



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 20th June 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

37. **Welcome and Evacuation Procedure**

The Chair welcomed everyone to the meeting. The evacuation procedure was explained.

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

None.

39. **Apologies for Absence**

All Trustees were present.

40. **Approval of minutes of meetings held on 27-02-2019, 04-04-2019 and 16-05-2019**

The confidential appendix from 27th February 2019 was circulated to the Trustees to check accuracy and following this the minutes of the meetings held on 27th February, 4th April and 16th May 2019 were taken as read, accepted and signed by the Chair as a true and accurate record of the proceedings.

Amendment - Resources minutes 16-05-2019 - 35a. Word needs to be deleted at the end of the paragraph.

41. **Matters Arising**

ARBs

Mrs Lumbard explained that ARBs (Area Resource Based) will be separated in the budget in September. This to enable clearer reporting for budget holders, management and Trustees. A new SENDco has been appointed at Saltash and will be starting in the new academic year.

M20. Tenders and Contracts Update

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. *Update: Progress has been made. The Catering contract has been awarded but not signed yet.*

e) Cleaning contract

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

M22. Insurance Options

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 Lumbard 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 Lumbard will check and update Trustees. *Update: On this agenda.*

c) A Trustee queried if £78.5 million would be sufficient to cover the cost of rebuilding and Mrs Lumbard 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 re-instatement costs to ensure that SMART are not underinsured and this will affect the premium. A Trustee asked 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 Lumbard to contact ESFA to clarify reinstatement costs. The Clerk will add to the next meeting agenda. *Update: On this agenda.*

M23. Finance Update – CFO

b) A Trustee asked what assumptions Mrs Lumbard had made regarding the KPI sheet predictions for 20/21. Mrs Lumbard will check and update Trustees. Mrs Lumbard advised that the KPI's are being circulated monthly to trustees. *Update: These are being circulated by Mrs Lumbard.*

f) Capital funding: A Trustee asked how Mrs Lumbard will put this information into the budget following confirmation available from March 15th and noted that the June Resource Committee meeting will be too late. It was recommended that an additional meeting should be held on Thursday 4th 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. *Update: Complete*

M30. Auditor Tender

c) A Trustee asked what would be the process for contacting auditors in the first instance. Mrs Lumbard advised that she would be able to email companies. It was noted that there are probably only about 10 registered auditors in the county. A Trustee asked if there is a ESFA list and Mrs Lumbard would look into this. Mrs Lumbard will contact Auditors in Cornwall, Devon and Plymouth. *Update: Update in the Audit Committee meeting.*

d) A Trustee asked if indemnity insurance needs to be added to the document. Mrs Lumbard will check. *Update: On this agenda.*

e) Mrs Lumbard asked Trustees if they require a further meeting to discuss the catering and cleaning contracts. The catering contract has bidder presentations on 8th May 2019 at Looe Community Academy. After these presentations, there will need to be a meeting to agree the contracts. A Trustee asked what service will Litmus supply after the presentations and Mrs Lumbard advised that the individual MATS will be able to choose which contractor they wish to use and Litmus manages the process through to the signing of contracts. A Trustee asked for the time of presentation and Mrs Lumbard will confirm to Trustees. *Update: Complete.*

h) The cleaning tender presentations will be week commencing 1st July. Mrs Lumbard will confirm details when dates have been arranged. *Update: On this agenda.*

M35. Catering Contract

The contract needs to be agreed by the end of May 2019. Approval will be required by email and the Clerk will circulate. It was agreed that Mr Taylor's summary would be provided with a simple email with the recommendation and should Trustees require more details, this can be provided. *Update: Complete.*

M35. Catering Contract

It was requested that Mrs Lumbard and Mr Taylor update the documents with additional information; that there is no liability attached to the operation of the contract and Saltash staff are TUPED across to Chartwells. *Update: Complete*

A Trustee asked if there have been any further comments from the schools regarding the move to Chartwells as the favoured contractor. Mrs Lumbard advised that there had been no negative comments. **A Trustee asked if there had been any Union involvement in the staff being TUPE'd to Chartwells** and Mrs Lumbard noted that the Unions had not attended meetings even though invited.

