

Uttoxeter Learning Trust (ULT)

Minutes of the Meeting of the Finance and Audit Committee held at Thomas Alleyne's High School on Wednesday 5 October, 2022 at 5.30 p.m.

Present: Mr. Slater, Mr. Haswell, Mr Pearce

In attendance: Dr. Clark (CEO),
Mrs Gallimore (PA to CEO)
Mr. Storer (CFO)
Mr. Hoose (Mazars)

1 **Welcome:**

Trustees were welcomed to tonight's meeting by the CEO which on this occasion took place at Thomas Alleyne's High School. Documentation had been circulated in advance of the meeting along with a clear and purposeful agenda. The main areas of discussion at tonight's meeting included the ratification of the previous set of minutes; an overview of the ULT finances; strategic factors impacting on Trust growth and policy approval. Trustees had the usual opportunities to raise questions and to seek points of clarification in relation to the pre-circulated documentation.

2 **Apologies:**

Resolved: That an apology for absence be received and accepted from Mr. Harper.

3 **Confidentiality:**

Trustees were reminded that all discussions that take place at this meeting should remain confidential to the meeting.

4 **External Auditor presentation (including training on Academies Trust Handbook 2022)**

Mr. Hoose took the Committee through the Academies Planning Document and explained that there are not a lot of changes this year. A planning meeting with the CFO was held in Summer 2022 to highlight any specific risks. It was reported that pension valuations are volatile currently due to uncertainty in the stock market. The Government will also use the inflation rates in September for the pension rates in March.

Another point to highlight from this document is the reference to a high court case from Summer 2022 brought by a music teacher relating to holiday pay. The court found in favour of the teacher. Academies have been advised to check back through their historic contracts to consider any associated financial implications from this legal fallout. The CFO advised Trustees that there should be no adverse impact arising from this legal ruling as Trust schools currently pay in line with Staffordshire County Council. It was reported that the CFO is currently awaiting further clarification from Insight HR on this matter.

Audit challenges include new schools joining MATs such as The Richard Clarke First School joining the ULT and the associated financial implications. The other nuance the ULT account will have this year is the opening of the new school Bramshall Meadows First School. The financial impact of taking on this new school will be split across the two years' account as the School was officially signed over to the ULT on 20/06/22 but did not open until September 2022.

Mr. Hoose confirmed there is no change in the treatment of church schools within Trust accounts. Specifically, this is in reference to the Church owning the buildings - therefore they should not be included in the accounts of the ULT. Mr. Hoose confirmed that any payment on refurbishing the church schools would show on the accounts as a donation to the Church.

Academies Trust Handbook

Mr Hoose shared a document with the Committee detailing the differences between the handbooks from 21-22 and 22-23 to highlight how little has changed this year. Changes are detailed below:

- Financial Reporting: Confirming withdrawal of the Budget Forecast Return Outturn [paragraph 2.15].
- Special Payments: Clarifying in paragraph 5.12 that prior approval of staff severance payments in accordance with HM Treasury's Guidance on Public Sector Exit Payments applies only to 'special' (non-statutory/non-contractual) payments.
- Indemnities: Confirming that trusts will be able to enter into indemnities which are in the normal course of business without seeking approval [paragraph 5.19].
- Religious Character: Extending the scope of paragraph 5.57 from dioceses to all religious authorities, confirming when the 'at cost' requirement is met.
 - For academies with a religious designation, the provision of services to protect and develop their religious character and ethos, which can only be provided by their religious authority, are regarded as meeting the 'at cost' requirement.

5 Election of Committee Chair:

Mr. Slater nominated Mr Pearce to be the Chair of the Finance and Audit Committee. Mr. Haswell seconded this nomination with all in favour. Mr Pearce accepted the appointment.

6 Election of Committee Vice-Chair:

Mr. Slater nominated Mr. Haswell to be the Vice-Chair of the Finance and Audit Committee. Mr Pearce seconded this nomination with all in favour. Mr Haswell accepted the appointment.

