



Chatsworth Multi Academy Trust

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**The Chatsworth Multi Academy Trust
Minutes of Finance & Audit Committee Meeting
On Tuesday 3rd March 2020
At Chatsworth Futures**

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

Apologies:

In Attendance:

Ms Vicky McRae	Trust Business Manager
Ms Wendy Maher	Finance Officer
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 Non/Pecuniary Interests

There were no declarations of non/pecuniary interests in relation to any agenda item.

3. Declarations of Any Other Business

There were no declarations of other business.

4. Minutes of the previous meeting (19th November 2019)

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

5. Matters arising from previous meeting minutes (see table below)

Ms McRae to remind Mel from Haines Watt that the accounts should be prepared on an accrual basis - Complete

Ms McRae to request confirmation of who will be allocated to Chatsworth during the period of Mel's maternity leave - Complete

Ms McRae to inform staff that Return to Work interviews must take place after each period of absence on instruction from Trustees - Complete



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Ms McRae to produce the end of year budget for 2018-19 to compare with the budget position for 2019-20 - Complete

Letter of thanks to be sent to the PTA – It was clarified that the donator was Shirley Bennett and not the PTA. The PA system has now been installed in the hall. Verbal thanks have been offered and a formal letter will be sent.

Action: MH and JC to draft a letter of thanks to Shirley Bennett

Tracy Holmes to pursue potential funding opportunities – This action is ongoing

Action: VM to follow up with TH

Ms Hutchinson to work with the leadership team to propose the changes to the Pay Policy for next academic year. HR to be consulted on the proposed changes

– The MAT has adopted the LA Pay Policy for the current academic year. The Trust must consider personalising the policy to reflect Trust practices to ensure that it is accurate and robust.

There are ongoing discussions in relation to the structure and responsibilities of Trustees / Committees and therefore, it would be wise to wait until this issue is resolved before any changes are made to the policy.

MH advised that the LA had been contacted to request that Chatsworth is listed as a MAT in all documentation and references.

Action: To review and amend the policy once a decision is made regarding future Trustee / Committee structure and responsibilities

Re-grade of TH to a Grade 4B & RB to 4A - Proposal to be presented to Trustees for final approval – The re-grade for RB is complete. The re-grade for TH is ongoing due to some further queries raised.

(CIF) Use of building - Matter to continue to be discussed with relevant parties and an update to be presented to the next meeting – To be discussed in the meeting today

Mr Corker to provide information on charges applied by other schools – JC confirmed that he had circulated the information but agreed to forward it again.

Action: JC to forward the information again

TQ: How many out of borough students do we currently have?

There are currently six in school and one in college. Any changes would have to be implemented from September.

Mat Leave Continuity - Ms McRae to raise the matter with the auditors and request information on the new allocated auditor – Complete



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Dr Hanbury and Ms McRae to meet and discuss the points to be raised with Geoff Catterill –

TA Costs - The issue has been clarified and an email this morning confirmed that the Trust would receive a reimbursement of the fees.

Accommodation - The interpretation of Geoff Catterill and the Properties Team is that the Wentworth building is already contracted for use by the Trust and therefore, this would not require an application to the DfE.

VM suggested that the DfE is aware that the building was used by Futures but would not be aware that the site was planned for use by the High School. Geoff Catterill suggested that it would be of no interest to the DfE as to how the Trust utilises the building.

VM felt strongly that the Trust was required to inform the DfE of the plans to use the building as an additional site for the High School. However, advice from the LA was that the building is the property of the Trust and can therefore, be utilised in any capacity the Trust sees fit.

TQ: Does the land and buildings return relate to ownership or usage?

Both

MH explained that the students would continue to be registered in school before being transferred to the Wentworth building to use the classroom.

Action: Discussions to continue outside of the meeting

Recruitment to be considered at the Trustee Away Day – This action is to be carried forward to the next meeting in July

Finance Manual to be updated later in the year and presented for approval – This action is ongoing. WM and VM are working on an updated version of the document to include the Audit Committee elements

Trustees to update their skills audit – It was decided during the summer term meeting to use the Away Day to audit the skills of Trustees according to the stipulations set out by Trustees rather than following the NGA document. However, the Chair of Trustees feels that the NGA document would be more appropriate. The question now is whether this is completed individually or as a group. The committee recommended that the skills audit is completed individually and then discussed as a group.

Action: MH to clarify with EB if this is an appropriate method of completing the skills audit

6. Transition of responsibilities - VMc to WM



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Rachel Hill is now responsible for many of the operational aspects of High School finance but there are some aspects still to hand over such as reconciliation and cost centre monitoring.

