

**Uttoxeter Learning Trust  
Finance & Audit Committee**

Minutes of a meeting of the Finance & Audit Committee held remotely (via Microsoft teams) on Wednesday, 2 December 2020 at 5.30pm.

**Present:**

Mr L Trigg (chair), Mrs V Bennett, Mr S Harper, Mr S Slater – Trustees

Dr S Clark – Chief Executive Officer (CEO)

Mr A Storer – Chief Finance Officer (CFO)

Mr R Sheldon – Clerk to the ULT

**Also in Attendance:**

Mr D Hoose, Mr V Thakrar (Mazars Ltd – external auditor)

**218. External Audit Report for the Year Ended 31 August 2020:**

Mr Hoose and Mr Thakrar (Mazars Ltd) were present for this item to present their audit completion report for the year ended 31 August 2020, a copy of which had been previously circulated to trustees. Mr Hoose went through the report, with particular focus on the sections 'Significant Findings' and 'Internal Control Recommendations'. Clarification was given to trustees on various issues that had been reported. This included the risk due to the impact of Covid-19 and the current economic climate. Also, the need for trustees to ensure that financial regulations were complied with regarding procurement.

Discussion followed and the chair of the Trust Board referred to the section on 'Internal Control Recommendations'. He challenged the reported deficiency that the Trust did not notify the ESFA of a related party transaction in advance of the transaction occurring. This related to the temporary appointment of the chief executive officer. The chair reported that this appointment had been referred to the ESFA prior to the appointment being made and therefore requested the auditor to amend this section as appropriate. Mr Hoose agreed to make the change.

Discussion also took place regarding the management representation letters and trustees noted that the content of the draft letters was similar to those issued following previous audits. Trustees requested, however, that they be amended to make clear that they had done everything 'in their knowledge' in fulfilling their responsibilities. Mr Hoose agreed to change the letters as requested.

Finally, Mr Hoose reported that the draft audit report was being finalised as appropriate and would be available for the Trust Board to consider, and formally approve, at its meeting to be held the following week. Mr Hoose wished to place on record his thanks to Mr Storer (Chief finance officer) and his team for all of their help with completion of the report.

It was resolved –

- i) That Mr Hoose and Mr Thakrar be thanked for attending the meeting and presenting the draft audit report for the year ended 31 August 2020.
- ii) That the draft report be accepted, subject to the amendments outlined above, and that the committee looks forward to the completed report being available for formal approval by the Trust Board at its meeting to be held on 9 December 2020.

**219. Declaration of Interest:**

A declaration of interest was given from Mr A Storer (Business Manager at Thomas Alleyne's High School) in advance of discussions around the ULT redundancy scheme. (See Minute 223)

**220. Minutes:**

Minutes of a meeting of the Finance committee held on 30 September 2020 had been previously circulated and taken as read.

It was agreed –

That the minutes be received and approved.

**221. Matters Arising:**

a) PR & Marketing Strategy (Minute 211(a) refers)

The CEO reported that the strategy continued to be developed and was also to be linked to the Teaching School. The marketing strategy aimed at recruiting pupils to schools in the ULT was proving difficult due to Covid-19 but the CEO was pleased to report that schools had developed excellent programmes of their own to promote their schools. The company helping to develop the strategy was also providing good advice around communication with parents and the wider community regarding the pandemic.

b) Trust Capacity Fund Bid (Minute 211(b) refers)

The CEO reported that she continued to work with the chair of the trust board to complete the bid before the deadline of the end of the following week. The bid would include evidence to demonstrate that the Trust was growing and it was hoped that it would be successful this time.

c) New School and Richard Clarke First School (Minute 212(g) refers)

The CEO reported that, as a result of the decision to defer the opening of the school, the opportunity was being taken to have a further look at some of the plans for the new school. As a result, a number of changes had been identified including the number of toilets and space for use by the community. The arrangements for appointing the contractor for building the new school were nearing completion and work was planned to start in June 2021.

With regard to Richard Clarke First School the CEO reported that the consultation process had been completed and the application was to be considered at the Headteacher Board of the RSC to be held on 17 December. The proposed timetable for the school to join the Trust could be tight and the CEO recommended that the ULT should help with the funding of the necessary searches required before completion.

