



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 12th July at 5.30 pm.

Present	Yes/No	In Attendance	Yes/No
Mr Marcel Aarts, Chair	Yes	Mr D Buckley, CEO	Yes
Mr Lee Hallam	Yes	Mrs J Lumbard, CFO	Yes
Mr Chris Piper	Yes	Mrs K Williams, Clerk	Yes

Summary of matters for the Trust Board

- a) The committee has considered and reviewed the budgets for 2023/24 and would like to recommend them to the Trust Board for approval. They have noted that there is a risk to budgets due to the uncertainty of the outcome of teachers and support staff pay awards.
- b) Unrestricted funds have been strategically moved centrally and these will also be used to fund a School Improvement Lead. There will need to be further discussion on GAG pooling next year.
- c) The catering and cleaning contracts will be due for renewal in September 2024 so the Trust will be working with Litmus.

26. **Welcome**

The Chair welcomed everyone to the meeting.

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

There were no declarations. New forms have been circulated by the Clerk.

28. **Apologies for Absence**

Mr Piper was expected to attend as apologies had not been received.

29. **Approval of minutes of meeting held on 23rd March 2023**

The minutes of the meeting held on 23rd March 2023, having been circulated in advance, were agreed as an accurate record and will be signed.

Mr Piper joined the meeting at 5.36pm.

30. **Matters Arising**

M19. Finance Report for information (Jo Lumbard)

e) **A Trustee asked if LED lighting is the best investment of this funding and suggested that Mr Piper might be able to provide guidance on this as he has expertise in this area.** Mrs Lumbard will discuss this with him to ensure we are investing the money properly.

Update: Mrs Lumbard met with Mr Piper and discussed the merits of lighting and advice was given. The primaries have moved on in their projects.

h) **A Trustee noted that the average teacher cost at Trewidland is £111k and queried if this is correct.** Mrs Lumbard advised that this corresponds to the total teaching costs for the school so it is not correct.

Update: Mrs Lumbard advised that she needs to email the ESFA to advise them.

Action: J Lumbard

i) A Trustee referred to the period 5 Management Accounts and noted that the agency staff costs are triple to what was budgeted with a particular issue at Saltash and asked if there is anything that Trustees should be aware of and what is the cause of this. A Trustee asked if this is balanced out by vacancy savings which is another line of the budget. Mrs Lumbard advised that it is the case in some schools such as Looe where vacant posts are being covered by agency staff but the budget is included in other staffing lines. The remainder of the increased costs is literally down to the amount of staff absence and the profile of this staff absence in each school. School absence insurance policies require staff to be absent for 5 days or more. Any less than this cannot be claimed. Mrs Lumbard will review this and provide some further analysis after the period 6 Management Accounts have been finalised.
Update: Mrs Lumbard advised that she has discussed this with the Finance Managers and the majority is for covering vacancies and there is income of £53k to reduce down this deficit.

