



The Chatsworth Multi Academy Trust

Minutes of Finance, Audit & Risk Committee Meeting

On Tuesday 12th July 2022 @ 17:00

At Chatsworth High School & Community College [and by telephone where indicated]

Present:

Mr Andrew Bent (ABe)	Trustee (by telephone – part meeting)
Dr Martin Hanbury (MHa)	CEO Chatsworth Multi-Academy Trust (Chair)
Mrs Louise Hutchinson (LHu)	Trustee
Mr Paul Willoughby (PWl)	Trustee

In Attendance:

Ms Vicky McRae (VMc)	Trust Finance Manager [part meeting]
Mr Graham Myers (GMy)	Interim CFO
Mrs Emma Taylor (ETa)	Clerk, Just A Sec

Absent:

There were no absences.

The meeting met its quorum

1. Welcome, Introductions and Apologies

ABe welcomed attendees to the meeting. No apologies for absence were received.

In light of the challenge of chairing the meeting by telephone, Trustees agreed that MHa would chair the meeting.

2. Declarations of Non/Pecuniary Interests

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

3. Minutes of the Previous Meeting (8th March 2022)

Trustees were referred to the minutes of the meeting on 8th March 2022, which had been circulated via GovernorHub in advance of the meeting.

Approved: the minutes of the meeting on 8th March 2022, were approved as a correct and accurate record.



4. Matters Arising

The following Matters Arising from the meeting on 8th March 2022 were discussed and updated as outlined below:-

- ***MHa/HBi/VMc to review sickness and maternity insurance policies and alternative means of covering staff absences and report the findings at the meeting on 25th January 2022.***

VMc confirmed that maternity insurance remained in place. Sickness absence insurance was not in place. The role of a cover supervisor had been considered however, absences were assessed on a daily basis and Teaching Assistant [TA]/supply cover utilised flexibly to ensure that specific training requirements, medical conditions and behavioural issues for the particular student cohort were covered.

- ***MHa to present Trustees with an update in regard to steps taken to update the Trust website at the meeting on 8th March 2022 – this action would be revisited following completion of the Trustee visioning work.***
- ***MHa to forward recommendations in regard to the provision of HR Consultancy Services to the FAR Committee for progression outside of the meeting – completed.*** The current system remained efficient and included high level support from The Schools People. Salford HR provided good transactional support.
- ***MHa to forward recommendations in regard to the progression of the three year audit plan to the FAR Committee for consideration by Trustees outside of the meeting – the Three Year Audit Cycle document had been uploaded to the GovernorHub meeting folder.***
- ***VMc to circulate teaching staff final pension recommendations to the FAR Committee for progression outside of the meeting – completed.***
- ***MHa to remind all staff members that failure to ensure that POs were raised and correctly filed for all transactions was a serious issue and would lead to an informal disciplinary meeting, with the possibility of disciplinary action – completed.***
- ***PWi and MHa to update the Risk Register and circulate this to the FAR Committee for approval – completed.***



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- ***ETa to include discussion of budget setting process 2022-2023 as an agenda item for the meeting of the FAR Committee on 28th June 2022 – completed.***
- ***MHa to forward amended SoFD, SoD and Pay Policy/or standalone Policy to reflect delegated authority for the CEO to process nationally agreed pay awards, for circulation via GovernorHub – completed.***
- ***ETa to include approval of amended SoD and SoFD to the Trust Board agenda for the meeting on 28th March 2022 – completed.***
- ***ETa to include Trustee approval of implementation of the national agreement on support staff pay awards to the Trust Board agenda for the meeting on 28th March 2022 – completed.***
- ***MHa to confirm at the next meeting of the FAR Committee that the action in regard to Designated Governor, Board Member - completed.***
- ***ETa to add FAR Committee Terms of Reference as an agenda item to the next meeting – completed.***
- ***MHa to liaise with ABe and PWi in regard to supporting the CFO Recruitment process – completed.***

5. Items for Any Other Business

There were no items of Any Other Business.

6. Budget Review and Setting a) Budget Review 2021-2022

Trustees were referred to the 2021 – 2022 Budget Comparison for Trustees, which had been circulated via GovernorHub in advance of the meeting.

An overall in-year deficit was anticipated in the sum of £160,963, representing £139,952 Chatsworth High School and Community College [CHSCC], £53,183 Chatsworth Futures [CF] and a surplus of £32,172 within the MAT. This deficit had been forecast and would be addressed by reserves. It was imperative to ensure however, that the deficit did not become an ongoing one.

MHa confirmed that the key element of overspend remained staffing. Special schools had been required to stay open during the pandemic and had done so even in circumstances where only 30% of staff members had been in school and absences



had been covered by supply staff. This issue had been raised at Department of Education [DfE] and Local Authority [LA] level.

