



## The Chatsworth Multi Academy Trust

### Minutes of Finance & Audit Committee Meeting

On Tuesday 2<sup>nd</sup> July 2020 @ 10.30am

Remote Meeting via Microsoft Teams

#### Present:

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

#### Apologies:

#### In Attendance:

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

#### *The meeting met its quorum*

#### 1. Welcome and Apologies for Absence

The Chair welcomed all attendees to the meeting. There were no apologies for absence received.

#### 2. Declarations of Any Other Business

Staff Uniforms

#### 3. Covid-19 Update

The support programme has been extended for next week meaning that the Trust will be serving approximately 32 young people in total who have been identified through discussions with social care due to their acute needs or from the Trust's own welfare calls where families have reported that they are struggling for various reasons, including where respite provision is currently unavailable.

Students are returning in a very measured and careful way using the advice from Public Health England and the Greater Manchester meetings that have been taking place. This has been a very useful source of information and is aligned with what the Trust is experiencing locally. The support from the Local Authority has been excellent with good information sharing and a sensible approach being taken.

As students started to return, a bubble system evolved with 3-4 staff working with 1-2 students depending on their level of need. Full risk assessments of the environment were produced and shared with the Chair of Trustees and Local Authority Officers who tweaked the plans and returned them. An action plan was then created which will be



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presented to the Chatsworth High School Governing Board next week with a view to fully reopening in September.

A risk assessment has been completed for every member of staff. This was a significant piece of work completed by Vicky McRae. The risk assessments have been presented to and approved by Unions and the LA.

Risk assessments have also been completed by the Head of School and Head of College in relation to every student. Some students continue to be identified as a high risk due to respiratory conditions and it will be more of a challenge to work with these students productively over the coming months. For example, they could return to school but would immediately have to be secluded for their own health protection which would not be in the best interests of the student or aligned with the ethos of the school.

**Q: How many students would like to return but have been refused as they cannot be accommodated at the moment?**

During the period of closure, a number of families have requested that their child returns for a variety of reasons. The Trust must assess the risk of bringing more students back against the impact on their wellbeing if they remain at home. Some parents are asking for them to return purely on the basis that the child is fed up at home and unfortunately, this is not a good enough reason to increase the risk of infection for students, staff and families at this stage.

The Government guidance states that a child must remain where they are safest. As much as the school and college would love to bring more students back, the decision must be based on which students have a genuine need. Most parents are very supportive of the decisions being taken.

In planning for September, a survey was sent to all families asking them their views and intentions for September. A 60% response rate has been received to date which is not enough to enable the Trust to complete its planning. Therefore, the survey will be re-circulated in the aim of achieving up to a 90% response rate.

**Q: If teachers are continuing to make welfare calls to families, could they ask parents what their plans are for September?**

Despite numerous attempts, it is not always possible to speak to all parents. The leadership team also feels that this is an additional pressure to put on teachers. Therefore, a central, Trust-wide approach will be taken.

The intention is to offer something to all students apart from the most critically ill. Some students are in very poor health which has deteriorated further during lockdown, although not directly related to Covid. A very small number of students have been offered a full programme but most have attended 2-3 sessions per week.

**Q: Have there been any further issues with free school meals?**



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All students who are eligible for free school meals have received their entitlement but the school has had to continue to use the voucher scheme provided by the LA as opposed to the Government scheme which has been very difficult to access. This will have an impact on what the school claims back from the Government in terms of Covid related expenses. An invoice for £5,500 has been received from the LA relating to the vouchers although it is not yet known what period this covers and it is expected that there will be further charges. There are specific criteria on which claims can be made and free school meals is one of these. The first claim can be submitted on the 9<sup>th</sup> July and there will be a further opportunity to submit a claim in the autumn term.

**Q: Other schools have been advised to set up a separate cost centre to pay for Covid related items – have you taken this approach?**

Yes, all costs are allocated to one cost centre so that the additional expense can be clearly evidenced.

**Q: How much do you anticipate the situation to have cost?**

The cost of the free school meals vouchers is approximately £5,500 to date but this will increase as the initiative has been extended over the summer holiday period. In terms of resources, approximately £1,500 has been spent on items such as new waste bins to avoid cross contamination. Staff have worked through the Easter and May holidays as well as Bank Holidays which will have an impact once the payments have been processed in July. The Trust consulted with unions in relation to staff working throughout holiday periods and responses varied. For example, some would only endorse the plan if staff were paid in cash and others wanted staff to be given the option of cash or time in lieu. It is expected that most of the higher salaried staff will take the time off in lieu in the autumn term when there are fewer students in and the lower salaried staff are more likely to take the payment. Therefore, the impact on the budget will not be as high.