Wendy Maher is working through the calendar of submissions to the ESFA and DfE as they arise throughout the year. The next task will be the forecast return outturn which opens in April for submission by the 20th May. The 3-year budget forecast will be completed alongside this.

Plan is in place for WM to take on responsibility for some Trust level elements such as governance and updating the website.

The BACS system is set up to launch in September.

VM will start after Easter planning her own role in terms of HR.

7. Management Accounts (Jan 20) - Chatsworth MAT / Chatsworth High School / Chatsworth Futures

Confirmation of Academies Accounts Return (AAR) submission

Mid-Year Budget Revisions CHSCC, CF

Year-End Projections

Cashflow

The monthly accounts are behind schedule due to staffing issues. It is expected that the February accounts will be completed by the end of March. The monthly reconciliation will be sent to WM and submitted to Haines Watt.

Trustees highlighted that the delay in receiving the monthly accounts was in breach of the ESFA requirements. Trustees accepted that they must be more proactive in the future in terms of requesting the accounts. The Auditors should also be holding Trustees and the Trust to account to ensure they are received on a monthly basis.

It was suggested that the accounts could be shared via TTG with comments and questions requested via the Governor Forum.

Action: VM to share the accounts with JT to be circulated to Trustees via TTG

A discussion took place regarding access to accounts for HB. It was agreed that the summary of accounts presented to the Finance & Audit Committee would suffice.

The planned income and expenditure for the High School has been updated and is currently showing an in-year deficit of just under £53,000. £43,000 of this relates to committed balances meaning that the actual in-year deficit is approximately £10,000. The reason for the change relates to a review of the banding levels which highlighted that a student who should have received 2:1 funding from Autumn 2018 was not on the banding sheet but the LA has now confirmed agreement of the funding. The banding has therefore been adjusted and funding increased.



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HB is currently producing case studies for six students to try and secure increased funding. This funding will not be included in the budget plan until it is confirmed.

NEU Foundation costs of £20,000 have been included.

Staffing costs have been updated to reflect the additional TA1 staff recruited in the autumn term plus the TAs who joined the school in January to home educate a student who is not well enough to attend. However, the funding received does not fully cover the cost.

The additional £47,500 2:1 costs and the £21,500 1:1 costs owed from the previous financial year must be noted as one off additions to the budget.

Trustees suggested that the realistic in-year deficit figure is £53,000 given that these are one off additions. Whilst this view was accepted, it was explained that the projected deficit at the point of budget setting was £129,000 but as a result of the banding review and additional income received, the in-year deficit had reduced significantly.

TQ: Does the LA have an insurance policy in place to cover maternity leave?

Yes, the policy covers teachers who teach students under the age of 16 years. This year, a teacher from Chatsworth Futures is due to commence maternity leave so the Trust has purchased additional cover up to the age of 19 years.

TQ: Why are you still spending pupil premium funding from 2017-18?

Pupil premium funding is paid on a financial year but spent on an academic year so it will always span two financial years. However, ideally the funding from 2017-18 should now be fully spent. This will be followed up with the relevant staff.

Cost Centre Summary

The cost centre summary details actual income and expenditure to date versus predicted. By the end of February, it is expected that the budget will be showing approximately 50% although some aspects will be paid upfront and therefore show a 100% commitment. Some aspects are not received in equal monthly payments such as the pay grant which is received in two payments of 70% and 30%.

Agency supply teachers is showing a 60% spend. The allocation is based on the level of staffing required for the remainder of the year. The system splits the payments equally over the 12 months but invoices are paid on a weekly basis and supply staff do not receive holiday pay.

Agency supply non-teachers is 91% spent. The school had to employ additional TAs to support some very challenging students in the autumn term. Case studies have been produced to support the request for additional funding submitted to the LA. If



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agreed, this should offset the additional cost. A TA has been recruited to cover a planned, unpaid absence for two weeks.

The saving in staff salaries will offset this additional cost. All expected cover has been accounted for at this stage but it is possible that an additional allocation may be required for the summer term if any unexpected absence is received.

In IT, the majority of the allocation has been spent as planned to purchase the new servers. Installation will take place during the summer break.

Curriculum General is 97% spent. Staff have been asked not to order any more resources at this stage unless essential. In all cases, staff must obtain authorisation prior to purchasing. This area has historically ended the year with an underspend and therefore, the allocation has been reduced. It is not expected that additional funds will be required in this area.

It is acknowledged that staff do not always follow the procedures in terms of petty cash despite regular reminders. HB agreed to send out a further email on the instruction of Trustees advising staff that they will not be reimbursed unless they follow the correct procedure.