VMc noted that the impact of working across three sites could not be underestimated in regard to the inability to maximise staff efficiencies.

TQ: were the actuals tracking to budget.

VMc had been required to cover the roles of multiple staff members, which had resulted in a backlog of financial tasks which included completion of the actuals. This information would be completed prior to submission of the BFRO return and clarity provided to Trustees.

Trustees noted that the deficit of £161,000 aligned with discussions within previous FAR meetings and was understandable in the context of a £5m budget.

Noted: Trustees noted the 2021 – 2022 Budget Comparison for Trustees.

b) Review of projections to include consideration of budgets without intervention and modelling for intervention in order to balance 5 year projections

GMy referred Trustees to the following documents, which had been circulated via GovernorHub in advance of the meeting:-

- i. Comparison of In-Year Surplus (Master).
- ii. Comparison of In-Year Surplus (Model 1).

Accompanying EFA reports based upon each of the models had also been circulated via Governor Hub in advance of the meeting.

GMy confirmed that the 2021-22 balances brought forward were anticipated to be £761,693. In the absence of further intervention, the budgets would result in a predicted deficit of £2.4m by 2025/26.

The context of the predicted deficits was that the main body of income per student within special schools had remained static at approximately £10,000 for at least ten years. This had been compounded by static levels of top up funding and increased costs in other areas, which included building costs, wages, employer pension and National Insurance contributions and utility costs which had been significantly increased within the current financial year. These constraints permitted very little flexibility within existing and future versions of the budget, which had required revision.



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The Master budget detailed the position in the absence of intervention, which would result in the predicted deficit of £2.4m by 2025/26. The current teaching and TA vacancies were included and costed within the budget.

The Model 1 budget particularised revised staffing levels, which would change the £2.4m deficit into a surplus of £283,000 over the same period. To achieve this one teaching vacancy would not be filled at CF and TA support would require reduction at CHSCC. Revisions in non-staff costs would also be required. For example, the Speech and Language Therapist [SaLT] would not be engaged from September 2022 onwards.

TQ: why had these areas of funding not been increased in line with GAG funding.

This remained a policy decision.

TQ: was there a direct comparator with mainstream schools.

There was no direct comparator with mainstream schools and the picture differed by reference to the individual Key Stage comparators.

TQ: did the Model 1 budget incorporate pay increases.

School Teachers' Review Body [STRB] intended increases had been included within the Model 1 budget, which comprised mainscale of £28,000 rising to £30,000 one year thereafter. There had been an allowance of 3% for other teaching staff in the first year, increasing to 2% the year after and then pay awards of 2.7% for each of the subsequent years.

TQ: the Model 1 budget presented an improved position however, it remained a concern that in year deficits were forecast in 2022/23 and 2023/24. What was the reason for this.

Whilst income would be increased due to rising student numbers, larger class sizes would not be supported by additional numbers of staff due to the staff vacancies which would not be filled pursuant to the new model.

A number of variables in terms of staffing levels had been scrutinised in detail at Senior Leadership Team [SLT] level to ensure that the school would continue to operate on a class by class basis within safe staffing levels. Safety, safeguarding and the ability to educate students in a safe environment remained key considerations and it would not be appropriate to reduce staff levels any further than the allocation provided within the Model 1 budget. This would result in the forecasted deficits.

MHa noted that during the CHSCC meeting of Governors on Friday 8th July 2022, one of the learners had required moving safely from the hall. This had been completed safely by five staff members and could not have been completed safely by three. In



situations such as this it was imperative that staff levels remained appropriate to the needs of the students.

Trustees understood and appreciated the significant challenges, which had been faced in regard to the budgeting process. Trustees approved the proposal to release funds from reserves in 2022/23 and 2023/24 as outlined to ensure that staffing remained appropriate during this period of transition.

ABe left the meeting at 17:47.

TQ: would it be feasible to accelerate increased student numbers and therefore increase income more rapidly than the Model 1 budget currently provided for.

Student numbers were forecast by reference to the feeder school and informed current projections.

MHa recognised that the Model 1 budget would entail fewer teaching staff within the Trust and a period of adjustment would be required to address this. There was a risk that a more rapid increase in student numbers during this period would significantly impact the safety of students and staff members, retention of existing staff, the quality of teaching and the capacity to train and develop existing staff members.

Whilst the Model 1 budget was necessarily robust, rationalisations were fully supported by the SLT. Staffing remained at a level which would permit opportunities for staff members to plan for change, which would include the completion of training to enable existing staff members to work with larger class groups. Alongside this, curriculum, staff training and wider planning would continue to be reviewed. Richard Wilkinson, CHSCC Deputy Headteacher, was undertaking a review of reducing the numbers of teachers within some subjects without impacting the quality of teaching or Planning, Preparation and Assessment [PPA] time. For example, could PE be delivered by a PE coach to two older able bodied classes rather than one class at a time.