7 Declarations of Interest:

Mr. Storer and Mrs Gallimore declared the following interest in respect of the following items on tonight's agenda:

- Central Team.

8 Committee Terms of Reference:

The Scheme of Delegation was shared with the Committee prior to the meeting. The Committee was asked to review the section specifically referring to the Finance and Audit committee.

Mr. Pearce queried the following points.

'Take responsibility for all financial decisions across the MAT in accordance with the limits set in the SoD.'

'Agree admissions policies and monitor admissions and take overall responsibility for marketing.'

'Approve staffing decisions, including dismissals and early retirements.'

ACTION: Change wording to 'make recommendations to the Trust Board'.

The CEO shared feedback from the School Representation Board (SRB) in relation to the ULT Scheme of delegation & Governance Structure. The Committee agreed it would be best to hold the Financial Scheme of Delegation in one place only.

ACTION: *Dr Clark to remove the Financial Scheme of Delegation from the Scheme of Delegation so that only contained in the Financial Procedures Policy when the update is due.*

Resolved: That the changes as listed be made to the Scheme of Delegation.

9 Minutes of the Previous Meeting:

Resolved: That the Minutes of the Finance and Audit Committee held on Wednesday 23 June, 2022 be approved as an accurate and true record.

Resolved: That the Minutes, Agenda and all reports and other papers considered at the meeting be made available for inspection if required.

The Clerk will sign and date the ratified minutes on behalf of the Vice-Chair. This task is important to ensure the PA to the CEO can ensure there is an electronic copy of historical minutes, retained for future reference and audit purposes.

10 Matters Arising:

There were a number of matters arising that were addressed in relation to the June minutes. The following updates can be reported:

1.1 - Bramshall Meadows First School

The School successfully opened in September and has welcomed 22 Nursery and Reception pupils. The School has reported receiving interest for the next academic year. A Chair and Vice-Chair of the LGB have been elected and these have been approved by Mr. Slater on behalf of the Trust Board. There is also an official opening ceremony on 14.10.22 which will also promote the work of the Trust.

TRUSTEE CHALLENGE: Is the opening of Bramshall Meadows projected to affect the intake of the other ULT First Schools?

The Headteacher at The Bramshall Meadows First School has reported that the cohort predominantly lives on the Bramshall Meadows Estate. The nearest ULT first school is Picknalls First School who have historically been very secure in numbers, although numbers will be monitored closely.

1.2 - CIF Bid/Asset Management Plans

These have been shared with the Committee. Schools have been reminded they will need to complete the disclosure of use of reserves form by 18.11.22 to present to Finance and Audit on 01.12.22. Entrust have been notified that the Trust will be using Surveyors to Education for this round of CIF applications.

There are two decarbonisation bids for boiler replacement at The Richard Clarke First School and Windsor Park CoE Middle School. The process for these bids is much sooner and is on a first come first served basis.

The electrical rewiring work at Thomas Alleyne's High School has begun and site crews are working evenings to minimise disruption.

Thomas Alleyne's High School has secured an extension to the fire reform bid due to the short supply of site staff.

The CIF appeals on All Saints First School and Oldfields Hall Middle School were both unsuccessful.

1.3 - SLA's

There was an update on timescales in CEO report. Lore Creative have been approved for the PR and Marketing SLA. The business is meeting initially with Ryecroft CoE Middle School, Richard Clarke First School, Thomas Alleyne's High School and Windsor Park Middle School to discuss recruitment. It will also be producing a new ULT website and there has been a discussion on moving to an annual impact report rather than a termly newsletter.

The HR SLA will be revisited in 2023.

The CEO has secured three quotes for the external review of Governance.

There is an ongoing central IT issue resulting from the ongoing absence of the IT Network Manager. This is expected to continue until the end of the Autumn term. Evolve IT has been secured to cover this absence in the short term.

1.4 - Pupil Numbers

These will be updated at the next Finance and Audit Committee following the census on 06.10.22. Ryecroft CoE Middle School is lower than expected and at Thomas Alleyne's High School the conversion to Sixth Form is also slightly lower.