42. Issues arising from the LGCs

a) Dobwalls – IT – See red sections in Headteacher's report L4 and Dis1

Mr Buckley explained that the head of ICT at Liskeard attended the school in person for two days. There have been some issues at Liskeard which has impacted the progress of addressing the problems at Dobwalls. **A Trustee asked about if the issues with ICT are people or systems related.**

b) Confidential appendix.

c) There is a plan for the MAT (Multi Academy Trust) to bring the ICT together and work as a team. The ICT staff at Saltash are working to support Dobwalls. Mr Buckley explained that IT equipment was purchased by the school but has not been used as it was not installed. The school is now connected to Liskeard and they should be able to provide remote access. **A Trustee asked for an update on the single server system** and Mr Buckley noted that this is delayed as we need to be on one domain.

d) Landulph – Deficit Budget 20/21

Mrs Lumbard explained that there is a drop of funding streams which is impacting on budgets for 20/21. All the primary schools are losing Sports Premium and it is unsure if the teachers' pay and pension increase is being funded. Mrs Lumbard noted that if the teachers' pension increase receives funding, there will be a positive budget. Mrs Lumbard distributed a report to Trustees for their information. **A Trustee asked if the school have to give the teachers' pay increase of 2%.** Assumptions on funding have been made by the finance team and these were clarified to Trustees. Mr Buckley noted that the functions of the education system will not work if there is not funding provided.

e) The document circulated with the papers on budgets, is the report which Mrs Lumbard will forward to the ESFA. Mrs Lumbard noted that it is difficult to forecast when funding is so unsure. Mr Buckley explained that curriculum planning could be started in September and this work could then cease when funding information is provided.

f) Liskeard – None

Looe – None

Saltash – None

g) Trewidland – Pupil numbers – See red sections in Headteacher's report General information update

Trustees noted that the decrease in pupil numbers at Trewidland is an ongoing risk.

43. Update on Cleaning contract tender

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

a) There were only two companies who submitted bids, Future Cleaning and Churchill. There will be bidder presentations on the 1st July. Trustees were asked if they might like to attend but it was agreed that this is an operational decision and declined the offer.

- b) Future Cleaning submitted a non-compliant bid in the first instance and a compliant bid was resubmitted. The non-compliant quote is more in line with the current cost of cleaning at Saltash. The compliant bid was around £33,000 more and this requires further discussion. **A Trustee asked what are the differences which increase the cost** and Mrs Lumbard explained that this is staffing costs. **A Trustee asked if this contract is for all 6 schools.** Mrs Lumbard noted it is for four schools as Landulph and Looe are not included as they are happy with their current arrangements.
- c) Churchill's bid is compliant but is more expensive and one reason is because of an increased management fee. Once the presentations have taken place, a marking matrix will be completed. A recommendation will be presented to Trustees. **A Trustee asked how big the contract is** and Mrs Lumbard explained it is over £133k.
- d) Mrs Lumbard advised that a further Resource Committee meeting in July is required to discuss and approve contracts. **A Trustee asked when this contract needs to be signed off by.** The contract needs to be awarded on 23rd July.
- e) It was agreed that Trustees would meet again on Wednesday 17th July at 5.00 pm and Mrs Lumbard will ask Mr Taylor to attend.

44. **Update on Insurance provision - verbal**

- a) Mrs Lumbard explained that she has not been able to review the re-build costs as requested but she has however contacted Zurich who have offered a 12-month contract which will provide an opportunity for her to contact surveyors and obtain the information required before committing to a longer insurance contract.
- b) **A Trustee queried if the insurance company could be asked to provide this service.** The complexities of this was discussed. **A Trustee noted that it is still very important to gain updated re-build costs to ensure that we are fully covered.** A Trustee noted that we should not be reliant on the County base line figures and ensure that we have correct and up to date information. It was queried if this could be included in the condition survey inspections.
- c) Trustees unanimously agreed the 12-month contract with Zurich and requested that Mrs Lumbard contact surveyors to gain full re-build costs as this is a priority.
Action: Mrs Lumbard
- d) **A Trustee questioned the work load of the CFO and asked if she has sufficient support.** Mr Buckley noted that the department has been up to strength but a member of staff has been headhunted and this will leave the department short again. Mr Buckley explained that the finance team is .2 away from a perfect model and it is difficult to recruit for this amount.
- e) It was noted that there should be a move for Mrs Lumbard to a more strategic position but whilst there is a gap this is unable to happen. Mrs Lumbard noted that multiple contracts have taken priority in her workload and additional support is welcomed although there may not be a need for a full time post. It was suggested that a team could be formed across the MAT rather than finance teams in individual schools and this was discussed at length. It was suggested by Trustees that a full time Finance Officer could be employed on a temporary contract or an apprentice. Mr Buckley noted that this is an operational decision and is discussed frequently.

