



The Chatsworth Multi Academy Trust

Minutes of Finance & Audit Committee Meeting

On Wednesday 25th November 2020 @ 10.00am

Remote Meeting via Microsoft Teams

Present:

Ms Louise Hutchinson	Trustee
Mr Andrew Bent	Chair of Finance Committee
Dr Martin Hanbury	CEO Chatsworth Multi-Academy Trust
Ms Helen Birkinhead	Headteacher, Chatsworth High School & Community College

Apologies:

In Attendance:

Ms Vicky McRae	Trust Business Manager
Miss Judy Thorp	Clerk, Just A Sec

The meeting met its quorum

1. Appointment of Chair

A nomination was received and seconded for Andrew Bent as Chair of Chatsworth Multi Academy Trust Finance Committee

Approved: Andrew Bent was elected as Chair of Chatsworth Multi Academy Trust Finance Committee

It was suggested that it would be appropriate to review the membership of this committee in light of the departure of John Corker. Dr Hanbury agreed and explained that membership of the Trust Board as a whole would need to be considered as Patrick Johnson had also submitted notice of his intention to step down in July. The minimum number of Trustees is seven but there is no upper limit. The ideal would be for nine Trustees with five sitting on the Finance Committee with a minimum of three for quoracy.

2. Consideration of change in scope of committee to incorporate Audit and Risk

This item was discussed under item 3 Terms of Reference and Scheme of Delegation.

3. Terms of reference for the Finance Committee

The proposed Terms of Reference will be added to the agenda for the Trust Board meeting. Andrew Bent and Louise Hutchinson will work on the document together to ensure it is fit for purpose and reflects the remit of the Finance Committee as set out in the Scheme of Delegation.

In relation to pay progression recommendations, the Committee discussed which board would take responsibility for teachers, leaders and executive members.



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It was suggested that the Pay Policy should be a Trust-wide document which ensures parity across all organisations. As a Multi-Academy Trust, Chatsworth is responsible for all employees and therefore, the overall decision in relation to pay progression should be that of the Trustees. However, would not be appropriate for Trustees to review the detail in relation to the Head Teacher's recommendations and therefore, this should be dealt with at a local level. The CEO should complete the performance management of senior leaders in conjunction with the Local Governing Board and the Trustees would then be responsible for the CEO. Trustees must be strategic and should not be involved in the operational aspects of individual organisations. However, it is for the Trustees to ensure that the policies are fair, robust and adhered to and it is also the responsibility of the Finance Committee to ensure there are adequate funds available to support pay progression for eligible staff.

The view of the Chair was that the remit of the LGB should focus on important matters directly linked to school or college performance and improvement. To relieve the burden of dealing with policies and financial matters, the Trust Board should be responsible for strategic, business and financial matters such as policy approval and budget setting and monitoring.

Trustees must be clear on the delegations allocated to the LGB to ensure there is no duplication of roles. It is important that the process does not become too protracted and unwieldy so as not to delay the consideration of pay progression and therefore, the system must be straightforward and well defined.

Agreed: The Committee agreed to the following process for consideration of pay progression:

- LGB to consider the recommendations and evidence of the Head Teacher in terms of teacher pay progression and make a recommendation to the Trust Board for final approval
- Finance Committee to scrutinise the financial position of each organisation to ensure pay progression for eligible teachers is affordable within the current budget
- CEO to carry out performance management review of senior leaders and make recommendations to Trustees
- Trustees to carry out performance management review of the CEO

4. Minutes of the Previous Meeting (2nd July 2020)

The minutes of the previous meeting were approved as a correct and accurate record.

5. Matters Arising

Covid-19 response: update on operational impact (MHa)

Covid has had a significant impact on practice, particularly in the high school but also at Futures where a small number of staff have been affected resulting in the closure of classes affecting a total of 14 students.



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The high school has suffered from more disruption with high numbers of pupils and staff having to self-isolate. For example, there were over 50 young people absent yesterday. Where possible the school is trying to avoid using supply to utilise the staff in post but this is a challenge due to the bubble system and the fact that students are located over three different sites. The school must have enough staff available to support in school and at break and lunchtimes. Two more bubbles have closed today as a follow on from two that were closed yesterday.

Dr Hanbury paid tribute to the staff who are coping extremely well under the pressure. Despite the challenges, it is evident from walking around the school that staff are continuing to provide a high quality education to pupils and some excellent practice is noted.

