longer than expected. There are issues with paperwork being available although Mr Green is not overly concerned as

work in the main has been completed.

- e) **A Trustee felt that much of the information supplied by Mr Green should be included in the Audit & Risk Committee.** Mr Green advised that there is some cross over as this is included in the H&S and Premises element of the Resources Committee. **A Trustee suggested that the exception report to the Trust should be categorised into statutory etc.** Mr Green advised this would be easy to add a further column of this information.
- f) **A Trustee asked to what extent we can separate compliance and H&S and Premises between the committees.** A Trustee felt that we need to put some time aside to decide what sits within each committee and the Clerk had circulated a useful document which should be considered moving forwards. The Clerk to arrange a meeting.

Action: The Clerk
- g) Mr Green advised that the BDP (Business Development Plan) has been discussed at the TOLT (Trust Operational Leadership Team) meeting and they have discussed the inhouse compliance testing and external testing for the new academic year's plan.
- h) As previously agreed, the catering contract has been extended for a further 2 years. We receive a return from Chartwells for operating on site which would not be the case for other contractors. There may be some minor negative feedback on the service provided by Chartwells. **A Trustee asked about the catering contract and queried how the performance of these large contracts is reviewed by the Trust Board.** Mr Green advised that a customer satisfaction survey was undertaken and this has come back as industry standard. The areas which have not performed well such as queueing is a school issue rather than a Chartwells problem. **A Trustee suggested that the Trust Board need assurance that the contracts are performing as expected.** The Clerk will add to the next meeting agenda.

Action: Clerk/S Green
- i) Mr Green advised that the cleaning contract has also been extended for a further 2 years as previously agreed.
- j) The capital contract programme has just over £1million of works agreed for this year. If the work comes under the budgeted value then we aim to bring forward other works on the programme. **A Trustee noted the condition surveys which require works of £6million which only has a £1million budget in the current year. The Trustees asked how this works and are the buildings continuing to deteriorate.** Mrs Lumbard advised that across the Trust we have very different buildings, the secondary buildings were built in the 1960's whereas the primaries are Victorian buildings. The valuations for the works included in the condition surveys are normally higher than when we go out to tender and so there are savings to be made.
- k) Mrs Lumbard explained that there are some works on the surveys which are not urgent such as the recommendation to replace all the parquet flooring in Saltash but there are some more pressing needs and works for consideration. We receive approximately £500k per annum and this is not enough to address the condition of all the buildings so we liaise with the Operation Managers to ensure that we target money to the most necessary projects.
- l) **A Trustee asked if these are five yearly condition surveys.** Mrs Lumbard advised that yes they are and the works are categorised into priority. Mr Buckley advised that all red areas have committed funding. The areas which are more difficult are the amber and green areas. Mr Buckley added that the total cost of the red areas has been reducing year on year from the original surveys. Mrs Lumbard advised that we have the benefit of the historic PFI (Private Funding Initiative) for 3 of the schools. This funding comes directly from the LA (Local Authority).
- m) Mr Green advised that the Liskeard LGC had previously mentioned the leaking roofs at the school and had made a request for support from the Trust to rectify the problem. This was within the PFI schedule of works and we made this a H&S issue which forced this into the works programme held by the LA. The replacement of boilers at Liskeard are now a H&S issue. These are also

included on the PFI backlog works. We have liaised with the LA and who have now agreed to give the works a higher priority and they will provide the funding for this whilst we will arrange the works. The potential knock on is there is less money in the programme for any future projects as we are taking the money now to replace the boilers. The Operation Manager is aware of the update in progress towards the replacement boilers and the Clerk will report back to the Liskeard LGC.

Action: The Clerk

n) **A Trustee queried the incidents stats and asked why are Liskeard a outlier.** Mr Green advised he believes Liskeard are better at reporting. Mr Green advised that Saltash is more of a concern and he will be meeting with them soon to review this. Mr Green summarised the changes in staff at the school which may have impacted incident reporting.