Action: HB to send out an email on the instruction of Trustees advising staff that they will not be reimbursed for purchases made unless they follow the correct procedure

The allocation for CPD is almost at 100%. The school has no plans to halt CPD but some of this may be delivered in house or free where possible.

Trustees noted that the allocation for communication resources has not yet been spent. MH advised that this may be used for the communication rooms.

TQ: Why have you only allocated £450 of the £56,000 pupil premium funding to date?

A large proportion of this will be transferred via a journal towards staff costs.

TQ: Do you use pupil premium funding for external clubs?

A different allocation of funding is received for this type of activity. The school submits a bid every three years which is approved via an annual contract.

The allocation for SLAs is three quarters spent. Most SLAs are paid upfront at the start of the financial year.

£6,308 has been committed to the safe space. The tent has been purchased but the school is currently considering whether this is the best use of funds given that one of the school's priorities is to reduce opportunities for seclusion. The tent has been out of use for some time now with no real demand for its replacement. Therefore, it may be more beneficial to utilise the room in another capacity.



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Music therapy could be funded from pupil premium if necessary. However, the school must continue to review the impact of all therapies and if there is a need to refine the offer, this may be an area to consider. The school feels that SALT provision and Art Therapy are a necessity and have more of an impact.

MH advised that he would be meeting with representatives from the LA shortly to discuss future plans for Art Therapy. The service was originally designed for adults but was then introduced into schools for post 16 pupils before being lowered to post 14 pupils. However, the service is heavily subsidised by adult services and due to their funding challenges, the offer may be affected.

TQ: Where does the mentoring work appear in the budget?

This has been taken from the CPD training budget and it is likely that an additional allocation will be required if mentoring continues for the remainder of the year. The next Trustees meeting will discuss this matter further.

Action: Trustees to discuss future mentoring plans at the next meeting

CMAT expenses will need to be reviewed to decide whether an additional allocation is required.

Governors' costs have had to be increased.

2018-19 cost centre report

The report shows the final end of year balance and actual spend in each cost centre with the exception of C135 and C170 which have had some further year-end adjustments. Some additions, transfers and accruals are also noted.

The end of year balance shows an overall deficit due to the pension deficit. This has no overall bearing on the budget.

Trustees requested that the report is produced at month 12 rather than year-end and prior to any final adjustments having been made.

Action: Month 12 report to be produced to provide confirmation of actual spend

Cashflow Report

The bank balance is lower in comparison to the previous two years. The High School balance is currently £458,000 which does not reflect the £255,000 in cheques issued, leaving a balance of £203,000.

The school received a payment of £95,000 from the ESFA yesterday. A £78,000 VAT reimbursement should be received by month end giving a total balance of £376,000. Further payments are also due to be received from Salford Council which have not yet been accounted for.

TQ: Is the VAT reimbursement a one-off payment or a quarterly payment?



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It is a one off payment to the end of August. The autumn term reimbursement will then be received by the end of the month and following this, submissions will be made on a monthly basis.

All invoices are currently on hold until the school has confirmed expected income with Salford to ensure there is adequate cash in the bank to cover staff salaries. ESFA funding is received monthly and payments from Salford are due in March and in April.

The cashflow situation will be monitored very closely.

TQ: Do you have many more invoices to pay?

The majority have been paid.

A cashflow forecast will be produced for the full financial year starting in the summer term.

Chatsworth Futures

WM provided an overview of the Futures budget which is currently showing a surplus balance of £3,500. Some additional income has been received.

TQ: Will you require any agency staff in the spring and summer term?

Discussions have been ongoing in relation to recruiting agency support every Tuesday morning which will cost approximately £50 per week. Therefore, the allocation will increase by a small amount.

Senior staff are considering how they can deliver the curriculum in a more efficient way and the level of staffing and agency will remain under constant review.

TQ: The level of reserves carried forward is showing as £50,000 but was originally reported as £33,000 – where has the additional £17,000 come from?

£130,000 was carried forward from last year. £80,000 was removed from the management plan and listed separately as security following the ESFA refusal to fund eight learners who joined in September 2019 due to the organisation having received an Inadequate Ofsted judgement. Therefore, Salford agreed to fund the learners. Going forward, Salford and the ESFA are in dispute as to who will fund the learners next year. Salford's view is that if the college receives a judgement of Requires Improvement, the ESFA should start to fund the learners. MH was confident that the learners would be funded in some form but the question at this stage is by who. Therefore, the £80,000 has been retained as an interim measure in case there is a delay in funding.