There are some positives to note, in particular behaviour and stability of students due to less transition around the building.

However, it has been very difficult for leaders to focus on the strategic development of the school as management of operational aspects have taken priority under the current circumstances. An agreement has been reached for the leadership team to spend a day off site to focus on some of this development work while Dr Hanbury oversees the school.

Question: At the last meeting, you raised the confusing advice being received from the DfE, PHE and Track and Trace – is this still the case?

Yes, the information changes on a regular basis but the advice is that this is quite normal in the case of a world crisis as the release of new information and research means that advice will change accordingly. As such, it is important to check with every case to ensure the correct procedures are being followed. However, leaders are becoming more confident in their judgements and will take a common sense approach. Leaders also discuss cases and will share views and advice.

Question: Does the school have access to testing kits?

Yes, although the results take longer to be returned. The local testing centre is an excellent facility and results are returned within 24 hours.

Although there has been some very disturbing and negative press about how Covid is affecting people generally, it is also important to find the opportunities in such a situation. For example, the pandemic has brought out the best in some people and there have been some very creative ways of working identified as a result.

Covid-19 Cost Centre: update on expenditure and reimbursement (VMc)

This term, an additional £2,000 has been spent on communications, additional bins, sanitisers, PPE and other items the school would not have purchased under normal circumstances.



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A total of £6,000 was received from the first Covid expenses claim but this did not include staffing costs which will be included in the next claim. It is not yet known whether the DfE will refund staffing costs but the advice is to claim for all additional costs.

Question: Will it be possible to claim for any of the additional costs related to the opening of the other site?

No, as the majority of renovation costs were paid by the LA and the expansion had been planned for prior to the pandemic due to the increase in pupil numbers. However, there may be an argument for a claim relating to travel expenses for staff working across three sites.

Question: What is the worst case scenario if the claim is rejected?

The claim will include £5,000 for staffing costs relating to last year's budget and £2,000 for additional costs this year. This does not include supply costs incurred as a result of the number of bubbles closing which may be an avenue to explore. The level of additional expenditure is fairly low overall and if refused, could be covered within the budget.

Covid-19 Catch up Fund

The school has a plan in place for the use of the funding. Schools can choose to use it as they see fit and can be creative. There are certain mentor programmes that the school may be able to access in the future.

The Chair reported that there is a legal duty to monitor the impact of the funding which has been clearly stated by the ESFA. As such, he suggested that this becomes a standing agenda item. The Committee would need to be presented with a spending plan, expected impact, monitoring process and evaluation.

There were already some plans in place pre-Covid in relation to sensory communication and this funding will support the development of this.

Question: Does the catch up funding apply to Futures also?

This will be clarified although it was the view of Dr Hanbury that the funding was not aimed at 6th form or college students.

In terms of identifying gaps in learning, the government is focusing on reading, writing and maths so it is important to be aware of this when assessing pupils to ensure reference is made to this. Dr Hanbury advised the committee that as the term has progressed, it had become apparent that there was strong evidence to suggest that only the most recent learning had been lost which happens every year when the pupils are off school for the summer break. The most recent learning is the least embedded and therefore, these are the areas that will be focused on. Leaders will refer to the funding as 'acceleration funding' rather than 'catch up'.

Action: COVID Catch-up to be a standing agenda item



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Free School Meal costs (VMc)

Question: Has there been any impact on free school meals eligibility as a result of Covid?

The number of eligible pupils has not increased significantly but another reminder could be sent to parents asking them to check their eligibility given the number of families experiencing financial hardship due to the pandemic.

Action: Vicky McRae to raise the matter with Rachel Hill

There was an impact initially on the delivery of the meals as all pupils were given packed lunches in the first weeks of term but hot meals are now available again.

Dr Hanbury reported that Chatsworth had been invited to become partners with an organisation called Fair Share working in collaboration with the Manchester United Foundation. Chatsworth will support Fair Share by delivering some food parcels but families will also be able to access support from the charity in terms of obtaining food.

Staffing Updates

Chatsworth High School and Community College (HBi/MHa)

Helen Birkinhead reported on a confidential matter currently being supported through HR processes.

Chatsworth Futures (including confidential item A) (MHa)

New staff who joined the college in September have settled in well and are providing high-quality teaching and learning to the students.