1.5 - Redundancy Scheme

This has concluded for all the schools who were in the Trust at January 2020. The consultation process has begun for The Richard Clarke First School who officially joined the Trust in September 2021.

1.6 - LGB Risk Registers

A template has been shared with schools and schools have been asked to share their risk registers with the CFO.

11 ULT Finance Report:

Additional costs – School Teacher and Support Staff Pay Awards and Energy Costs

The CFO provided information on the proposed pay increases. In the 22/23 budget forecast a 2.5% pay increase for teachers and support staff was included. However, the current proposal for teachers is for a 5% pay increase and a starting salary of £30 000. This has brought an additional cost across the Trust of £170 000. The proposed increase for support staff is £1925 or 4.04%, whichever is higher. The additional cost across the Trust is £195 000 with a combined total of £365 000 across the Trust. There is a cessation on the Health and Social Care levy from November which has led to a saving of £66 000. Therefore, across the Trust the additional staffing cost is £300 000. The 5-year model will be reworked and shared with Trustees with a significant impact on the revenue reserves.

Energy costs have been projected to increase in the Budget but it was reported there is a six-month cap in place.

TRUSTEE CHALLENGE: Is there a risk of strike action?

The CEO informed Trustees that this would be added to the Risk Register as unions have begun consulting on industrial action. The CEO informed the committee that the unions would give schools 14 days' notice of any planned strikes.

Resolved: That the CEO add the possibility of industrial action to the Risk Register.

12 Risk Register:

The Financial Risk Register October 2022 was shared with Trustees prior to the meeting in preparation for discussion. The CEO led a discussion on the high rated risks.

Risk Number 6, IT/ Cybersecurity – The long-term absence of the IT Network Manager restricts strategy development and implementation. All MSP's have been asked to provide a risk report on the schools they work with. The MSP's are also working to ensure schools and staff are compliant with the requirements for the RPA cyber insurance.

Risk Number 7, Condition of buildings – A quote for building work has been shared with Trustees for All Saints roof and damp-proof work. The Entrust estimate has increased from £60 000 to £146 000. Following a discussion, it was decided the Finance and Audit Committee would recommend All Saints submit a new CIF bid with Surveyors to Education and begin some of the remedial work in the meantime.

There are also other schools who would like to use the reserves for building works. Schools have been informed of the correct process and have been advised to complete paperwork for presentation at the next Finance and Audit Committee on 01.12.22.

Oldfields Hall Middle School had presented to Trust Board last year in relation to its proposed expansion, which has been commissioned this week. They have been advised that there could potentially be a shortfall in the Grant.

Resolved: That the CFO contact Mr. Gliddon to confirm the exact amount of the shortfall.

13 ULT Finance Report – Internal Audits:

The CFO reported that internal audits are underway and four schools have been completed and those reports have been shared. Windsor Park CoE Middle School has improved its rating. The CFO reported that although correct procedures are now in place they are not embedded and some issues remain. It was felt that following these audits it may be necessary to produce an inventory policy to provide schools with clear guidance and ensure all schools within the Trust are using the same processes.

Resolved: That the CFO and the CEO meet with the Headteacher and Chair of Governors at The Richard Clarke First School to go through results of audit as it is their first audit since joining the ULT.

TRUSTEE CHALLENGE: How much per year are the internal audit costs?

The CFO confirmed the cost per audit is £900 per school.

TRUSTEE CHALLENGE: Do the internal audits give any cause for concern for the external audit?

The CFO confirmed that so far, no major concerns have been found.

14 Trust Expansion Plans:

1.1 - Schools looking to join the Trust

Alleyne's High School, Stone is keen to join the ULT. As the School is already an academy the ULT will not receive a grant. Due to the need for RSC approval there are a series of deadlines to be met. Information regarding this was supplied prior to the meeting in the Finance and Audit Committee report. The CFO and CEO will begin a process of due diligence, specifically looking at Alleyne's risk register, pupil predictions and finances before seeking approval from the RSC.

It was reported that another school is also interested in an associate membership and are in discussions on what they would require and a suggested timeline.