Overshadowing all of the plans for September is the transport issue which is going to have an impact on the numbers of students able to return.

#### **4. Staffing Changes and Requirements**

The staff team at Futures will be increasing in line with the budget and management plans and the expectation of additional income from learners who will be staying on an additional year because their final year of studies was severely interrupted by Covid, and new learners joining in September.

The Lead Practitioner position has been recruited to as discussed previously.

Due to the decision to retain four learners next year the recruitment of an additional tutor will be required and shortlisting for this position is due to take place tomorrow.

Additional teaching assistants will also be required to support the 26 learners expected to be on roll in September.



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At the high school, no new teachers will be employed for the autumn term but there are plans to recruit in January to two positions as students start to return on a full time basis.

Four TAs have been uplifted to TA4 positions; one for the autumn term only and three on a permanent basis to support students with more challenging needs.

A TA3 is planning to retire and a TA1 is moving on to complete their teacher training.

The school continues to look for opportunities for cost savings where possible which is linked to the decision not to over-recruit and to wait until January for the teaching positions to be filled.

There are plans to provide some online learning support to the two trainee teachers to enable them to gain some experience in what is a very disruptive start to their career. Some staff will be accessing the early career framework.

Five members of staff are completing the NPQML, two are completing the NPQSL and Helen Birkinhead has applied for the NPQH course.

In general, staff have used the closure as an opportunity to complete lots of CPD.

For the first part of the autumn term, online provision will be increased with students receiving some live sessions, some recorded sessions, online programmes that can be accessed independently and then provision in school. The aim is to bolster the limited curriculum that will be available during the early part of next year. Work packs will also be sent home.

**Q: In terms of the learners you are retaining at Futures, have you got capacity to take 26?**

Yes

**Q: What is the longer term capacity you are aiming for?**

The vision was to increase capacity to a maximum of 40 students. The reason for not exceeding this number is that Futures aims to offer something different to other colleges, a more bespoke and personalised offer that is not available in the larger organisations which can be very intimidating to students with complex additional needs. The building will accommodate up to 40 students plus Chatsworth Engage once the PRU that is currently housed in the building moves on which is planned for the end of 2021.

The plan would be to have small groups of students together (5-8 depending on the level of need and ability) as there will be a mixture of onsite learning, work placements and community based provision. There would need to be five tutors with one being the Lead Tutor and a Vice Principal overseeing the running of the college.



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**Q: From a cashflow position, is this manageable given the lag the college experiences in receiving its funding?**

The lag in FE funding is difficult to explain but Dr Hanbury has been working with Richard Pyka who is very knowledgeable in this area and works closely with Natspec. Not all elements of the funding are lagged at the same point. There are three basic elements of funding received, some is allocated to the LA, some is a core offer which any young person receives and some is an additional offer for SEND pupils. Within these strands, the funding is received at different points in the year depending on the 14 R Returns that are submitted at various points relating to arrival and retention of students, qualifications studied and achievement.

**Q: The Futures budget is showing quite a small surplus. From a cash perspective, can Futures afford the additional wages if there is a lag in the income received?**

Yes. When Futures received an adequate Ofsted judgement, the ESFA withdrew funding for this current year. Therefore, the lagged funding that was received for the previous year was held in anticipation that it would be required to support the running costs of the college. However, given the successful monitoring visits that have taken place, the ESFA has agreed to resume funding meaning that the saved funds can be released to pay for the additional staffing costs.

The budget plan for next year is still at the preparation stage but should be presented to the Trust Board meeting next week once some aspects have been clarified.

At the point of lockdown, the bank account held sufficient funds to employ an additional tutor and lead practitioner with a significant amount still available in the bank. At that point, the additional four students had not been accounted for and therefore, there is additional funding still to be included.

The four TA roles have not yet been recruited to and if necessary, the number of positions could be reduced to support the budget.

The college should expect to receive funding for any student who is retained for 32 working days in the autumn term.