31. Draft budgets for consideration and recommendation to Trust Board

A document had been circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that the ICLFP (Integrated Curriculum Lead Financial Planning) documents have been circulated and at school level they have more detailed budget information which the Headteacher and Finance Manager discuss ahead of LGC (Local Governing Committee) for consideration and agreement.
- b) Mrs Lumbard has listed the assumptions used for the budget and we know what is happening in terms of income for the next 12 months but then grants start to drop off. There is a lack of clarity and information about future years funding. We are waiting for the outcome of the pay awards for both teaching and support staff. Unions and the CST do put pressure on the government to speed up this process. Mrs Lumbard explained that for teacher upper pay scales, we have assumed a 3% increase at the moment but the current percentage increase which is under negotiation is 6.5% so we need to wait to see what the outcome is. Support staff pay outcomes are also still not known and is effective from April 2023 so it is very overdue.
- c) Mrs Lumbard advised that for the budget lines we have used known costs or applied an uplift in line with CPI. Overall, when looking at the ICLFP, there is a small surplus which is really good and we need to factor in the key risks which have been highlighted. Overall, the Trust will have 7.9% reserves.
- d) **A Trustee asked what is the ideal or best practice reserves ratio.** Mrs Lumbard advised that our policy states that it is up to 8% and this is the general rule across the sector. Mr Buckley added that the ESFA have advised that Trusts to drop to 5% but now many Trusts are in the red so some are not investing in IT and buildings. The RG (Regional Group) noted that we are one of the few Trusts who are in the black and this is credit to the CFO and the Finance team. We are in a strong financial position as the current average reserve is around 3% and Mr Buckley noted that 80% of our costs are salaries. He added that average overspend in Local Authority primaries is -£30K.
- e) **A Trustee noted the level for prudence taken and asked is there any significant reduced expenditure which has impacted us negatively.** Mr Buckley advised that we need to invest more heavily in school improvement from September to allow us to focus on more rapid progress. A lot of Trusts now have a model which includes a School Improvement Team. A Trustee noted that we should acknowledge that we might need to have a higher risk appetite for in terms of finance risks and a lower risk appetite towards the schools making progress.
- f) Mrs Lumbard advised that the unrestricted funds have been centralised. The Chairs of Governors have discussed this and overall, everyone is happy with the underlying principles of this. Moving forwards we need to look at GAG (General Annual Grant) pooling and this could be a change in mindset for governors.
- g) **A Trustee noted the unrestricted funds has been raised by Looe and queried the situation at the school in terms of relationship with the Headteacher and governors.** Mr Buckley provided some context to this and explained there has been an extensive meeting to address this. **A Trustee**

queried the amount of funding taken from Looe. Mr Buckley advised that we are moving the reserves centrally and this needs to include long term both restricted and unrestricted funds. Unrestricted can be moved straight away and the immediate move of funds was strategically necessary and for Looe this looks like a lot of money taken. Mrs Lumbard advised that we have used the same principle for each of the schools. Looe and Saltash were early academy converters so their unrestricted funds are more. Saltash will see a more immediate benefit from the School Improvement Lead as the focus will be at this school and Dobwalls due to their RI OFSTED ratings.

- h) **A Trustee asked if this is essentially a broader strategic movement of funds.** Mrs Lumbard advised that this is the case and not just for the School Improvement Lead role. Mr Buckley added that to decide to GAG pooling is a decision that we need to make collectively and we need to look at the pros and cons of this so the Executive Team can't assume that the Trust will move towards this process.
- i) Mrs Lumbard advised that energy is red for all schools on the ICLFP and whilst the benchmarks have been reviewed, the ESFA have not updated them. In terms of average teachers costs across the schools, from looking at the profile of teachers, many are in upper pay scales and this impacts totals. Total staffing is 75% for 2023/24 and in future years this will be 80% and the impact of not having funding for future pay rises will provide a challenge.
- j) The LGCs have all agreed their school budgets at local level. The budgets must be submitted to the ESFA by 31st August 2023.
- k) **Trustees noted that whilst budgets can be approved, they will change again in a few weeks due to the staff pay increases.** Mrs Lumbard advised that this is frustrating but we are able to react quickly on the ICLFP documents to provide the necessary information to Trustees each month.
- l) **A Trustee asked what specifically this committee is being asked to approve.** Mrs Lumbard advised that Trustees need to look at the information used for the budgets and that it is reasonable and accurate, question the benchmarks, that we have a balanced budget and so that Trustees are aware of the risks to the budget. Mr Buckley added that Trustees would be in their rights to challenge any red areas, the distance from the benchmark and the tolerance for variations across the schools.
- m) The committee was in agreement to recommend the budgets for approval to the full Trust Board.
- n) Mr Buckley noted that the average class size is red on the ICLFP but the rate of progress is low. This is not challenged by governors and the reason for this is due to the schools being oversubscribed.