Dr Hanbury reported on a confidential matter that may require an appeals panel to be established.

PAN and collaboration with the LA re pupil and learner numbers (MHa)

A discussion was held between Geoff Catterill and Dr Hanbury in relation to the proposal to increase the PAN. From the discussion, the view of Geoff Catterill was that the LA would not support a further increase due to the current accommodation situation. His advice was that if the PAN was increased, the school would be obliged to accept more students despite the limitations within the accommodation. 140 students is appropriate for the capacity of the building.

If alternative accommodation was secured, the LA advice was that the school could accept additional pupils over PAN without the increase being formally approved.

There have been five out of borough requests recently which have been refused due to limited capacity.

Cloud based finance system (VMc)

The proposal to move to a Trust-wide cloud based finance system was considered and deferred last year. However, it has become apparent since September that the



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issue is now of an urgent nature and it is vital that a centralised cloud based system is introduced.

As such it is proposed that quotes and demonstrations are sought in January with the intention of a recommendation being presented to the next Finance Committee meeting. Once approved, the summer term will be used to install the system and train staff with a view to launching in September 2021.

The Chair offered to forward the email address of Omega Trust's Chief Finance Officer who has been through the same process to offer advice and support.

Action: Email address of Omega Trust CFO to be shared with Vicky McRae

6. For Approval: Scheme of Delegation and Scheme of Financial Delegation (Chair)

The Scheme of Delegation and Scheme of Financial Delegation are presented for consideration today before being recommended for approval to the Trustees.

The Scheme of Delegation will be amended to reflect the pay progression process agreed earlier.

In terms of the financial delegations to the Local Governing Board, the Chair highlighted the need for consistency in terms of suppliers across the Trust. Individual organisations should have delegated powers to source resources within their delegated financial limits but if the organisation wants to use a supplier not on the preferred supplier list, this should be presented as a request to the Trust, not necessarily the Finance Committee but a senior member of the Central Team. This is important to ensure best value is achieved and where possible, reduced rates and buying powers are achieved.

Dr Hanbury pointed out that in the current Financial Scheme of Delegation, no purchasing powers are delegated to the LGB as these lie with the Head Teachers of each establishment. If the LGB is delegated responsibility, this would need to be written into the document.

The issue is not really related to purchasing but more regarding the scrutiny of the process, for examples, SLA and agreements. The Chair felt that SLAs and contracts should be dealt with at Trustee level but the purchasing of general equipment to accommodate the needs of the school and college should be delegated to the Head Teacher.

There are two issues to consider in relation to delegation; authorisation levels and the budget. A Head teacher should be able to spend within the delegated limit as long as there are sufficient funds allocated to the cost centre. There should be no instances of overspend. It is not acceptable for a school to go overdrawn as there is no overdraft facility for this in the education sector and this would be in breach of the Academies Financial Handbook. If there is an exceptional reason why the budget is not sufficient, a request should be presented to the Finance Committee outlining the reason and a



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virement would be required from elsewhere in the budget to accommodate this expenditure. It would be acceptable for one of exceptional items to be purchased using money held in reserves. Reserves should not be used to balance a budget as in-year expenditure in the school / college should not exceed the income received for that year.

In reviewing the delegated financial limits within the Scheme of Financial Delegation, the Chair suggested that these were too low and recommended the following:

- Head Teacher – up to £10,000
- CEO – between £10,000 and £30,000
- Finance Committee – between £30,000 and £100,000
- Trust Board – Above £100,000

Agreed: The Finance Committee agreed the changes to the delegation limits

Louise Hutchinson, Chair of the LGB, explained that whilst it is acknowledged that the LGB is not responsible for approving expenditure, Governors would like to be made aware of how the budget is being spent. The Chair clarified that the scrutiny of financial expenditure is a Trustee responsibility as is the decision on which aspects should be delegated to the LGB. His personal view was that the financial monitoring aspects should remain at Trust level, therefore, enabling the LGB to focus on school performance and improvement matters. If the decision is to delegate this function to the LGB, it would have to be written into the Scheme of Delegation and Terms of Reference. However, it was accepted that it is good practice for the LGB to be aware of how the budget is being spent, and this could be reported on by the Head Teacher for information rather than scrutiny.

Agreed: Head Teacher to provide a financial overview to the LGB for information only. This would be reflected in the RACI Matrix of the Scheme of Delegation

The reference to the LGB managing the organisations bank accounts should also be removed as this is the responsibility of Trustees.

