



## 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 Thursday 14<sup>th</sup> July 2022 at 6.30 pm.

<b>Present</b>	<b>Yes/No</b>	<b>In Attendance</b>	<b>Yes/No</b>
Mr M Aarts	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, Temp Chair	Yes	Mrs K Williams, Clerk	Yes

### **Summary of matters for the Trust Board**

- a) The Resources Committee agreed to recommend the budgets for 22/23 for full Trust Board approval.
- b) The Resources Committee were content with the insurance tender being a compliant process and wish to recommend for full Trust Board approval.
- c) Electricity contracts  
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.

#### 41. **Welcome**

The Chair welcomed everyone to the meeting.

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

There were no declarations.

#### 43. **Apologies for Absence**

All Trustees were present.

#### 44. **Approval of minutes of meeting held on 08-06-2022**

The minutes of the meeting held on 8<sup>th</sup> June 2022, having been circulated in advance, were agreed as an accurate record and will be signed.

#### 45. **Matters arising**

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

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.

*Update: There are ongoing discussions but the meeting has been held.*

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: It will be included on the next substantive meeting.*

**Action: The Clerk**

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 Operations Manager is aware of the update in progress towards the replacement boilers and the Clerk will report back to the Liskeard LGC.

*Update: Complete.*

### **M35. 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.

*Update: Complete.*

#### **46. Draft budgets for consideration and recommendation to Trust Board**

Documents had been circulated in advance of the meeting. From these:

- a) Mrs Lumbard explained that we have previously discussed the information contained in the finance report and we have since had confirmation from the DfE on the continuation of Sports Premium for next year. In terms of the teacher's pay awards and support staff pay awards, there is still ongoing work on these and risks have been identified as the decisions for Teacher's pay recommendations should happen at any time. There could be an acceptance of recommendations or a different pay award. This won't be included in STPCD (School Teachers' Pay and Conditions Document) until at least the second week of September. We are still waiting on negotiations from NJC (National Joint Council) which should happen during July and any impact of these changes will be applied to the flexed budget as soon as we have the information so we can look at impact for the ongoing budget and how we might be able to operate within these constraints.
- b) **A Trustee referred to headlines in the media about teachers' unions going to ballot for a 10% increase and asked if this been discussed and what the impact of this would be if they go to strike.** Mrs Lumbard advised that she has not done those calculations and it is difficult to look at this within current workload hence we have to take the final decision and then apply all in one go. She believes that if there is a different pay award, the teacher unions will need to pressurise the government for supplementary grants. For the Trust as a whole, staffing costs are 76% of our expenditure and larger increases in pay would put pressure on our budget. It was suggested that this could be added as an emerging risk on the Risk Register. Mr Buckley added that the ICLFP is a key document which attempts to compare us to national benchmarks. We can be reassured that if we are inline with national benchmarks, then changes to the national picture will affect us all.
- c) **A Trustee asked about future year budgets and how set are these positions.** Mrs Lumbard advised that we use a set of ASCL assumptions for our budgets. Looking at top level results for the Trust, we see the end of the supplementary schools grant and Sports Premium in August 2023 and in each of the schools that do not have a significant increase in pupil numbers, by taking away the supplementary grant, the projected deficit figures are very similar to the value of the supplementary schools grant. The supplementary schools grant is provided to help support increased costs such as pay increases and inflationary costs etc. The net effect of this, is a cut in school funding and without this funding, we will not be able to balance budgets. It is anticipated

that the government will need to provide further funding for future years.

