



TRUST BOARD RESOURCES COMMITTEE

Minutes of a Meeting of the Resources Committee of the Trust Board of South East Cornwall Multi Academy Regional Trust held on Wednesday 14th July 2021 at 5.30 pm.

Present	Yes/No	In Attendance	Yes/No
Mr B Cook, Chair	Yes	Mr D Buckley, CEO	Yes
Mr L Hallam	Yes	Mrs J Lumbard, CFO	Yes
Mr C Piper	Yes	Mr S Green, COO	No
Mr R Newton Chance	No	Mrs K Williams, Clerk	Yes

42. **Welcome**

The Chair welcomed everyone to the meeting.

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

None.

44. **Apologies for Absence**

Mr Newton Chance had sent his apologies in advance of the meeting and these were received and accepted by the committee.

45. **Approval of minutes of meeting held on 10th June 2021**

The minutes of the meeting held on 10th June 2021, having been circulated in advance, were agreed as an accurate record and will be signed when social distancing ceases.

46. **Matters Arising**

M34. Finance Update

d) It was agreed that Mr Hallam as a newly appointed Trustee would meet with Mrs Lumbard to discuss Trust finances.

Update: This meeting needs to be scheduled.

M36. Resources update (IT, H&S, Catering, Cleaning, Capital projects)

b) A Trustee queried the central procurement for the Trust and noted it would be useful for Trustees to know the scale and be provided with costs for this on the report. It was agreed that an update would be provided at the next meeting.

Update: This will be available at the next meeting.

47. **Draft school budgets – For approval**

a) Trustees thanked the CFO and the finance teams for their work in getting the budgets together and in good order.

b) **A Trustee asked if the Teachers' Pay Grant and the Pension Grant is being paid in a different way now.** Mrs Lumbard advised that this is now included in the per pupil amount allocated to the schools and we so we are slightly better off using this methodology by about £70 per pupil. Mrs Lumbard advised that there is confirmation that Sports Premium Funding is carrying on for next year. **A Trustee asked what would be the impact of this not carrying on.** Mrs Lumbard explained that this is a restricted fund and must be used under certain guidance. The impact of the Sports Premium not being in budgets in future years would have meant that we have not been able to

include extra staffing.

- c) **A Trustee queried the gain of £70 in per pupil funding** and Mrs Lumbard explained that this is based on AWPU (Age Weighted Pupil Unit) for this year and is projected in future years with a percentage increase.
- d) **A Trustee queried the position of pay increases and pay freezes and noted that we have allowed for a 3% increase.** Mrs Lumbard explained that teachers pay is frozen from September 21 until August 22 and then there will be an expected 3% uplift on teachers' pay year on year. The increase in funding per pupil is at a much lower rate so the income and expenditure are not on par with each other and we will need to find the difference to balance budgets. The 3% inflationary increase is what is assumed realistically. The AWPU are assumptions are based on ASCL advice and most trusts use their information for budgets.
- e) Mrs Lumbard explained that in the Forecast figures for 2020/21 there are small differences in pupil numbers at Looe and Trewidland which have resulted in them receiving pupil growth funding which amounts to £69k for Looe. The schools have been able to run through the year and finish on a healthy balance. Some schools have had funding for Covid mass testing which they have been able to staff internally and this money has added to the forecast figure. The budget for 2021/22 has been helped by savings due to the pay freeze. However, as we move through future years, we will see a knock on effect of the 3% pay increases.
- f) ICLFP
Section E % spend on ICT 57 – Mrs Lumbard explained that the percentage spend of ICT in 20/21 was 2.01% and for 21/22 this has increased to 6.43%. We have worked hard to put in a ICT rolling programme and the percentage spent in schools is now within national benchmarks and is to ensure that schools have what they need.
- g) **A Trustee asked if that means that we have underspent in ICT this year and the investment is due to the need which has arisen from Covid.** Mrs Lumbard explained that two schools already had a ICT rolling programme in place which were within benchmarks. There was investment required in some schools and we were in receipt of DfE laptops and they were put into place for students. In terms of student need, as Saltash and Landulph had a rolling programme in place they had some older equipment available and so they helped the other schools to provide devices for pupils. The back end infrastructure has improved. Mr Buckley advised that the investment in ICT has been not been sufficient in some schools over the years, but all schools are now committed to a standard charge per year.
- h) **A Trustee queried budget line “Total Capital Reserve” and noted that income and outgoings should be broadly the same and asked is this correct level of reserve.** It was advised that this is the reserve for the beginning of the year rather than at the end but Mrs Lumbard will investigate and confirm.
Action: J Lumbard
- i) Mrs Lumbard advised that there is risk to the Trust in terms of the public sector pay freeze. The NJC (National Joint Council) is trying to negotiate a pay increase for support staff and there is currently no further information. Mrs Lumbard explained the possible impact to budgets and noted that the Trustees have the choice to adopt this pay increase. Mrs Lumbard will update Trustees when she has further information.
Action: J Lumbard
- j) **A Trustee asked if there have been significant operational decisions made in the schools to achieve a balanced budget and have operations changed due to financial constraints.** Mr Buckley advised that the ICLFP is reviewed regularly and we are able to discuss with a Headteacher if an issue arises and becomes red flagged. We can make adjustments in year if needed. Mr Buckley added that we are trying to get 5-year SDPs (School Development Plans) to take out further uncertainty in terms of budgeting.