Action: Scheme of Delegation to be amended as follows:

- Trustees will manage the Trust bank accounts and the bank accounts of individual establishments within the Trust

Advice from the Chair was that the individual bank accounts could be consolidated into one with separate cost centres set up for each establishment once the Trust moves to the new cloud based finance system

Action: Vicky McRae to look at consolidating the Trust bank accounts at the point of moving to the centralised finance system

In terms of an approved supplier list, the Trust does not currently have one in place. There is a robust process in place in terms of authorisation of orders but staff are currently able to order from any supplier. The Chair strongly recommended that the Trust introduce a preferred supplier list following a review of current suppliers to consolidate and try to achieve better buying power for the Trust.



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Action: Vicky McRae to carry out a review of current suppliers and prepare an approved supplier list for presentation to the next Finance Committee meeting

Action: Dr Hanbury to amend the Scheme of Financial Delegation and circulate

With reference to the authorisation limits, Ms McRae pointed out that some invoices, particularly those relating to the PFI contract, would significantly exceed the limits although these costs are allocated within the budget at the start of the year. The Chair suggested that a further discussion outside of the meeting may be beneficial to discuss the PFI and develop a more thorough understanding of the contract.

Action: Dr Hanbury and Mr Bent to discuss the PFI contract outside of the meeting

TQ: Does the Scheme of Delegation detail the formation of panels for exclusions, complaints and disciplinarys?

Yes, these are within the remit of the LGB. However, if the LGB struggles to secure enough Governors to sit on the panel, Trustees can be requested to support.

Approved: Subject to the amendments agreed today, the Finance & Audit Committee recommended approval of the Scheme of Delegation and Scheme of Financial Delegation to the full Trust Board

A discussion took place regarding the timing of the AGM. The Chair explained that this meeting should take place in the autumn term rather than the summer term to enable the audit report to be presented.

7. School Resource Management Audit: Update (MHa)

The final report has now been received from the auditor. The report was positive overall and provided some good feedback on the work of the finance team from an external professional view.

A number of recommendations were received and the initial view of leaders is that these recommendations were all appropriate and expected.

To address the recommendations, a working committee will be established of Martin Hanbury, Rachel Hill, Beth Cocken, Vicky McRae, Helen Birkinhead and Helen Bramley to produce a timeline for implementation and monitor progress. A progress report will then be presented to the spring term meeting.

Noted: The Finance & Audit Committee noted the school resource management audit

8. Changes to the Academies Financial Handbook (LHu)

Point 3 references governance and the need for Members to remain informed about Trust business. It would be beneficial to have a further conversation about how this can be addressed to ensure Members are receiving adequate information.



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The Academies Financial Handbook also refers to the role of the Clerk to the Trust Board and the responsibilities attached to this. It is acknowledged that currently, the Clerk is not fulfilling the duties set out in the Academies Financial Handbook in terms of providing guidance around compliance, procedural matters, administration and organisational support and that these duties had to date been carried out by Vicky McRae.

Karen Haines, Director of Just A Sec, has requested a meeting to discuss the role of the Clerk further which will be arranged.

The Committee was advised that the situation is challenging given that the LGB is currently clerked by Salford Governor Services. The LA was unable to provide a service outside of this and therefore, the MAT approached Just A Sec.

The view of the Chair was that the clerking service should be provided by the same organisation across the Trust and preferably by the same Clerk. It would be expected that the Clerk would produce the agenda, ensuring that all compliance aspects are covered and circulate the supporting documentation. The Clerk should also provide advice to the board.

The Chair was of the strong opinion that the MAT should consider moving to Governor Hub as the platform for managing Trust Board business and sharing and storage of documentation rather than the current Trust Governor system.

The question was raised as to whether the Trust would lose access to Governor Hub if they moved to Just A Sec. It was confirmed that Just A Sec would service any online platform the MAT chooses to use. The Chair expressed his view that the platform for managing Trust Board business should be sourced through the Trust rather than included in the clerking service package. It was explained that the two are separate but Just A Sec works with Trust Governor and invoices on behalf of the company. At any point, the Trust could withdraw from Trust Governor or from Just A Sec.

9. Internal Assurance Process: Meeting with Beever and Struthers (LHu)

Vicky McRae was asked to share an email summary of the discussion with Beever and Struthers, internal auditors with the committee

Action: Summary of discussion to be provided by Vicky McRae

TQ: Who are the external auditors?