- d) **A Trustee asked if the Dobwalls nursey is included in the budget documents.** Mrs Lumbard advised that it had been agreed that we would set a balance budget at this time for the nursery and it has been included. The before and after school club is looking successful so far. The number of children prior to it closing, will build back as there has been a delay in opening.
- e) Mr Buckley advised that ASCL have recognised the need for budgeting on what we have been told by government so three years ahead will always look red. Mrs Lumbard advised that once budgets are approved, she need to provide a budget return to the ESFA by the 26<sup>th</sup> July 2022.
- f) **A Trustee asked about increasing senior management in Landulph and noted that the KPIs for total staff is 22% and is there any reason why there is a need for any more senior staff.** Mr Buckley advised that we have three small primary schools so this does skew the data. We have gone for a model of Headteacher and Deputy Headteacher in each of the primary schools as we need to build extra capacity at leadership level.
- g) Trustees unanimously agreed to recommend the budgets for 2022/23 for Trust Board approval. Trustees have reviewed and considered the future years budget forecast.

47. **SMART Insurance tender**

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

- a) **Trustees were happy with the explanation of the process for tendering process.**
- b) **A Trustee noted that only one insurance company has offered a quote and asked if this should this be considered an adequate tender process and is the quote considered competitive.** Mr Buckley advised that the government scheme does not respond to tenders so we do actually have two to choose from.
- c) **A Trustee noted that we have used a framework which is useful from a compliance point of view and suggested that Trustees would need to be happy with the price point.**
- d) **A Trustee noted it is frustrating that only one quote has been received but this is not the only area which schools have had difficulty in obtaining quotes as part of a tendering process. A Trustee suggested this is a reason why it does become more high risk. Trustees were content that this was a compliant process and noted that within H&S, there is difficulty in getting organisations to quote as part of a tender process which is in part due to our location.**
- e) Trustees were in unanimous agreement to recommend the insurance tender for Trust Board approval.

48. **Summary of matters for the Trust Board**

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49. **Agreements made by email**

- a) None.

50. **AOB - Renewal of the electricity contracts**

- a) Mrs Lumbard advised that electricity contracts come to an end at the end of September 22 and until now, we have been unable to go out to our broker as we need to wait until we reached the 3-month window prior to the date of renewal. We have now been in contact with Zenergi and as there is such volatility in the market, it is too early to bring a proposal to Trustees before the summer holidays. This agreement would need to be done during the summer holidays which leaves us in a difficult situation as we need to action information in the last two weeks of August.
- b) As we need to give Zenergi notice to go to market and we need to respond quickly to accept quotes (within the same working day) this makes it difficult to gain Trustees agreement. There are three ways we can do this. The options are: one nominated member of the Resources committee receives the papers and agrees; Trustees delegate the authority to the CFO and CEO with information being circulated after the event or sign a letter of agreement for Zenergi to act on our behalf with a percentage agreed.
- c) **A Trustee asked if there is a preferred option.** It was suggested that given the volatility of the market, it perhaps should be left to the experts. A 24-month contract would be useful but there is an expected increase in costs of 190% although the broker is expecting this to come down. **A Trustee queried delegated authority** and this sits outside of the CFO delegated authority. **A Trustee suggested that the 24-month contract is offering better value and unless something goes drastically wrong, the market is stabilising.** The third option of leaving it to the brokers would be beneficial with specified parameters to operate. **A Trustee noted that delegated authority needs to be agreed.**
- 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.

**Action: J Lumbard**

51. **Date of next meetings:**

02-11-2022 Resources, 07-12-2022 A&R, 22-03-2023 Resources/A&R, 07-06-2023 Resources/A&R and 12-07-2023 Resources.

The meeting closed at 7.15pm.

<b>Action Summary</b>	
<p><b>M45. Matters arising</b>  <b>M33. Resources update (IT, H&amp;S, Catering, Cleaning, Capital projects)</b>                      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. <b>A Trustee asked about the catering contract and queried how the performance of these large contracts is reviewed by the Trust Board.</b> 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. <b>A Trustee suggested that the Trust Board need assurance that the contracts are performing as expected.</b> The Clerk will add to the next meeting agenda.  <i>Update: It will be included on the next substantive meeting.</i></p>	<p><b>Action: The Clerk</b></p>
<p><b>M50. AOB - Renewal of the electricity contracts</b>                      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.</p>	<p><b>Action: J Lumbard</b></p>