



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 at Liskeard School & Community College on Wednesday 27th February 2019 at 5.30 pm

Present: Mr B Cook
Mr K George
Mr J Kitson
Mr R Newton Chance

Absent:

In Attendance: Mr D Buckley, CEO
Mrs J Lumbard, CFO
Mrs K Williams, Clerk to Trust Board

13. **Welcome**
The Chair welcomed everyone to the meeting.
14. **Evacuation Procedure**
The evacuation procedure in the event of an emergency was outlined briefly.
15. **Declaration of Business or Pecuniary Interest and Academy-related parties - update on any changes since completion of written declaration**
There are no changes.
16. **Apologies for Absence**
All present.
17. **Approval of minutes of meeting held on 15th November 2018**
The confidential appendix was circulated to the Trustees to check accuracy and following this the minutes of the meeting held on 15th November 2018 were taken as read, accepted and signed by the Chair as a true and accurate record of the proceedings.
18. **Matters Arising**
M4 Finance Report and update on Resources issues
 - b) An increase in teachers' pension contributions was also budgeted for but this has now been delayed so the additional funding allocated for this has been returned to the budget. There was a discussion as to whether this increase is being funded by the ESFA. Some believed it was but nothing specific on this has been issued yet. There was a discussion about the amount of the increase and the likelihood of additional funding. This needs to be clarified. *Update: Mrs Lumbard confirmed that the DfE will fund this in line with their financial year.*
 - c) **A Director asked about for specific amounts regarding the teacher's pay increase.** Mrs Lumbard would provide this. *Update: In CFO report on this agenda.*
 - g) Mrs Lumbard highlighted the areas of concern on the spreadsheet. **A Director asked about the £1.4m in 'other sources of income'.** Mrs Lumbard advised that this includes the CBU income together with that from the other schools. After discussion it was agreed that the CBU amount needs

to be reallocated. *Update: Complete.*

l) **A Director asked for a cash flow statement.** Mrs Lumbard will send this out with the accounts to all committee members tomorrow. Finance Summary Sheets will be sent to all directors in future. *Update: Complete*

M6 Financial Health checks - DfE School Resource Management self-assessment tool

a) After discussion, it was suggested that the Liskeard teacher ratio cannot be correct. It was noted that the guidance is confusing. This will be checked. *Update: Mrs Lumbard advised that further work is required.*

b) It was noted that ARBs (Area Resource Bases) are included; Directors asked that these are extracted. *Update: Mrs Lumbard advised that further work is required. A Trustee considered this a critical piece of work to complete and should be undertaken as part of the budgeting process. Mrs Lumbard agreed and had planned to undertake this as part of the process.*

b) Mr Newton Chance advised that he has the current data set and would forward this to Mrs Lumbard for her to do a further analysis. *Update: It was agreed that this was no longer necessary.*

M8 Capital Funding allocation policy and process and Healthy Pupils Capital Fund allocation policy and process

f) **A Director asked who provides the condition surveys. A Director asked how this would be funded.** Mrs Lumbard advised that the intention is that it will be centrally funded. **A Director asked what the cost of this would be.** It is about £2K per school. **A Director felt the schools should fund this.** Mrs Lumbard advised that the primaries would not be able to afford this. She advised that she felt that as the funding is centrally allocated and the information is required centrally, this should be funded by the CBU. Mr George asked for the condition surveys to be sent to him in advance of the Link meeting next week. Mrs Lumbard would pursue this. After discussion, Directors agreed that these surveys should be funded come from the SCA. *Update: Included in the CFO report on this agenda.*

Directors agreed the document in principle subject to the changes suggested above. The amended version would be circulated by email. *Update: Complete.*

M10 Review of Policies: Scheme of Financial Delegation; Investment Policy; Reserves Policy; Financial Policy and Procedures; Charging & remissions policy; Counter theft fraud & corruption; Donations policy & procedure

Charging and Remissions – A Director queried the references to those on benefits and how this is evidenced. Mrs Lumbard advised that the entitlement to free school meals is an indicator for this. In the majority of these cases, there will be a discussion with the parent and pastoral team. There was a discussion about those parents who refuse to pay. Directors were advised that the only way around this is to not do the trip. Guidance from the DfE about this needs to be checked. Mrs Lumbard will do this and recirculate the draft. *Update: Complete and circulated to Trustees.*

Counter Theft Fraud and Corruption – A Director asked if Bishop Fleming have agreed with the reference to the auditor in this policy. This will be checked with their letter of engagement. *Update: Complete and circulated. Mrs Lumbard advised that the letter of engagement sets out that it is not the responsibility of the Auditors to specifically detect fraud but to ensure that procedures are robust enough to prevent fraud. The wording in the document was amended accordingly.*