Haines Watt

The Chair advised that it is the responsibility of this committee to produce an internal audit plan for the year based on areas of risk.

Action: Mr Bent and Dr Hanbury to discuss the internal audit plan for the year

10. Current Budget position

Chatsworth High School and Community College (VMc)



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Vicky McRae reported that increases in planned expenditure and a reduction in income for the remainder of the year could move the budget into a deficit position. At this point, the budget is showing an £18,253 in year balance but this would be affected if three students leave the school as expected in the coming weeks which would affect the level of funding by almost £53,000 and could result in a deficit of just below £35,000. The school has had to allocate additional funds to cover supply costs and may need to move funding from another cost centre to support. However, if the three students leave the school, the level of supply will also reduce accordingly meaning that a saving could be achieved.

The Chair expressed the view that it was not acceptable for a budget to go into an in-year deficit. If an exceptional item is required, funds can be released from elsewhere in the budget or from reserves but the budget should always balance in year or achieve a surplus. Any funds to be taken from reserves should be for the purposes of a one off expenditure only.

The Chair pointed out that an £18,000 balance is low and may require some consideration in terms of strategies the school could look to adopt to try and improve the position. A surplus of 5% of total income is recommended.

The committee was advised that negotiations are ongoing with Salford LA in relation to the agreement that they will subsidise places above the agreed PAN. A written agreement is in place and therefore, there is confidence that the funding will be received.

Action: Andrew Bent, Martin Hanbury and Vicky McRae to continue the discussion regarding the budget position outside of the meeting

Chatsworth Futures (VMc)

Staffing costs have been updated to account for the teacher pay increase. The budget is currently showing an in year balance of £50,000. Although the final carry forward position has not yet been confirmed, the budget remains in a fairly healthy position. The October accounts have not yet been received from Haines Watt.

The Chair pointed out that there is a requirement within the Academies Financial Handbook for Trustees to have sight of the Management Accounts six times per year and it is a requirement that the Chair of the Trust Board has sight of the management accounts on a monthly basis.

It is proposed that once the Trust moves to the centralised system, the Chair of the Trust Board and Chair of Finance & Audit Committee will be given access to log onto the system following the monthly reconciliation to monitor the budget. The Management Accounts will then be presented to the Finance & Audit Committee six times per year with a formal narrative to explain any underspends or overspends.



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Action: Vicky McRae, Martin Hanbury and Andrew Bent to meet to discuss the format in which the Management Accounts will be presented.

11. Teacher Salaries: Approval of Headteacher and Principal recommendations (HBi/MHa)

A document was circulated prior to the meeting which lists all teachers (including UQT) to demonstrate which staff are eligible to receive an incremental pay increase. All eligible staff have had a successful appraisal and are recommended for progression. Staff who were on maternity leave were not subject to the same appraisal process. The CEO has met with the Head Teacher to discuss the recommendations.

Approved: The Finance Committee approved the pay progression recommendations of teaching staff.

Signed Dated
Chair

Item	Action	Owner
5	COVID Catch-up to be a standing agenda item	JT
5	Vicky McRae to raise the matter of FSM eligibility with Rachel Hill	VMc
5	Email address of Omega Trust CFO to be shared with Vicky McRae	AB
6	Scheme of Delegation to be amended as follows: <ul style="list-style-type: none"> Trustees will manage the Trust bank accounts and the bank accounts of individual establishments within the Trust 	MH
6	Vicky McRae to look at consolidating the Trust bank accounts at the point of moving to the centralised finance system	VMc
6	Vicky McRae to carry out a review of current suppliers and prepare an approved supplier list for presentation to the next Finance Committee meeting	VMc
6	Dr Hanbury and Mr Bent to discuss the PFI contract outside of the meeting	MH/AB



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9	Summary of discussion with Beaver & Struthers to be provided by Vicky McRae	VMc
9	Mr Bent and Dr Hanbury to discuss the internal audit plan for the year	MH/AB
10	Andrew Bent, Martin Hanbury and Vicky McRae to continue the discussion regarding the budget position outside of the meeting	AB/MH/VMc
10	Vicky McRae, Martin Hanbury and Andrew Bent to meet to discuss the format in which the Management Accounts will be presented.	AB/MH/VMc