

Resources Committee – Part I Minutes							
Date/Time	10:10:18 4.00pm	Location		Okehampton College			
Attendees	Initials			Attendees	Initials		
Daryll Chapman	DC	Ian Courtney	IC	Tania Skeaping	TS		

Apologies	Initials	Reason (Category of Trustee)
Lee Rose	LR	Business
Philip Sanders	PS	Personal

ACTIONS-
DECISIONS
QUESTIONS AND CHALLENGES

In Attendance	Initials	
Susanne Kiff	SK	Chief Financial Officer
Hazel Fox	HF	Vice CEO
Sally Wood	SW	Governance Manager

Minutes to
Attendees
Apologies

1 - Apologies
<ul style="list-style-type: none"> LR and PS had sent apologies. TS will do the meeting review. Trustees noted the meeting was not quorate with any decisions to be referred to Full Trustees for approval.

2 – Declaration of Interest
<ul style="list-style-type: none"> All Trustees were reminded to declare any conflict of interest that may arise during the meeting.

3 – Agree & Sign Off Previous Minutes
<ul style="list-style-type: none"> The minutes of the Resources Committee meeting held on 05:07:18 were agreed and signed by IC. One error to be amended £12 on page should read £12k.

4 – Matters Arising

- IC gave Trustees a brief update on the athletics track at Tavistock, which will need £500k to be refurbished. There is the possibility of charitable funding but they need control of the asset to do that and Secretary of State approval is also required. Priority use for the school would be given. Research is currently ongoing as to what grants they might be able to get. There has been a problem with the light towers and a survey was to be commissioned. A meeting due to take place last week has been postponed. IC is representing the MAT.

5 – Matters Brought Forward at the Direction of the Chair

Chagford Primary School

- Trustees discussed pupil numbers at Chagford. HF advised a questionnaire has been undertaken in the community but the results have not been collated yet.
- Trustees noted there may be a perception that the school did not have their own Headteacher which may be causing concern.
- HF advised it was opening day today for the school and she had talked to a lot of people at the event. Marketing was one area where the school could make improvements to sell itself.

Devon Funding Consultation

- IC and DC updated Trustees they had attended the Devon Funding Consultation earlier that day and feedback was required by Friday which was really short notice. Ideally LGBs would have been asked to look at it and apologies were given for that, although no Governors from LGBs had chosen to attend the sessions.
- DC advised they wished to respond to the consultation questions 1 and 2 with no / no and wished to have an united front in the response.
- Trustees noted that more money was needed in the high needs block. DEF have put £1million into the growth fund and it is anticipated that the Government will put more money into the growth funds this year, so the original £1 million will be moved to the high needs block with another £980k to come from the school block.

Trustees challenged if the agreed budgets allowed for the national funding formula

DC responded that the net position for the MAT might be a good thing for this year. **SK to produce a shadow budget with the National Funding Formula figures in.**

- Trustees noted that the pay and pension increases will be funded this year with 1% being paid by schools.
- Trustees agreed for DC to respond to the funding consultation on behalf of the MAT due to time constraints.

Trustees asked how that would be communicated to Heads

DC responded an email would sent to all.

Action:

SK to produce a shadow budget with the National Funding Formula figures in

6 – Committee Matters

6.1 Chair of Committee / 6.2 Membership of Committee

- Trustees were aware that RC has resigned as a Trustee. Obtaining quorum is proving difficult at time. IC advised he would chair until the membership of Committees was discussed at Full Trustees on 18:10:18. There is currently a Trustee vacancy.

7 – Budgets

7.1 Budget Reports / MAT End of Year Position

- Trustees noted the cost centre trend report which showed the variance between the budget and actuals. There was also a summary document for each school to see what actual position was, both in year and overall.
- Trustees looked at Boasley Cross as an example showing income, main streams of income, expenditure and in year position and then the balance on conversion carry forward position.
- Trustees noted that protected funds included the PE funding

Trustees asked if the PE grant was 6/12th

SK responded it was ringfenced and showed the balance remaining

Trustees asked if the income was the same

SK responded this was part year

Trustees asked why it was different for every school

SK responded it was based on pupil numbers

- Trustees noted that the carry forward of restricted funds are shown and in the past Governors have probably not seen this level of detail, just general carry forward figures.
- Trustees discussed that in respect of Pupil Premium they could see income, but not expenditure. HF and NS are working on a model to push the need for schools to evidence how those funds are utilised.
- SK added that those funds were in the budgets, but not separated out. Each school has a pot of money that they use, but some of this was utilised for salaries and therefore not broken down in much detail. The Auditors won't expect that to be the case as long as they can see where spent.
- Trustees agreed that Heads should be able to talk about Pupil Premium money and how it has been spent. The OFSTED comment is about the impact.

Trustees queried the Boasley Cross cost centre trend report in respect of Pupil Premium expenditure.

SK responded there was an amount of pupil Premium expenditure allocated for the Head of School to decide how to spend it, but the remainder was spent on staffing or interventions.