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

A document had been circulated in advance of the meeting. From this:

- a) **A Trustee asked about the progress in appointing a new COO (Chief Operating Officer).** Mrs Lumbard advised that this is progressing and an appointment has been made but she and Mr Buckley are covering most of the shortfall. We have moved forward with the restructured posts and Mrs Lumbard gave a summary of the staffing changes. We are looking to recruit two Operations Manager posts at a lower grade. In the interim, the CFO and CEO will continue to cover until appointments are in place in September. We are hoping for high quality candidates for the Operations Manager posts and recruitment has already started.
- b) Mrs Lumbard advised that in terms of the rolling programme for IT, purchases for this current year are complete and the Head of IT has met with the Headteachers to discuss their requirements for next year. There will be some infrastructure updates at Liskeard over the summer. We are still trying to recruit an IT apprentice. The IT services Manager post at Liskeard has been suspended until next year. We have support from Nexus when needed.
- c) Mrs Lumbard noted that funding for the Connect the Classroom is for RI schools and Saltash and Dobwalls have been surveyed and it is hoped the project will be completed by February 24.

- d) We have some large projects in Liskeard taking place during the summer such as a new lift which is being funded by the Local Authority. The ventilation in the Science rooms has been identified by the ex PFI works. There are contingencies in place in case the work has not finished by September. The Trust Estates and Facilities Officer will closely monitor.
- e) The Catering and Cleaning contracts come to an end in September 2024 and Litmus is leading the tender for new contracts. We are acting as part a larger school group and the benefits of this is that we may attract other companies to Cornwall as currently there are only two large scale catering companies.
- f) **A Trustee noted that the Trustees had previously agreed an extension for the catering company to continue.** Mrs Lumbard advised that the current contract was a three year contract with a two year extension. Following advice from Litmus, going forward she would only be keen to have a three year contract with a one year add on. Food inflation is currently running high but hopefully this might have come down slightly by the time we receive the new contract prices.
- g) Mrs Lumbard advised that Primary schools have had the replacement of all LED units in the schools. The work was completed by a local electrician and this was signed off by the CFO as it was under threshold for Trustee approval. There has been positive feedback from the schools following this work.
- h) **A Trustee asked about thresholds for procurement.** Mrs Lumbard summarised the thresholds for authorisation and at what point we use Litmus. **A Trustee referred to the £20K threshold which requires for Trustees to agree this and felt this was low.** It was noted that we need to review the changes to the Academy Trust Handbook and could discuss a revision to policy.
Action: J Lumbard
- i) **A Trustee commented that there is still no compliance report for Trustees and whilst there is reassurance, it had been queried if the Local Authority could provide a compliance check for us.** Mrs Lumbard advised that the Local Authority do already support us with H&S compliance and they review two schools per year as part of this agreement. In terms of reporting, we have discussed what is reported to the Audit & Risk (A&R) Committee and what is reported to Resources. It was felt that we need to expand the scope of the A&R Committee over and above just fiscal risk. **A Trustee felt that in terms of a corporate risk register, the challenges around recruitment needs to be added.**

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

- a) Mr Buckley advised that the structure that we have in place is that the LGCs are providing challenge at the school level so we need to revisit how effective this is and what training they need to ensure that the quality of information coming back to committees is good. We can query if the link meeting mechanisms are working well.
- b) **A Trustee suggested that the Trust Board could be better at linking to the schools and we could develop a deeper understanding of the schools.** Mr Buckley suggested that the Resources Committee could direct LGCs and require them to ask certain questions of their schools. Link meetings provide training but perhaps there is another way to develop governors further.
- c) **A Trustee felt this is a weakness and there is a challenge with the level of information being given in terms of what is too much and what is too little and the mechanisms of how information feeds back to the Trust Board and the LGCs.** These questions could be posed during a governance review and if we get a deep dive back from schools which is digestible.

32. **Agreements made by email – For information**

- a) Condition surveys of SMART School sites – April 2023
Capital Funding for Saltash Community School – May 2023
16-19 Bursary Policy – July 2023

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34. **Date of next meetings**

Resources 01-11-2023, A&R 07-12-2023, A&R/Resources 20-03-2024, A&R/Resources 05-06-2024 and Resources 11-07-2024 all starting at 5.30pm.

The meeting closed at 6.38pm.

Action Summary	
M30. Matters Arising M19. Finance Report for information (Jo Lumbard) h) A Trustee noted that the average teacher cost at Trewidland is £111k and queried if this is correct. Mrs Lumbard advised that this corresponds to the total teaching costs for the school so it is not correct. <i>Update: Mrs Lumbard advised that she needs to email the ESFA to advise them.</i>	Action: J Lumbard
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