45. **Update on IT systems project**

A document was circulated in advance of the meeting.

- a) Mrs Lumbard explained that the situation has moved on since the papers were circulated.
- b) Nexus have met with the team. Dobwalls' phase one is happening today. **Trustees asked if the IT systems have moved forward.** Mr Buckley advised that for the central team there is

improvement and the situation is clearer since the meeting. Mr Buckley explained that internal lines of communication were not as Nexus expected and this has caused some issues.

46. **Budgets 2019/20**

- a) Mrs Lumbard explained that we are in a period of soft formula. **A Trustee asked for clarification on the Cornwall soft formula in comparison to the national formula** and Mrs Lumbard noted it is three stepped and an additional year has been added. **A Trustee asked if Cornwall are trying to remove funding for High Needs** and Mrs Lumbard clarified the situation. Due to the level of additional High Needs funding required by the Local Authority, more robust evidence of the ARB funding and expenditure is evident. This is a change to previous years.
- b) Mrs Lumbard explained that there are key risks to funding for future years; secondary schools have benefitted from HeadStart Cornwall which is ending and primary schools lose Sports Premium in 2020. At the current time it is assumed that the teachers' pay increase and teacher pensions funding will cease in 2020 and has a significant impact on future budgets. Mrs Lumbard circulated a further report detailing the drop in income.
- d) Saltash appear to have a deficit budget in 19/20 but they will be some changes in staffing and the cleaning contract will impact further. The school does have a carry forward from 2018/19.
- e) KPIs were circulated to Trustees. In 2020/21, Looe will have a £104k deficit, Saltash will have a smaller deficit and Trewidland will require investment. **A Trustee asked about the curriculum model for Looe** and Mrs Lumbard explained that this will be a priority to be discussed in September. It was discussed that Looe have had lots of staffing restructure.
- f) Looe, Saltash and Trewidland budgets will need further review. **A Trustee asked what actions might be taken based on the original budgets.** Mrs Lumbard noted that she has taken funding out of the budgets and is working on worst case scenario. Saltash's budget is balanced by using the carry forward. It was noted that in light of the recent Ofsted visit, further support is required. To look at budgets in detail, Trustees would need to look at the split in income from post 16s.
- g) Mrs Lumbard noted that the budgets for 19/20 will still have some staffing changes as there are further interviews next week. There will be the cleaning contract to include. Mrs Lumbard advised that the KPIs will be updated after this and she will then recirculate for the next meeting.
- h) **A Trustee noted that there is a 4% revenue reserve.** Mr Buckley noted that the Trust is trying to keep a higher reserve as possible and this was discussed further.
- i) The changes to budgets will be available before the July LGC (Local Governing Committee) meetings. The LGCs are aware of possible changes and will give their recommendations ready for the next Resources Committee.
- j) The Trustees unanimously recommended the budgets to the Trust Board for approval.

47. **AOB**

- a) Confidential appendix.
- b) Mr Taylor has been reviewing the gas contract for three of the schools and has contacted an energy broker. Mrs Lumbard circulated a paper. Mrs Lumbard assured the Trustees of the process that has been used; two brokers have been approached and have supplied different options.
- c) Due to the OJEU limits, the Trust would need to have a 24-month contract but are then tied to a contract which could have fluctuating prices. **A Trustee asked why this needs to be agreed today** and Mrs Lumbard explained that tender prices vary daily due to changes in the global market.

A Trustee asked what happens if the prices have changed significantly in the next 24 hours and it was discussed that in the event of a significant fluctuation, we would need to discuss again but it was thought this would be an unlikely.

- d) Trustees unanimously agreed to the contract with the assumption that if the market changes and causes a price increase; the price should still be less than the OJEU limit and the price must still remain the cheapest.

48. **Date of next meetings:** Wednesday 17th July 2019 for the extra Resources Committee meeting (now cancelled) at 5.00 pm at Liskeard School & Community College.

The meeting closed at 8.23 pm.

Action Summary	
M44. Update on Insurance provision – verbal c) Trustees unanimously agreed the 12-month contract with Zurich and requested that Mrs Lumbard contact surveyors to gain full re-build costs as this is a priority.	Action: Mrs Lumbard