



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 Wednesday 2nd November 2022 at 5.30 pm.

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

Summary of matters for the Trust Board – key points from meeting

- a) There are three increases in costs which significantly impact the budget: Teachers' Pay increase £176K, Support Staff pay £176k and electricity contract £198k.
- b) The Committee have agreed to the increase the threshold within the 16-19 Bursary policy from £25k to £30k. This policy will be reviewed annually.
- c) The Committee have requested a further update from the COO at the December Audit & Risk Committee meeting to seek assurance on statutory compliance.
- d) Progress towards the strategic plan aims TSP7 and 8 has been significantly impacted by staff absence.

1. Welcome

The Chair welcomed everyone to the meeting.

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

None.

3. Apologies for Absence

All Trustees were present. Mr Green was not in attendance as he is unwell.

4. Approval of minutes of meeting held on 14-07-2022

The minutes of the meeting held on 14th July 2022, having been circulated in advance, were agreed as an accurate record and will be signed.

5. Matters Arising

M45. Matters arising

M33. Resources update (IT, H&S, Catering, Cleaning, Capital projects)

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.

Update 14.07.2022: It will be included on the next substantive meeting.

Update: On this agenda. Trustees suggested that they would just need to look at KPIs twice a year to assure themselves that contracts are performing as they should. Mrs Lumbard added that we monitor the contracts and Litmus provides regular reports which can be circulated to Trustees. She will discuss further with Mr Green.

Action: J Lumbard

M50. AOB - Renewal of the electricity contracts

d) Trustees were in agreement that the authority would be delegated to the broker by a letter of authority and Mrs Lumbard will provide the flexibility of percentage for approval by Trustees by email to ensure this moves forward.

Update: Complete. A Trustee asked if the status of the contracts is on the agenda tonight. Mrs Lumbard advised that she has an update for Trustees later in the meeting.

6. CFO Finance Report – for information

Including financial concerns and monitoring of monthly spend. A document had been circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that she has circulated her report. There is an update on year end processing and out turn for each of the schools. Overall, we have come in at £18K more than anticipated and this keeps the Trust at Reserves of 8%. Across the schools, we are in a good place moving forwards.
- b) **A Trustee asked what sixth form funding is looking like at Saltash given the drop in student numbers.** Mrs Lumbard advised sixth form numbers are not looking good and we are starting to look at the ongoing flex budget and this information will be included in the period one Management Accounts.
- c) **A Trustee asked about any possibility of claw back for sixth form funding.** Mrs Lumbard advised that this is not the case. The sixth form numbers as reported in the October 22 census will form the funding for September 23 so therefore the funding is lagged.
- d) **A Trustee asked about the carry forward from Pupil Premium and is there any negative impact to pupils for not spending this funding.** Mrs Lumbard advised that the actual amounts of carry forward in relation to income for the year is quite small so the effect on pupils is minimal as we have spent what we can. Mr Buckley added that we have a detailed report on each school website of how this funding is spent as well as an impact statement. There are factors which can prevent spending but the amount that we don't spend is relatively small.
- e) Mrs Lumbard explained that there are a number of risks to the budget one of which is the Teachers' Pay increase. We had included the predicted 3% increase when agreeing the budget but the increase is now actually 5%. Across the Trust we have a large amount of staff on UPS (Upper Pay Scale) so the impact to budgets is an increase of £176k. The support staff pay deal has been ongoing but as from yesterday, there has been an agreed increase of £1,925 on each pay scale. We budgeted for less than this so it will significantly impact the budget. We are looking at another £176k increase on the budget.
- f) Mrs Lumbard advised that electricity contracts are now in place. Looking at the increase in contract against what was budgeted and the relief being provided by the government, we will have a £198k increase. Moving through the year and being aware of the effect of inflation, whilst we have budgeted a set amount, we are going to be getting less for our money although we will continue to work hard to ensure that we get good value for money.
- g) The Support Staff and Teachers' pay increase and the increase in electricity will be added to the Period one Management Accounts. So far, the government have not committed any extra funding to schools. Mrs Lumbard and Mr Buckley will be meeting at the beginning of December to look at modelling for the schools' structural budgets in the eventuality of not us not receiving any extra funding.