It was resolved –

That trustees agree to help fund the necessary searches and that the school should reimburse as necessary, once joining the Trust.

d) Pupil Numbers (Minute 212(h) refers)

The CEO had previously circulated a report to show the numbers on roll at each of the schools as taken from the October 2020 census. The CEO was pleased to report that

the impact of the change of admission arrangements at JCB Academy had been limited but that the situation would be kept under review.

It was resolved –

That the report on pupil numbers be received and noted.

e) Review of IT (Minute 212(i) refers)

The CEO referred to a recent meeting held with Mr Oldham, Mr Sutcliffe and Mr Harper (trustees) to consider the scope of any future IT review. The meeting had been positive and had recognised an opportunity to discuss with schools an IT provision that they could have rather than just around what they needed. It could provide an opportunity for digital transformation of the Trust, with a vision as to what could be done in the future. The meeting had also considered the immediate needs of schools regarding IT support and provision, particularly with changes being made to the support staff team currently available. Further consideration would be given to looking at how staff could be best employed to support all schools. This could include developing an infrastructure provided by the Trust whereby schools would have the opportunity to bid for the level of support they may need.

The chair of trustees also referred to the concerns being expressed by the headteacher of Thomas Alleyne's High School due to the increased demands being placed on the IT support team, over and above what the school was being funded for. This included the senior IT manager who was paid to support the ULT for one day a week but was actually working for two days each week. The headteacher had made it clear that this was no longer sustainable.

Mr Harper also outlined his vision for the scope of the IT review and that further meetings were to be held to ensure that the review process could start at the earliest opportunity.

It was resolved –

That the update on the IT review be noted.

## **222. ULT Finance Report:**

The CFO presented reports on the following ULT and school finance matters:

a) Internal Audit

The internal audits for all ULT schools had been completed and copies previously circulated to trustees, with the exception of the audit report for Hutchinson Memorial First School. The CFO would forward this to trustees as soon as it was available. The CFO reported that there was a common theme apparent from the audit reports, particularly around the expenditure limits and the tendering process. Discussion took place and trustees were pleased to note the positive audit reports but recognised the need for some further improvements to be made to school funding mechanisms.

It was resolved –

That the internal audits be received and that the CFO be requested to look at where improvements could be made and to prepare a report for consideration at a future meeting of the Finance and Audit committee.

b) CIF Bids

The CFO reported that appeals had been lodged against the unsuccessful CIF bids but that none had been successful. As previously reported, the only one going ahead was the strengthening of the external fence at Picknalls First School. Bids for 2021/22 were currently being finalised and would be submitted before the January deadline.

Trustees asked about the emergency CIF bid that had been submitted on behalf of All Saints First School and the CFO confirmed that a response was still awaited.

It was resolved –

That the update on CIF bids be noted and that trustees would continue to monitor the emergency bid submitted for All Saints First School.

c) Land and Buildings Collection Tool

The CFO reported that it was necessary for the Trust to provide information about its land and buildings and that a collection tool was available for this purpose. He assured trustees that he would complete the form as necessary and submit it to the ESFA before the deadline. The information for church schools in the Trust was being sought from the Diocese.

d) Ryecroft Middle School

The CFO reminded trustees that Ryecroft shared the school site with Dove First School, which was in Staffordshire University Academy Trust (SUAT). However, all services connected to the site were in the name of Ryecroft Middle School and that an appropriate charge was made to Dove First School for its share of the services used but this had implications around the recovery of VAT. Options to resolve this had been considered and that one in particular had been to put all service bills in the name of Dove First School and then Ryecroft charged accordingly. This would mean, however, that the building would have to be put in SUAT's name.

It was resolved –

That the building should remain in the name of Ryecroft Middle School and that the current scheme for re-charging service bills to Dove First School should continue.

**223. Review of Redundancy Consultation Process:**

A report had previously been circulated giving a summary of the review process to-date and the CEO went through the detail of it. This included clarification from the unions that, in their view, collective bargaining had been undertaken on behalf of their members. The CEO further reported that the lawyers had also recently responded positively to the situation regarding new appointees to the Trust and for decisions to dismiss and re-engage to be communicated through headteachers. The CEO further reported that another issue now also to be taken into account was the proposed change to the Public Sector exit pay reform and which the local authority was currently consulting on. The outcome of this could have implications for the ULT and Insight HR was currently seeking further information on its behalf. As such, the CEO asked if consideration should perhaps be given to pausing the scheme further to await the outcome of the local authority's consultation. Discussion followed and the committee chair expressed the view that the review process should continue as previously agreed but that, doing so, account should be taken of any further advice given by Insight HR.