19. **Issues raised by LGC's**

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

a) **Dobwalls – IT network problems (11-02-2019 Headteacher's report)**

Mr Buckley summarised the situation regarding the IT network problems at Dobwalls; The

computer equipment and server are an issue. The new IT contract is in progress and will take a period of time to roll out to all the schools. Dobwalls is the main priority in the programme but in the interim, the school needs support to resolve some networking issues as a temporary measure. **A Trustee asked when this was due to be resolved** and Mr Buckley advised that it has been highlighted to the IT support team as a priority but they are currently short staffed. It should however be rectified by the next LGC (Local Governing Committee) meeting.

b) **Liskeard - Premises and maintenance issues (19-11-2018 item 20)**

Mrs Lumbard clarified the situation for the Trustees; The issues are mainly connected to the lack of budget available for ongoing repairs to the school and how to access to the Central Capital funds.

c) **A Trustee asked about the CAF (Capital Allocation Fund) and if the school has identified issues to be addressed and added them to the SDP (School Development Plan)** and it was thought that this had not be completed. A Trustee advised that development planning is important; H&S and condition issues should have been identified in the SDP. Trustees agreed that funding should not been given if the schools have not done this. The BDP (Business Development Plan) is separate to the SDP and Mr Buckley advised that planning is an area which needs to be strengthened. A Trustee commented that arising issues should be added to the development plans.

d) The planning by the Business Managers was discussed and this needs further review. Mrs Lumbard advised that the CAF policy has been adjusted to stop any non-critical spending. **A Trustee asked who signs off on spending** and Mr Buckley advised that it is the CBU (Central Business Unit) but previously this was the Headteacher. **A Trustee asked about future bidding procedures** and Mrs Lumbard clarified the policy. Improvements to school will need to be programed over the next few years and **a Trustee asked if the LGC's are happy with this plan** and was advised that this information is contained in the SoD (Scheme of Delegation). Headteachers have been given the CAF policy so that they can begin the bidding process.

e) Mrs Lumbard advised that the Liskeard LGC are advising that the budget for premises is low and therefore presents a risk and this has been highlighted to the Trust Board.

f) *The Committee recommends that forward planning needs to be completed before the school can access any funding.*

g) **Looe – Capital Allocation Fund – how to access the funds for leaking roof (03-12-2018 item 26k)**
The Committee recommends that forward planning needs to be completed before the school can access any funding.

h) **Landulph – Premises issues (30-01-2019 Headteacher's report)**

A Trustee advised that the Trust Board could be found to be negligent if funding is not provided for urgent noncompliance issues. Landulph has urgent fire alarm issues and a second quote has been received and the amount to rectify the issues has reduced. **A Trustee asked when the funding would be provided to resolve this issue** and was advised by Mrs Lumbard that the funds will be provided from the Central Capital Fund which will not require a bidding process. The Trustees agreed that the fire alarm issues should be addressed as a priority and would not require as bidding process.

i) **A Trustee asked about the CAF policy** and Mrs Lumbard explained that 10% is held as a contingency. Mrs Lumbard advised that some schools have benefitted from PFI and CIF.

j) **Trewidland – Reduction in pupil numbers (07-02-2019 Headteacher's report)**

See confidential appendix.

20. Tenders and Contracts Update

Documents were circulated in advance of the meeting. From this:

a) Catering contract

Mrs Lumbard advised that 9 secondary schools have come together in this tendering process. The next brief will be given by Litmus on 29th April and presentations will be on the 8th May and the Chairs and Headteachers will be invited. **A Trustee asked if SMART will be signing this contract** and Mrs Lumbard advised that it will be the Trust Board. **A Trustee expressed concern in the previous contract at Landulph. Trustees asked how the Trust Board is involved in the bidding process** and Mrs Lumbard advised that the successful company would be selected using a scoring process completed by Litmus. **A Trustee commented that the process needs to be clarified to the Trustees.** The Trust board needs to be added to the timeline and a date needs to be identified on which the Trust Board should open sealed bids. **A Trustee asked if they should be attending the presentation on the 8th May and noted that details are very vague.** It was also noted that there are potential legal penalties if the procedure is not completed correctly and Trustees need to be happy as they are signing off on behalf of SMART.

b) Mrs Lumbard advised that Litmus is being used to tender both contracts and the **Trustees queried why this company is being used.** Mr Buckley advised that existing contracts were being managed in different ways and it was found that Looe have the best contract which was secured by Litmus. **A Trustee asked if there was a fee payable from Litmus** and Mrs Lumbard advised that the fee from Litmus is contained within the contract.

c) A Trustee noted that catering and cleaning contracts are considered large risks to MATs.

d) Mrs Lumbard will discuss the contracts with Paul Taylor and request a further report to clarify details. Mrs Lumbard will provide further information to the Trustees.