**Q: In terms of staff who are not in work currently, are they all on full pay?**

Yes as the college continues to receive full funding from the ESFA. There is a difference between staff absent and staff unavailable for work during this period. Being unavailable does not necessarily mean they are absent as the member of staff could be shielding. Therefore, HR advice is that they should be counted as unavailable due to Covid related issues rather than absent. This has an impact on the absence data which is currently showing as 0% although a small number of staff are not available for work. Reasons may include that they are shielding themselves or others in their household and some have childcare issues that are preventing them from attending and are therefore, working from home where possible. For these staff, there are no implications in terms of the attendance management process.



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In addition to this, staff who are absent through non-Covid related illness will continue to be managed under the sickness absence procedures.

**Q: Has shielding now been dispensed with?**

This depends on whether a person is vulnerable or extremely vulnerable. The government has plans to relax this from August so it is hoped that all staff will return in September

**Q: Have you received verified evidence from staff who say they are shielding?**

Yes

**Q: How many staff are currently in work?**

There are currently around 50 out of a workforce of 110 in work. Others are working from home. The situation has been difficult as the aim is to retain the bubble system with limited staff and therefore, some are asked not to come into work to manage the risk of infection and cross contamination. Teachers who are working from home are leading on the home education offer. However, it is more difficult to find some staff, such as TA1s work to complete from home.

## 5. Pupil Numbers for September

The school expects to have 141 pupils in September but this could increase by another one.

**Q: What is the PAN for the school?**

The PAN is 140 but there are two students who do not attend because of illness but remain on the roll. Therefore, there will be 140 students in the building.

Place funding will be received for 140 students directly from the ESFA. Ms McRae will follow up with Salford on the funding for any additional students.

From September 2021, numbers are expected to increase by 30 and so the place funding will need to be adjusted.

**Q: In terms of the Admissions Policy, where does the school stand if a Local Authority determines that Chatsworth is the most appropriate provision for a pupil but there are no places available – can a place be declined?**

Yes, although there is the risk that the school could be taken to tribunal if it is named on the EHCP. The school would put a case forward on the grounds of health and safety as investment would be required to make the necessary building adjustments to be able to accommodate additional students. The building is already in need of increased capacity as it was initially built for 95 students.

There may be an argument to submit a bid to the LA to start this work in preparation for the anticipated increase in students over the coming years. There may be



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additional capital funds available in response to the Covid situation that could be accessed to complete this work.

**Action:** MH and HB to pursue the proposal with the LA

Oakwood School share the building currently but do not feel that the building is suitable for their needs. Therefore, if they were to move out, Chatsworth could expand into that area of the building.

Student numbers are set to increase by a further 38 in 2022.

It was suggested that the School Condition Allocation Fund may be an appropriate source of funding for this work. Ms McRae confirmed that this had been considered last year but the Trust missed the December deadline for submissions.

Mr Bent reported that he had used a company to write a bid which was successful and had no cost implications for his own Trust as the fees were built into the overall bid.

**Action:** Details to be shared with MH and VM

## 6. Cloud Based Finance System

Following on from the last meeting, Ms McRae returned to Capita to negotiate the costs. The new proposed cost including discounts is £8,000.

The admin and finance team are very keen to proceed with the aim of centralising most of the Trusts financial activity which this system will support with. In the longer term, the Trust feels that there will be a cost saving and it will enable the team to become more financially effective.

### **Q: Have you considered any other providers?**

Yes, the Trust has also looked at Access which is the current budget software provider. Although their initial set up and training costs are lower, the annual cost is higher. They would also require the Trust to purchase modules individually which would increase costs whereas the Capita system includes all the required elements.

Staff are already using the FMS system and are therefore familiar with SIMS. However, the Access system would require staff to be trained from the beginning as it is a completely different system.

The previous meeting requested that staff receive demonstrations of different systems although this was not possible due to the sad death of Wendy Maher who was dealing with the matter. Ideally, there would have been another system to compare to but unfortunately, due to time constraints, this was not possible.

### **Q: Have you had the opportunity to visit any other Trusts and see the systems in action?**



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No, although a demonstration was received from Capita last week.

While the case for proceeding with Capita is understandable, a Trustee advised that it would be useful to speak to other users to find out their views and whether there are any further considerations to take account of before proceeding.