It was resolved –

That the update on the redundancy scheme be noted and that the further advice from Insight HR should be awaited before a final decision was taken on next steps.

#### **224. Covid-19 – Financial Implications for Schools and the ULT:**

The chair of trustees reported that headteachers and all school staff were working extremely hard in response to the pandemic and doing everything possible to ensure that the schools remained open. This was proving a challenge due to staff absences through the need to self-isolate and additional cover staff were being employed as necessary. This was having a financial impact on schools, alongside all the other safety measures in place to meet guidance given to minimise the risk from Covid-19. The CEO reported that the costs had risen significantly since the start of the new school year. The CFO reported that all schools were tracking the additional costs and that he was putting a summary report together to show the total costs. These were currently around £184K to the end of November although some of these costs had been offset by donations given from various organisations. It was hoped that schools would soon be able to claim for additional staff costs and further guidance around this was awaited. The CFO further reported that two of the schools had submitted claims to the DfE for re-imbursment of additional costs, although they should not have done so given that they were holding reserves. This had been noted during the recent external audit. The chair of trustees also reported that a request had been made by the headteacher of Picknalls First School for use to be made of some of the school's reserves to meet the additional costs.

During the discussions on the impact of Covid-19, trustees also recognised the hidden costs on staff morale and their well-being.

It was resolved –

- i) That the update on the financial impact of Covid-19 be received and that trustees approve the use of school reserves where necessary to meet additional costs.
- ii) That the chair of trustees be would write to the DfE to let them know that the Trust Board was aware that two schools had mistakenly claimed and that it had reminded all of the schools to ensure that any future claims would be submitted in accordance with guidance.
- iii) That a letter be sent to all school staff, on behalf of the Trust Board, to recognise the excellent work they were doing in these challenging times to ensure that schools not only remained open, but that students having to self-isolate continued to be educated through remote learning programmes.

#### **225. Safeguarding:**

The CEO reported that there were no specific safeguarding issues to bring to the attention of trustees.

#### **226. Risk Register:**

Trustees had been previously circulated with an updated risk register and the CEO outlined the key changes that had been made to the register.

It was resolved –

That the updated risk register be received and noted.

**227. Policy Approval:**

The following policies had been previously circulated:

a) ULT Pay Policy

The CEO reported that the Pay policy had been updated to reflect the LA's model policy for the current school year and to also make clear the roles of both the trustees and local school governors. Discussion followed and a suggestion made that the policy be revised further to make clear that it would continue to be reviewed as appropriate by the Trust Board but that reference to consultation with trade unions be removed.

It was resolved –

That the Pay policy be received and approved, subject to the change outlined above.

b) ULT Financial Scheme of Delegation

The CEO reported that it was necessary to review the Scheme of Financial Delegation, to also make clear the role of the CEO alongside the role of the CFO. Discussion followed and the need to revise other areas of the Scheme was also recognised

It was resolved –

That the CEO and CFO be requested to review the Scheme of Financial Delegation, taking account of any issues identified following the external audit, and to revise it as necessary for approval at the next meeting of the Finance & Audit committee.

c) Data Protection / Freedom of Information / Privacy Notices

The CEO reported that all schools had policies in place to support these issues but that it was also necessary for the ULT have its own policies in place. Schools had a service level agreement with the local authority to provide advice and guidance for such matters. It would be for trustees to determine whether overall responsibility should be with trustees or local governing boards. Discussion followed and the importance of having such policies in place was recognised and that full consideration should be given to these matters as part of the IT review currently being undertaken. Account should also be taken of similar policies that other MATs may have in place and which could be adapted to reflect the requirements of the ULT.

It was resolved –

That the CEO be authorised to develop ULT policies for data protection, freedom of information and privacy notices and that they be submitted for approval at a future meeting of the Trust Board.

**228. Date of Next Meeting:**

As previously agreed, the next meeting of the Finance Committee was to be held on Wednesday, 3 February 2021 at 5.30pm. The meeting would again be held remotely.

L. Trigg

3 February 2021

**Signed**.....

**Date**.....