- Trustees noted that Orovia can allocate percentages of staff members time against Pupil Premium, but Heads needed to be on board and hold those meetings. **It was agreed this would be a standing agenda item in Heads meetings as well as sports funding.**
- Trustees noted that the figures for Tavistock were not in line with what was expected, although there was an increase in pupil numbers.
- DC advised he had spoke to Sarah Jones and work was ongoing to get to the reason for this.
- SK advised that the original budget in January showed -£257k but when the reporting took place in June and a new budget was set, it was improved to £78k so it was evidencing that action had been taken. The outturn position however was much closer to the January budget. Trustees were made aware that assumptions had been put into the June budget and included, but these assumptions could now not be quantified.

Trustees challenged what kind of assumptions had been made

SK responded that there would be a lot more post 16 funding and pupil premium was out.

Trustees asked if there was a drive to have more pupil premium pupils

SK responded that figures were put in but the reasons were unclear

Trustees queried whether post 16 funding lagged and so the school should know exactly what funding would be received

SK responded this was predicting the rest of 17/18.

Trustees challenged how in future, the MAT could ensure that peoples assumptions are realistic

IC responded there needed to be more accurate benchmarks for each school

SK responded that she would expect people who make assumptions to have a record of why assumptions were made.

- Trustees noted that the £313k had been entered into the spreadsheet and the only way that figure would change is if the Auditors don't agree with something and move it around.

Trustees referred to the 18/19 figures for Tavistock and noted there was a positive in year position and that looking over 3 years the budget looked OK

SK responded that their intake into 6th form was significantly lower than what was budgeted. 120 was budgeted for and they got 100 approx.

Trustees were disappointed with the figures for Chagford and asked why they were looking so poor and referenced the staffing line

HF responded there was a need to revisit the staffing line again for Chagford. IC added pupil numbers are down and Chagford is the smallest of the three schools. The £20k loan that needed to be repaid was also unknown about initially.

Trustees challenged why the budget was in this position

SK responded that the budget that was set was overly optimistic. This was set in January and there has been some significant overspend in some areas with income not as high as expected. Pupil Premium was £17305 with 23 pupils budgeted for.

Trustees challenged how that could be so far out, it equated to three pupils. The budget was for January to September and the school would have known about the number of pupil premium pupils. DC added that the GAG funding was known, so why was the budget so wrong

SK responded that the budgets were set and she didn't know why the assumptions had been made.

Trustees asked if this was due to in year adjustments

SK responded no, this was based on census figures

Trustees challenged they would have known the figures based on census

SK responded that the funding calculators were for maintained schools.

- Trustees discussed that other schools in the MAT would show the same variances if they had used the calculators.

Trustees asked what was counted as extended schools staff

SK responded they were breakfast and nursery staff but SK also believed there were coding errors in this area

- Trustees continued to discuss Chagford noting the teaching salary line was correct, but the income assumptions were wrong. The budget was in a better position due to Nuala McDermott's salary being removed.
- Trustees noted the actual carry forward would mean a break even position this year, with a -£77k for next year and a -£103k for the year after. **It was agreed to have a working group of the Executive Team and some Central Hub LGB representatives to look at the budget and do some modelling.**
- Trustees noted there had been no response from the LGB in respect of the letter that has been sent to them. SK added that 8 letters were sent out and only Lisa Paton had responded. It was raised that some LGBs weren't aware of the overspend and didn't feel able to respond.
- Trustees noted at one school they were effectively paying twice for a member of staff due to long term absence and no absence insurance

Trustees challenged if that risk could be mitigated using the mutual fund or absence insurance

It was confirmed that the sums were done and it wasn't worth the money

Trustees asked if the Devon mutual fund was still in existence

It was confirmed yes

- Trustees noted it was up to schools to decide but there was a need to re-evaluate the fund and compare that to commercial quotes. It was agreed that if schools didn't go into the mutual fund, they should put the money into a supply budget.
- Trustees discussed Lyford and noted the roll was rising and there was evidence of children joining for the next few years.
- Trustees briefly discussed at what size is a school unviable and venues for special provision with the area.
- Trustees agreed that LGBs needed to own these budgets, the issues were not for Trustees to solve.
- HF advised that there needed to be a clear mechanism for moving staff between schools. Heads should be sending all vacancies centrally.
- SK advised a caveat with the reports that she had some concerns with Dartmoor Federation and Okehampton College that she was not confident that the journals and recharges had been done as they should be, but a line had to drawn at some point.

Trustees asked what numbers SK could be referring to

SK responded tens of thousands

7.2 Response from Bradford Primary School

- Trustees acknowledged the response from Lisa Paton and **actioned SK to chase for other responses.**

- Trustees were disappointed the note the lack of response from other Clusters.

7.3 3-5 year Financial Plan

- Trustees noted the 3 year plan showed the MAT in deficit
- SK advised that when budgets were set, she could provide the overall 5 year plan. SK will report on the 3 year plan.
- Trustees noted that when due diligence was undertaken; the whole MAT was due to break even at three years.
- Trustees discussed that if LGBs saw nothing to show improvement in their budgets, then they needed to think about taking some action and being robust and proactive. Heads need to consider every financial decision they make and consider staff they do have in terms of generating other income.
- Trustees discussed that staff on UPS3 should have whole school responsibility. This was again looking at income generation as the solution was to increase income or cut costs.