- k) **A Trustee queried the position of pension deficits.** Mrs Lumbard advised that we paid around £57.5k as an increased payment for the Local Government Pension Scheme deficit. The pension details that are included in the annual financial statements is slightly different and this is done on an annual basis in line with accounting standards. We have a revaluation on the scheme every three years. Currently the Trust pays employer on costs of 17.8% per employee. This figure could change when the scheme is revalued but these figures have remained stable so far. We have another two years until revaluation.
- l) **A Trustee queried the 20/21 budgets and asked what was predicted, what was the final outcome and how variable have budgets been.** Mrs Lumbard advised that we have ended the year in a much better position than expected. Moving forward, she has applied assumptions as per guidance and we never under estimate so use knowledge as much as possible to ensure accurate and up to date information. We can only project forward on the current staffing profile that we have and this can be variable year on year. Percentages of staffing are reviewed as this is around 75% of our costs. Mr Buckley added that whilst there have been issues with budgeting previously at Liskeard, the budgeting process at this school is now much more robust.
- m) **A Trustee referred to the 23/24 budget and asked if we are predicting tightness in the budget.** Mrs Lumbard advised that we budget for 5 years and we are aware that once we get past year three, we are not certain on government funding or the profile of staffing in schools. By the time we move through these years, we are likely to be looking at a different picture. This will be continued to be monitored year on year. Mr Buckley added that in terms of staffing and recruitment, we are not permitted to specifically recruit different grades of teachers as the interview needs to be unbiased and we cannot select those on cheaper grades. Mr Buckley explained that due to a change in Government policy this year, there has been significant investment in the main scale teaching pay grades requiring schools to invest more resource into teachers in their first two years of the job. This has made main scale posts 1 and 2 as expensive as more experienced teachers.
- n) Trustees were content with the budgets as presented and wished to recommend the budgets for Trust Board approval.

48. **AOB**

- a) Mrs Lumbard explained that the energy broker has been in contact today who has advised that the energy contract is due to expire on 1st October 2021. The prices are looking favourable at the moment and with the ever-changing climate, these prices may change significantly over the next few months. Mr Green has prepared a paper, and this will be circulated by email after the meeting for the consideration and approval Trustees. Mrs Lumbard requested that Trustees reply by email by tomorrow afternoon to ensure that the best possible price is secured by the broker.

Action: All

- b) **A Trustee queried the information supplied in the paper.** Mrs Lumbard advised that this will be based on the information provided by the broker who has received three different prices.

49. **Date of next meeting:**

3rd November 2021 at 5.30 pm.

The meeting closed at 18.08

Action Summary	
M47. Draft school budgets – For approval	
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