- h) **A Trustee thought it would be useful for Trustees to review numbers for the Trust. A Trustee referred to the government support scheme and asked if is this until April.** Mrs Lumbard advised that this is the case and we have applied the winter relief rate to the period October 22 to March 23.
- i) **A Trustee referred to the recently circulated ICLFP (Integrated Curriculum Lead Financial Planning) document and asked if this includes the increased costs.** Mrs Lumbard advised that it does not. **A Trustee asked if the £198K increase in electricity is this based on previous usage and is there anything else the schools can do to reduce energy consumption.** Mrs Lumbard advised that schools have delayed turning on the heating and it is being turned on for a reduced amount of time during the school day. Mr Green is already working on looking at moving forwards with LED lighting in the schools. We are all aware of increased costs in energy and the Operations Managers are trying to reduce consumption where possible. **A Trustee asked about statutory temperatures.** Mr Buckley advised that there is a minimum temperature for pupils but not staff which was brought in during Covid.
- j) **A Trustee referred to the government department who have stated that there is enough funding in school so the suggested policy is that we should be spending our reserves.** Mr Buckley advised that the ESFA are suggesting that Trust reserves are 10% but there is significant variation in this across Trusts nationally. 5% is the minimum amount of reserves that Trusts should be holding and where Trusts have 20% reserves, this causes a concern.

7. **Update to Policy – 16-19 Bursary Policy**

- a) Mrs Lumbard explained that the policy had been approved in the summer. There are two types of bursary detailed in the policy. The discretionary bursary has a threshold of £25k total family income and we have found that we are not catching families just side of this threshold and this is impacting students. It has been suggested that this household income threshold could be increased to £30k. The funding is available for this and Mrs Lumbard would support the change.
- b) **A Trustee asked if we would quickly run out of funding if the need is high.** Mrs Lumbard advised that proof of income is required and the head of sixth form reviews all applications. If there is unallocated funding, we look at providing enrichment for all students. If we open up access to the funding for more students, it then reduces the opportunity for enrichments but there is flexibility in the funding. It is the right time now to adjust the threshold.
- c) **A Trustee asked what is the scale and possible financial exposure from the change in threshold.** Mrs Lumbard advised that this is dependent on what the student is studying. It was noted that this funding it is allocated to the school using a formula. Mr Buckley advised that this change means that more money goes on essential needs and the school decides where it is allocated.
- d) Trustees agreed to the change in threshold within the policy which should be reviewed annually.

8. **H&S and Premises update**

Including Health & Safety Reviews and performance of large-scale contracts. A document had been circulated in advance of the meeting. From this:

- a) **A Trustee advised that there was no assurance from the report in terms of our statutory compliance.** Mrs Lumbard has followed up the red areas with Mr Green who has advised that much of this is due to the dates being Americanised. Mr Green is meeting with the Estates Manager to discuss this further.
- b) **A Trustee queried if the lack of reassurance is due to the type of report being presented or the information contained within it.** Trustees agreed that given the importance for statutory compliance, they need a further update on this before the next Resources meeting and it was suggested that an interim report needs to be provided. The Trustees agreed that this should be added to the Audit & Risk Committee meeting agenda in December as it is key risk to the Trust.

The Clerk will add to the Audit & Risk agenda. Mr Green to attend the meeting to provide assurance.

Action: The Clerk

9. **Monitoring of the MAT Strategic Plan towards Trust's objectives - (pages 16-19)**

Aims TSP7 Scalable Business Services and TSP8 Excellence in Business Practice. A document had been circulated in advance of the meeting. From this:

- a) Mr Buckley advised that we have circulated a potential Risk Register (RR) and comments suggested how we should rethink the process. We have a RR and we have asked staff to assess the risks but there is still more work to do on this. Mr Buckley advised that we have in place a RR which manages the risks from the original five-year plan.
- b) Mr Buckley advised that in terms of the strategic plan aims, we have a single page of intent in place and there is work ongoing to embed IT services across the Trust. We are in negotiations with the EWO (Education and Welfare Officer) so we now have our own Trust Wide EWO. We are working on doubling this service and how we can sell it to other schools. We will be able to show Trustees the work with the EWO at the next meeting.
- c) In terms of the estate's commitment, we are trying to look at saleable services although this has been plagued by staffing issues. We have been working as the TOLT (Trust Operations Leadership Team) group although we now need to embed the processes within the BDP (Business Development Plan). Mrs Lumbard added that the group has also been impacted by staff sickness and this has hampered progress. We are aware that we tend to have high ambitions and some staff posts have been difficult to recruit to. Mr Buckley advised that if we have budget hits, we need to ensure that we have aims that are deliverable.
- d) **A Trustee queried the best way of reporting to Trustees and being given an update on the progress of the aims as these are long terms goals.** Mr Buckley advised that a BDP update and TOLT report would be a useful way to report to Trustees. Evidence of progress be can be tracked using these documents.
- e) **A Trustee asked if there are any quantifiable annual objectives or KPIs that can be used.** Mr Buckley advised there is the BDP which has milestones throughout the year and this is RAG (Red, Amber, Green) rated. The TOLT report also has indicators. Both of these documents are still underdevelopment. It was agreed that these are the best documents to monitor progress. The RR is the third element and we need to have regular reporting on this which we still need to do work on.
- f) **A Trustee noted that Trustees also need a report of emerging risks for the Audit & Risk Committee. A Trustee noted that there are different approaches and levels in providing information.** The Audit & Risk Committee are looking at what are the strategic risks of us not meeting our aims.
- g) **A Trustee referred to the current financial climate and the issues of not being able to recruit and asked if this impacts the Trust's ability to provide services to others and ICT and Estate facilities.** Mr Buckley advised that we have had remarkable staffing issues for ICT which have meant that we cannot expand this service and there is still work to be done to get both this and estates in a position to allow us to offer services to others. It is important to have these services in place for our own schools first. Mr Buckley added that all schools would describe the services being provided as improving. We have agreed that there is a lot of work still to do but in terms of reputational risk, we need to ensure that staff are not working over capacity longer term.

10. **For information: Agreements made by email**

- a) Electricity Contract Renewals – September 2022.

11. **Summary of matters for the Trust Board – Agree key points from meeting**

- a) There are three increases in costs which significantly impact the budget: Teachers' Pay increase £176K, Support Staff pay £176k and electricity contract £198k.
- b) The Committee have agreed to the increase the threshold within the 16-19 Bursary policy from £25k to £30k. This policy will be reviewed annually.
- c) The Committee have requested a further update from the COO at the December Audit & Risk Committee meeting to seek assurance on statutory compliance.
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12. **Date of next meetings:**

07-12-2022 Audit Committee at 4.30pm (face to face), 22-03-2023 Audit/Resources, 07-06-2023 Audit/Resources and 12-07-2023 Resources.

A Trustee asked for an update on the national paper which suggests that the size of the Trust is being considered small. Mr Buckley advised that other schools who are looking to join Trusts are now aware of the changes which would result from joining our collaborative Trust. We now need to look at the services that we can offer which are a benefit to schools joining us.

The meeting closed at 6.37pm.

Action Summary	
<p>M5. Matters Arising M45. Matters arising M33. Resources update (IT, H&S, Catering, Cleaning, Capital projects) 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. Update 14.07.2022: It will be included on the next substantive meeting. <i>Update: On this agenda. Trustees suggested that they would just need to look at KPIs twice a year to assure themselves that contracts are performing as they should. Mrs Lumbard added that we monitor the contracts and Litmus provides regular reports which can be circulated to Trustees. She will discuss further with Mr Green.</i></p>	<p>Action: J Lumbard</p>
<p>M8. H&S and Premises update b) A Trustee queried if the lack of reassurance is due to the type of report being presented or the information contained within it. Trustees agreed that given the importance for statutory compliance, they need a further update on this before the next Resources meeting and it was suggested that an interim report needs to be provided. The Trustees agreed that this should be added to the Audit & Risk Committee meeting agenda in December as it is key risk to the Trust. The Clerk will add to the Audit & Risk agenda. Mr Green to attend the meeting to provide assurance.</p>	<p>Action: The Clerk</p>