7.4 Review Reserves

- Trustees noted there should be one month in reserve.

[Trustees asked for the definition of a reserve](#)

SK responded that once the MAT had its first set of accounts, the Auditors will class what the reserve position is

- Trustees agreed to wait for the outcome of the audit.

7.5 Review investments

- Trustees noted there had been two investments
 - 1) £500k invested on 03:08:18 maturing on 05:11:18: interest £901.37 (0.7% interest)
 - 2) £500k invested on 03:08:18 maturing on 04:02:19: interest £1900.68 (0.67% interest)
- Trustees noted the average interest rate as 0.75%

[Trustees queried that the investments for three months would yield one quarter of 0.75%](#)

SK responded yes

[Trustees queried if investment could be in government bonds](#)

SK responded it would need to be reflected in the Investment Policy

- Trustees noted that SK would be looking to invest more

[Trustees asked what the restrictions were on investment](#)

SK responded it was stated in the policy, it needed to be risk free banks

7.6 Update from CFO

- Trustees noted that external audit were in next week for which the MAT was ready, however a clean management letter was not anticipated.

Trustees asked what a clean management letter would be

SK responded that the Auditors would write a management letter after the audit and raise points of concern. This letter goes to Trustees and to the EFSA. SK added she thought Okehampton school fund would be an issue

Trustees asked what had changed

SK responded they were not able to reconcile the fund, an instruction was given to close the account and it didn't happen.

- Trustees were disappointed to note this and agreed it couldn't go unacknowledged. It was agreed to get the audit completed first, however this was a matter of trust.

7.7 Letter from EFSA Chief Executive

- Trustees acknowledged receipt of this.

Action:

- DC / HF to put pupil premium expenditure and sports funding as a standing agenda item in Heads meetings**
- HF to set up working group of the Executive Team and some Central Hub LGB representatives to look at Chagford budget and undertake modelling**
- SK to chase for response to budget position letter from LGBs**

8 - Policies

- Trustees noted that the Pay Policy was not yet in circulation.
- Trustees noted proposed pay increases of 3.5% on MPS, 2% for UPS scales and 1.5% on leadership. This had been agreed and gone to the unions. The Government is funding all but the first 1%.
- Trustees noted that as a MAT the proposed scales did not need to be implemented, but Devon County Council needed to be advised of the decision.

Trustees asked if they did not agree with the increase, would they need to consult with unions

SK responded it was recommended that the MAT complies with the national agreement.

Trustees asked if this would equalise all the schools

DC responded that the MAT all use the Devon County Council Pay Policy, but some small aspects of it needed to be aligned. The content is not massively different. DC and HF will discuss this with the Heads when the policy is issued.

- Trustees proposed and all were in favour of the proposed increases being recommended to Full Trustees for approval**

9 – Review building maintenance / improvement needs

- SK updated that she had spoken to Joe Wood and Alan King and advised that Trustees are keen to progress when the schools condition allowance is released. SK is due to meet with Alan and Alison Horn tomorrow to discuss how to get the priority list ready for Trustees so that quotes can start to be obtained.

Trustees asked if the decisions would be based on the same criteria

SK responded more or less, yes

- Trustees agreed there needed to be consistency on what was a D1 or D2 as it can become subjective.

Trustees asked if there was any indication as to the amount of the allowance

SK responded no

- Trustees agreed that all schools would receive something and that was a benefit, as they wouldn't have received that as a maintained school.

10 – LGB Minutes

- Trustees noted the 20:06:18 notes from Tavistock College.
- Trustees noted there was a risk identified around the increase in pupil premium numbers, which was quite significant in Y7. It is going up and would be 44 % of year group.
- Trustees were concerned to note that there were an inaccurate figure reported within the minutes 1714.8 – indicating there would be an £123K underspend within the College

11 – Risks Identified / Forthcoming Changes

- Governors / Trustees not being given accurate figures
- Outcome of Audit
- Wash up session required to review the systems to identify change required
- Change of staffing
- The need to remodel and getting that right
- Okehampton College moving into the Central Finance team is mitigating risk
- Software risks
- 3 year projections – structures not sustainable. LGB to review and come back with proposals

Action:

SK to add risks to the risk register

12 – Meeting Review

- TS fed back the meeting review

13 – Date of next meeting

- Okehampton College – Wednesday 21 November 2018 – 4.00pm

Action Table from 10:10:2018

WHO	WHAT	WHEN
SK	Produce a shadow budget with the National Funding Formula figures in	Jan 2019
DC / HF	Put pupil premium expenditure and sports funding as a standing agenda item in Heads meetings.	DONE
HF	Set up working group of the Executive Team and some Central Hub LGB representatives to look at Chagford budget and undertake modelling	30:10:18
SK	Chase for response to budget position letter from LGBs	DONE
SK	To add risks to the risk register	DONE