It was also advised that the plan did not include the high needs funding that has since been confirmed by the LA.

Action: Trustees supported the £80,000 being re-introduced in the management plan



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TQ: Is there a requirement to produce a 3-year plan?

This has been discussed with Haines Watt who have confirmed that there is no requirement to produce a 3-year plan for Futures. However, Trustees felt it would be beneficial to have a 3-year plan in place.

Action: 3-year plan to be produced

In summary, the college has spent less and received more income than originally anticipated.

Trustees felt that some consideration should be given as to how to utilise the surplus funds given the challenges the High School is facing. Some staff are providing Trust-wide support and an agreement as to how salaries should be split for these staff will have to be reached.

The issue of lagged funding was raised. Different income streams are generated depending on when the ILR return is submitted, which can result in the college receiving immediate or lagged funding payments. To present a worst case scenario, the budget is always prepared on the basis that funding will be lagged.

The possibility of increasing student fees is under consideration but this must be carefully balanced against the funding challenges local authorities are facing in the SEN high needs block. If the college increases fees to an unaffordable level, authorities could refuse to fund non-compulsory education.

The Trust must ensure that prices remain competitive so that student numbers remain strong. The college Ofsted rating will impact on the amount the organisation can confidently charge. However, it is important that the college can continue to cover its costs comfortably.

Staffing will not be increased at this stage but will remain under review and decisions made based on the number of pupils expected to join the college in September.

Staff salaries are expected to increase again next year.

Going forward, it is hoped that the college will attract more learners which should cover the cost of the Assistant Principal.

Cost Centre Report

Educational Therapy is showing 85% spent. The costs of Helen Bramley, Consultant are included in this cost centre which will reduce throughout the spring and summer term and will be removed completely from the budget next year.

Approved: Trustees approved the Management Accounts and Cashflow Reports for Chatsworth MAT/Futures and High School

SIMS Cloud Based Module



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SIMS representatives have provided a demonstration of the system to finance staff. There appear to be some excellent benefits to the system and staff feel that efficiencies could be achieved as a result in terms of time and resources.

The current FMS system is separate for each organisation and does not link. The SIMS system would link all of the budgets and allow internal journals to take place, year-end consolidation of accounts and salary recharges to be processed without the need to produce invoices. The system also has a 3-year budget forecast system built in.

TQ: Is the internet service adequate across both sites?

Yes, the system is cloud based which is the same as the FMS system.

The SIMS system is the only quote received at this stage but there are other systems that could be investigated in order to compare prices.

It was suggested that Haines Watt may be able to offer a recommendation.

The cost of the system is £12,000 for the first year which includes set up costs for the four bank accounts (MAT, High School, Futures and Engage), training and licenses. The annual cost per site would work out cheaper than the current cost.

The system has the facility to manage the fixed asset register, sales ledger and the 3-year budget. There would be no additional cost for these modules but staff would require training at an additional cost of £920.

Trustees suggested that the set up costs were quite high for a simple switch from a web system to a cloud based system. VM explained that this is a completely different system. FMS is very outdated but SIMS has much better functionality and will require some training for staff ensure it is used correctly and efficiently.

Trustees felt that the finance team must consider whether SIMS is the future proof solution the Trust requires and if the answer is yes, negotiations should commence with Capita to try and reduce the set up costs

Action: VM to return to Capita to advise that the Finance Committee has questioned the set up costs

Action: VM to request a recommendation from Haines Watt and investigate other providers

Lead Practitioner Role

Trustees were supportive of the plans to recruit a lead practitioner. However, a discussion is required as to how this will be funded and the recruitment process for internal staff who may wish to apply.

Action: Further discussion regarding how the lead practitioner role will be funded and the recruitment process for internal staff



8. Condition Improvement Fund Application – Update

There are no capital changes proposed to the Wentworth building.

The building has a suite of computers that can link to the internet but mobile equipment could only be used offline and cannot connect to Wi-Fi. To resolve the issue, a mast will be installed in the school grounds that will align.

9. ESFA Updates

This item was discussed under Item 7.

10. UPS Process

This item will be addressed following a decision on the Pay Policy.

11. Contracts / SLAs / Quotes for Approval; ratification of MUF agreement

Salford Council has released the Services to Schools Brochure. Leaders will meet to discuss what services the Trust will require for the next year.

The SLA for Governance will be considered separately. The school has not been as satisfied with the service this year.

Many of the SLAs are still under the name of Chatsworth High School but should now be under Chatsworth MAT. Currently, the school recharges Futures and Engage for a percentage of the services. Consideration will be given to how this will be split going forward and whether to have a central services budget to manage services relating to the various organisations within the MAT.