o) Estates vision & Strategy documents

Mr Green advised that he has developed this document for the Trust following a process established by the DfE. **A Trustee asked why the strategic review is not the starting point of the process. A Trustee queried extreme conditions and our impact on the environment. A Trustee asked what does “adequately appointed” mean.** Mr Green advised that “adequately appointed” is being fit for purpose rather than overspending unnecessarily. **A Trustee wanted to raise climate change as an AOB if possible. A Trustee noted that we are just doing enough to keep the estate ticking over and queried if we are should be aiming for a long-term vision of an improved estate which is environmentally sound. A Trustee reiterated that the process is well established and is supported but the thread of sustainability needs to be stronger in the document.** Mr Buckley added that the first Trust to try to build their own building has 65 schools and SMART only has 6 schools so we would need to be much larger to be able to afford building our own school. **Trustees felt that setting an aspirational vision is important.** Mr Buckley advised that realistically we are still on a patch and mend approach for the estate due to the limitations of funding and so we need to have a realistic vision. This was discussed at length. **Trustees felt that sustainably should be the core backbone of what we do which then drives the behaviour of everything else.**

34. **Issues raised by LGCs**

a) Concerns about Landulph’s budget for future years

This was discussed in the finance update and the updated ICLFP is much improved for future years.

b) Liskeard boiler replacement

This was discussed in the finance update and Trustees were advised that PFI funding will be paying for the replacement whilst the Trust arranges the work.

35. **Monitoring and overseeing the LGCs are fulfilling obligations towards Resources Issues**

a) Finance Knowledge Organiser

A Trustee thanked the Clerk for the writing the organiser and queried if actual figures can be added to the organiser and if it might mislead the LGCs into believing they have more responsibility for finance than they do. Mr Buckley advised that we have a standard format for the Knowledge Organisers.

Action: The Clerk

36. **Policies to consider and agree**

a) SMART 16-19 Bursary Policy

Mrs Lumbard advise that there are only minimal changes to the year and income thresholds. Updated guidance has been reviewed and there are no significant changes. **A Trustee asked how much money we are getting for Liskeard and Saltash.** Mrs Lumbard advised that we are getting about £32k. **A Trustee queried the 20% of bursary being held for late applications.** Mrs Lumbard advised that we have a cut off for bursary applications at the end of September and noted that financial circumstances can change rapidly. We monitor the spending to ensure that we are not carrying forward significant amounts of money and the funding is spent on the students who need it to enable them to access post 16 learning etc.

- b) Trustees were content to recommend the policy for Trust Board approval.

37. **Agreements made by email**

- a) MFD Tender for Liskeard and Looe – March 2022
- b) Proposal for continuation of Cleaning and Catering Contracts – April 2022

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- e) The Trustees have discussed the Trust's response to the climate emergency and sustainability of the schools. This will be discussed again at future meetings.

39. **Response to climate emergency – a Trust Wide approach**

- a) **This was raised by a Trustee who asked what is the position of the Trust.** Mr Buckley advised that this is included in the BDP and one of the targets was to establish the strategy but Covid, Dobwalls nursery and staffing issues have meant that this has been delayed to next year. This is an aim in its own right and this is an objective of the BDP and Trustees expertise in this is valued.
- b) **A Trustee asked if the Trust Board need to regularly monitor this.** Mr Buckley advised that the BDP is the right place for the strategy to sit and we undertook a survey of all children which resulted in the primary schools having this as a clear priority but not at the secondary schools whose priority is the learning lost.
- c) **A Trustee felt that perhaps the climate emergency could sit in this committee. Decarbonisation is a key priority and queried if schools get funding to help towards energy.** Mr Newton Chance explained that the estates are very large and therefore they have very large and many boilers so air or ground source heating is not practical or financially viable. Mr Green advised that this has been discussed and the new boilers at Liskeard though gas fired, will be more economical.
- d) Mr Green advised that we have added no single use plastic to the catering contract so there are activities towards sustainability and the environment which are taking place. **A Trustee noted that the Trust Board are not aware of these. A Trustee queried what is planned for next year and how the board holds the team to account for progress towards this.** Mr Buckley added that we brought the whole estate team together this year and a joint plan has been instigated this year. We need to put time into having a strategy which will lead to reporting so we have an opportunistic approach at the moment. **Trustees felt that activity needs to be reported back to the board.** Mr Buckley felt that doing a job once and well is important and this needs to be done in a sensible and measured way in the BDP.
- e) **A Trustee asked about gas and electric prices and is this a major consideration in budgeting.** Mrs Lumbard advised that two primary schools are oil due to their rural location and we have put in a contingency into budgets for likely increases. We have fixed gas contracts for another 12 months and the contract has essentially paid for itself given the recent energy increases. Electricity contracts expire in October 2022 so we are in conversation with our energy broker for advice on a possible way forward. Mr Green is waiting for a response but the broker can't normally provide advice until three months before the contract expires. This is a financial risk but not significant.