Action: J Lumbard

e) Cleaning contract

The Trustees asked for further information regarding this contract. Mrs Lumbard will discuss with Paul Taylor and provide further details.

Action: J Lumbard

f) IT systems project

An update from Steve Green was circulated to Trustees for their information.

g) **A Trustee asked about the contract with Bishop Fleming and if this needs to be tendered.** It was advised that this is a decision made by the Members and Auditors and should be tendered and re-appointed every three years. **A Trustee asked what is the specified period detailed in the Financial Handbook** and commented that it should, if possible, be every 5 years.

h) Trustees thought that the tender process should begin now. Invitations for tender were discussed and it was recommended that local companies would be approached but this would need to be decided collectively. **A Trustee asked the value of the contract** and Mrs Lumbard advised that it is £18k per year. It was noted that during previous years, there were only three audit companies in the area and a Trustee noted that an Auditor with experience in this sector is important.

21. Mini Bus Purchase

a) This contract has been brought to the Resources Committee as the lease cost over 5 years exceeds £25K. **The Trustees asked for details of the lease** and were advised by Mrs Lumbard that Bishop Fleming have reviewed the details. The LGC's at Liskeard and Saltash have discussed the contracts and the costs have been budgeted for. *The Trustees unanimously approve the contract.*

22. Insurance Options

Mrs Lombard summarised the report circulated to the Trustees. From this:

- a) Mrs Lombard advised the Trustees that the current provider is Zurich who have been providing insurance to schools for a number of years. SMART is coming to the end of the agreement and other options need to be reviewed and agreed.
- b) The level of protection that Zurich offers has been extended and the cost to sign into a further three-year arrangement with Zurich is on par with RPA. **A Trustee asked about estimated costs** and Mrs Lombard advised that quotes would need to be sought. **A Trustee asked about averaging clauses and clarified what this term and advised that averaging is very important and correct rebuilding costs are vital.** Mrs Lombard will check and update Trustees.

Action: J Lombard

- c) **A Trustee queried if £78.5 million would be sufficient to cover the cost of rebuilding** and Mrs Lombard will check this and advised that the valuation was taken from when the schools moved across to the MAT. A Trustee advised that SMART may need a surveyor to check the reinstatement costs to ensure that SMART are not underinsured and this will affect the premium. **A Trustee asked a when a decision needs to be made on which company to use** and it was suggested that it can be discussed at the next Resource Committee meeting. **A Trustee asked if other companies need to be approached** and it was noted that a valuation is required in the first instance. Mrs Lombard to contact ESFA to clarify reinstatement costs. The Clerk will add to the next meeting agenda.

Action: J Lombard/Clerk

23. Finance Update – CFO

Report circulated to the Trustees. Mrs Lombard summarised the report. From this:

- a) A proposal of 2% is likely for the Teachers' pay increase in September 2019.
- b) **A Trustee asked what assumptions Mrs Lombard had made regarding the KPI sheet predictions for 20/21.** Mrs Lombard will check and update Trustees. Mrs Lombard advised that the KPI's are being circulated monthly to trustees.

Action: J Lombard

- c) The teacher to pupil ratios at Looe and the funding relating to this is a concern, therefore the curriculum model is being reviewed. Mrs Lombard advised that A Level courses have been reduced and the funding for sixth form is low.
- d) A Trustee summarised the situation at secondary schools and sixth forms and noted that moving teachers between schools is a good idea. Mr Buckley advised that students would not be happy to move between the schools. **A Trustee asked who is driving this intervention** and Mr Buckley advised that it is coming directly from the schools. Mr Buckley advised that there is a current crisis with sixth forms closing and this has been identified by RSC. **A Trustee asked about the viability of the Sixth Form at Saltash** and Mr Buckley advised that it is still viable but the number of courses has been reduced. It was noted that SMART may have to reconsider this and it was felt that SMART schools should be filling the gap left by other sixth forms which have closed. This is a large strategic issue within the MAT and viability of the sixth forms will be highlighted to the Trust Board if the financial cost becomes unmanageable.
- e) Mrs Lombard advised that the budgeting process is starting soon. **A Trustee asked if the top slice has changed** and Mrs Lombard advised that it has stayed the same. **A Trustee asked about High Needs Funding and the assumption made by Mrs Lombard.** Mrs Lombard advised that the ARB expenditure is included within the school expenditure for Liskeard and Saltash and is offset against the high needs income also included. A Trustee noted that this should be separated in the KPI report which would help the Trustees to monitor the budget as it currently distorts the

meeting should be held on Thursday 4 th April at 5.30 pm to discuss this. A Trustee asked about delegated power for the Resources Committee and the SoD was discussed. A change needs to be made to the SoD to give power and this needs to be agreed by the Trust Board. Clerk to update SMART Calendar.	
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