SLAs may also be different according to whether the establishment is an academy or school.

Action: VM to forward the brochure for school and academy services to Committee members to review

Manchester United Foundation Agreement

The agreement has been reviewed and approved by MH and JC.

Trustees requested clarification on some aspects given that the letter does not include details such as notice period, employment liabilities etc. MH confirmed that a more detailed document had been received earlier but due to an incorrect date on the paperwork, the MUF had sent an updated letter with the correct information.

A Trustee fed back comments from a small number of parents that they would prefer the Trust to spend money on SALT provision than for someone to teach their child to play football.



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MH responded that the two are not linked. The decision to reduce SALT provision was taken in June and the reduction has in fact, had a positive impact on the provision with more assessment and focused group work now taking place. The possibility of reducing the service even further is being considered on a temporary basis at the request of the therapists who feel they are meeting the needs of pupils well and would like to take on work elsewhere.

SALT provision was not targeted enough previously but the new therapist is very proactive and effective.

The SALT currently works with around 36 pupils whereas the Manchester United Foundation will impact on approximately 150 pupils. The services of both providers can now be directed towards the students who will really benefit.

Trustees discussed whether the reasons for the SALT reduction and justification to buying in the MUF service should be communicated to parents. MH urged caution and explained that these are operational decisions which leaders and Trustees are responsible for. A letter was sent to parents informing them of the decision to reduce SALT provision and the reasons behind it. Although there was a cost saving element, the overall reason related to providing a more efficient referral, assessment and support process.

However, Trustees felt that it would be appropriate for some form of communication to parents to promote the work of MUF and help them to understand the wide ranging benefits this could have on a large proportion of the pupils.

Although SALT provision is crucial to the development of the pupils, the need to challenge obesity levels and physical exercise is high on the government agenda.

Action: Articles to be produced for the newsletter to clarify the role of the Manchester United Foundation and highlight the benefits of the revised approach to SALT

12. TA Funding

The TA funding issue has now been resolved with the LA agreeing to pay the increased costs.

The email made reference to policies that the LA was not aware which will need to be followed up.

Action: MH to request clarification as to what this reference means

13. Risk Register

A risk register is in place and is reviewed and updated regularly.

TQ: In terms of pupil premium students leaving and joining, is there an increasing or decreasing trend?



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It is too soon to say. The January census dictates the funding the school will receive from April to March but the funding is spent over the academic year.

TQ: If a student leaves, do you keep the money?

Yes, the original school will retain the funds and the receiving school will be disadvantaged by that. However, they may also be in the position where a student has left and they have retained the funding.

Pupil premium funding is only received up to year 11.

The school plans to send another letter to parents to ensure all those eligible are receiving the payment.

14. Policies for Review

There were no policies presented for review.

15. Any Other Business

Outreach Service

The MAT is looking to develop an outreach service. JC supported the plan but on the basis that this does not result in any deficit to the Trust.

MH advised that he would be meeting with Geoff Catterill on Friday 13th March to discuss the possibility of the LA funding the role of an outreach teacher.

16. Date and Time of Next Meeting

Tuesday 30th June 2020 @ 10.00am

Item	Action	Owner
5	MH and JC to draft a letter of thanks to Shirley Bennett	MH / JC
5	VM to follow potential funding opportunities up with TH	VM
5	JC to forward the information on out of borough students again	JC
5	Discussions regarding usage of Wentworth building to continue outside of the meeting	MH/VM
5	MH to clarify with EB if this is an appropriate method of completing the skills audit	MH
7	VM to share the accounts with JT to be circulated to Trustees via TTG	VM/JT
7	HB to send out an email on the instruction of Trustees advising staff that they will not be reimbursed for purchases made unless they follow the correct procedure	HB



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7	Trustees to discuss future mentoring plans at the next meeting	Trustees
7	Month 12 report to be produced to provide confirmation of actual spend	VM
7	Trustees supported the £80,000 being re-introduced in the management plan	VM
7	3-year plan to be produced	VM
7	VM to return to Capita to advise that the Finance Committee has questioned the set up costs	VM
7	VM to request a recommendation from Haines Watt and investigate other providers	VM
7	Further discussion regarding how the lead practitioner role will be funded and the recruitment process for internal staff	MH
11	VM to forward the brochure for school and academy services to Committee members to review	VM
11	Articles to be produced for the newsletter to clarify the role of the Manchester United Foundation and highlight the benefits of the revised approach to SALT	MH/HB
12	MH to request clarification as to what this reference means (policies)	MH