1.2 - Central Team

A sensitive staffing matter was raised at this point – *see Confidential Appendix.*

1.3 - Estates and Health & Safety Lead

The recruitment process yielded two plausible applicants which are being held following a second recruitment round. The Committee discussed the option of using a recruitment company to fill these positions. The CEO informed Trustees that a recruitment company has been in touch and the cost would be around £6 000. The Committee agreed to recommend to the Trust Board if the second recruitment round was unsuccessful that the ULT would then consider securing the services of the recruitment company.

15 Safeguarding:

There is a requirement for The ULT to have a unified approach to Covid absences as there is no legal requirement to isolate. The CEO has discussed this issue with Headteachers and found there have been some different approaches within schools.

Resolved: That this area be discussed at the Trust Board to agree an attendance protocol in relation to increasing rates of Covid-19.

16 Policies:

A number of ULT policies were shared with Trustees prior to the meeting. No changes were suggested to the following policies:

- ULT Reserves and Charging policy
- ULT Allowances Policy
- ULT Fixed Assets
- ULT SPS Discretionary Policies.

Regarding the ULT Business Continuity Plan, the CEO reported that the plan shared was not the finished document. The CEO and Mr. Harper have been developing this document and have changed some terminology but feel there is more to address within the Policy such as naming a member of staff who could deputise for the CEO should the need arise.

Mr. Slater offered a couple of notes such as changing the wording from 'Trust Wide Crisis' to 'Trust Wide Incident'. Mr. Slater also noted that in such an incident you would need to have either the Chair or Vice-Chair on the response committee as they would have the power to authorise spending money on behalf of the Trust Board.

Regarding the ULT Reserves and Charging Policy, Mr. Pearce felt that topical language such as 'in the current financial climate' should not appear in a policy.

Mr. Slater highlighted that the current reserves required should be 5% over time. The CIF bid contribution has also increased to a minimum of 15%. Mr. Slater also felt there should be a reference to the agreement required from the Trust Board regarding loans.

Regarding the Trade Union Recognition & Facility Agreement, it was confirmed this is a draft agreement as required by the JCNC and is not legally binding. The draft document has been shared with Headteachers.

It was confirmed that once the tweaks to the policies have been made, they will be forwarded to the Trust Board for formal ratification.

Resolved: That the CEO take account of this action.

17 Any Other Business:

There was no additional business on this occasion.

18 Confidentiality:

Trustees were asked to identify if there were any items/materials, which needed to be excluded from any Agenda, Minutes, reports or other papers discussed at the meeting, which would normally be made available for inspection following the meeting.

Trustees were also asked to identify any items included on the Agenda, which require recording in a Confidential Appendix to the Minutes.

Resolved: That it be identified that the following item needed to be recorded as a Confidential Appendix to the Minutes:

- Minute 14 – 1.2.

There were no further items/materials identified for exclusion.

19 Date of Next Meeting

The next scheduled meeting will take place on Thursday 1 December, 2022 at 5:30pm. The venue will be confirmed nearer the meeting date.

All that was left to do was for the Chair to thank all Trustees for their attendance and contributions to tonight's meeting.

The meeting was brought to a close.

_____ PP. P. Davies _____
Chair

_____ 01.12.22 _____
Date

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Action Matrix

Minute	Owner	Action	Update
8	CEO	Amend Scheme of Delegation in line with feedback.	
9	CEO	Make all paperwork linked to June meeting available for public scrutiny if required.	
9	Clerk	PP minutes and share with PA to CEO.	
11	CEO	Update Risk Register to include threat of industrial action.	
12	CEO	Follow up specific query with Mr. Gliddon.	
13	CFO/CEO	Meet with HT and Chair of The Richard Clarke First School to go through findings from internal audit.	
15	Trust Board	Agree attendance protocol around Covid-19.	
16	CEO	Amend policies and forward to Trust Board for formal ratification.	

Date of next meeting: Thursday 1 December, 2022 at 5.30 p.m.

Absent Trustees to be informed.