**Q: What is the Trust currently paying for the finance system?**

The costs to run the system for the high school is approximately £4,000 per year but there are then additional costs for Futures. Engage does not currently have a finance system and the budget is managed via Excel. The annual cost of the SIMS system is just under £3,300 per year for the whole Trust including support, budgeting software, fixed assets register, personnel and staffing systems.

**Q: Have Capita been able to justify what they will do for the installation and training costs?**

This would cover the full set up of the system across the Trust and the individual systems for the School, Futures and Engage. It would also include setting up the chart of accounts and the transfer of information from the current system. In addition, the training that would be required for staff.

Ms McRae reported that she had returned to the company to challenge the 'optional' training element of the package as her view was that this was a requirement given that staff have not used the system before. The representative accepted that the initial quote was incorrect and had only included one licence instead of two. She also acknowledged that the costs were top heavy for smaller trusts but at this stage, could only offer a 30% discount.

**Q: Is this a fixed price or is there a danger that other elements could be added on along the line?**

This is a fixed price for five years.

**Q: Is there a break-out clause within the contract in case the Trust is unhappy with the system or the service?**

This would need to be checked

**Action:** VM to check the contract to ensure it contains a break-out clause

**Approved:** The committee approved the quote from Capita for the new SIMS system including set up and training costs subject to the following:

- That positive feedback is received from other trusts using the system
- That the contract is checked to ensure it contains a break-out clause

## 7. Budget Projections

The Futures budget is not yet ready for consideration but the School budget has been prepared for the meeting today in the form of a one year projection and a 3-year draft.





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There is further work to do on the end of year projections which cannot be confirmed at this point and therefore, an accurate carry forward figure is not available. At the point the Trust entered lockdown, the carry forward projection was just over £240,000. Since then, spending has been limited and mainly related to Covid.

The 3-year projection is showing a small deficit due to some ring-fenced funds that must be carried forward, for example school clubs. If these were not included, the budget would report a small in-year surplus of £5,000.

The budget for 2020-21 includes two additional teachers from January, one full time supply teacher and one full time teaching assistant. The budget does not yet include maternity leave reimbursements.

Estimated figures for the teacher pay grant and pension grant have been included.

It is likely that income will increase from the predictions made at this point in the year.

**Q: Does the committee need to approve the budget today?**

No. Academies have been granted an extension to submit the budget this year due to Covid so there is more time to work on preparation to ensure the budget plan is as accurate as possible.

It was noted that the surplus in years 2 and 3 seemed high, particularly as the committee was initially advised that there would be quite significant deficits by year 3. Ms McRae explained that the assumptions for years 2 and 3 are based on an expected increase in student numbers. The budget for year 2 includes two additional teachers, two additional TA3 staff and two additional TA1 staff. In year 3 an additional 3 teachers, TA3 and TA1 staff have been budgeted. Income for students is predicted at band 6 but this could vary depending on the individual needs of the student.

The committee agreed that the leadership team needed to be comfortable with the budget presented and that this must be as accurate and realistic as possible given that the ESFA could question the information submitted to them.

Dr Hanbury agreed that there was a risk of challenge by the ESFA particularly in relation to year 3. However, the situation is that there are so many unknowns, it is difficult to present an accurate picture of the budget going forward at such an early stage. A model can be produced based on conversations with Springwood in terms of the nature of the children coming through and what demand this is likely to have on staffing. For example, it is not just the number of children but the fact that their medical or behavioural needs may be more challenging. This could very quickly have an impact on the surplus funds available.

At the same time, it is important for the Trust to work with the LA to ensure the building is in an adequate condition to receive these pupils.



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Mr Bent raised concerns at the prospect of submitting a deficit budget as this suggests that the academy is spending beyond its means. In this case, the academy should release money from the reserves but this should only be to pay for a one off purchase rather than being used to prop up the budget, for example, by supporting staffing costs.

As a general rule, the academy should not spend more than the income received. However, if there was a need for a one off purchase, for example, an ICT project, then it would be appropriate to release funds from the reserves but it should be clearly documented that this action had been taken for this specific purpose.

A budget should always balance or generate a surplus but should not show as in deficit.

Dr Hanbury assured the committee that the budget was unlikely to go into a deficit position once the additional income expected is received. However, he acknowledged that presenting a deficit budget could raise concerns. It is not unusual for the initial budget to appear overly pessimistic but as is the case in previous years, the actual position is often much more positive.

## **8. Any Other Business**

Staff Uniforms