TQ: were there any further developments which may impact on student numbers.

MHa had met with the CEO of the Kings Academy Trust and the Headteacher of Springwood Primary School to discuss provision for pupils with SEND across Salford LA. There remained a shortage of school places both locally and nationally and pressures are being recognised throughout the sector. MHa and colleagues from the other Salford special schools will be meeting in order to design a strategy for Salford pupils going forward. this strategy will be shared with the local authority in September 2022.



TQ: within the revised Model 1 budget, 2021/22 Associate headcount was 67.92 rising to 79.82 in 2022/23. This equated to a rise of approximately 17.5%, which increased the deficit. The requirement for safety was understood however, how was an increase of 17.5% justified.

37 new students would be joining the school, which included a number with complex needs. When compared with the number of students who would be leaving, this represented a significant increase in overall student numbers and the additional headcount would be required to support this.

TQ: The Published Admission Number [PAN] was increased from 140 to 170.

Was it envisaged that the PAN would be increased on a year-on-year basis. MHa anticipated that the number of students would increase to 174. Historically, where the Education and Skills Funding Agency [ESFA] funding had been exceeded, the LA would fund additional students however, five students would now be required to secure this additional funding. Whilst the Trust would seek to avoid contributing to a position whereby students had to be educated out of the area, which would impact the remaining funding within the High Needs Block, the robustness of the Model 1 budget would mean that in the event that the PAN did not increase to include four additional students in receipt of funding, those students would not be admitted and early notice would be provided of this decision.

TQ: An Assistant Head Teacher from CHSCC had resigned and would not be replaced. Had this been accounted for within the Model 1 budget. Yes. The calculations had been revisited accordingly.

MHa confirmed that all possible avenues of additional funding would be explored, subject to the caveat that the process of securing additional revenue streams would not detract from the support provided to teaching staff. Systems were in place and would be enhanced to maximise incomes, including additional income from revised banding judgments. Additional income of this nature was not included within the Model 1 budget however, because it could not be guaranteed.

MHa summarised that the next two academic years would be challenging in regard to mitigating staff absences. The SLT would support staff with the transition process in order to secure the final anticipated budget position in 2025/26.

TQ: would the Model 1 budget be shared with Members.

Information was not ordinarily shared at this level however, Members could have sight of the documents should they wish to do so.



VMc noted that CF budget information would not be submitted via the same mechanism as CHSCC and the MAT budget. Following removal of the CF budget information from the Model 1 budget calculations, the budget remained sufficient.

The governance schedule provided that Trustees would review and approve the budget in advance of the deadline for submission to the ESFA by the deadline of 26th July 2022 within the Summer Term Full Trust Board meeting. As a consequence of the deferral of this meeting until 1st August 2022, MHa proposed to address approval via email. Trustees had been kept apprised of the current position and MHa would ensure that all Trustees were updated following the meeting today.

Trustees endorsed the robust figures detailed within the Model 1 budget and agreed to recommend approval of the same at Trust Board level.

Approved: Trustees recommended the Model 1 budget for approval by the Full Trustee Board prior to submission to the ESFA.

TQ: why would CF move from a deficit in 2022/23 of -£40,894 to £16,203 in 2023/24 to a deficit again in 2024/25 of -£17,499.

This was attributable to lagged funding and the discrepancies between actual student numbers and funding.

TQ: would there be an increase in income from students at CF.

Whilst education at this level remained non-compulsory, CF was a well regarded provision. The V10 funding document provided some flexibility and there may be potential to increase revenue. It was important to ensure that the courses were clearly linked to those learners who required this type of provision. An analysis of the students from CHSS who were likely to transition to CF had not indicated that additional staffing would be required.

MHa provided thanks to the SLT, GM and VMc for their extensive and invaluable support with the revision of the budget.

7. Trust Options for discussion Refer to Confidential Minutes.

8. Covid Catch-Up for noting

MHa confirmed that the funding had been utilised as planned. Spend would be monitored as a standing item.

Action: ETa to include Covid Catch-Up as a standing agenda item.



9. Risk Register

MHa confirmed that further to discussions with the Chair of Trustees, the Risk Register would be updated to reflect potential risks to Quality of Education as a consequence of the revised staffing structures outlined above. This would be progressed outside of the meeting.

Action: MHa to update the Risk Register in regard to Quality of Education/staffing risks and circulate the updated Risk Register to the FAR Committee for approval.

10. Internal Audit Report

This item would be deferred to the next meeting.

11. FAR Committee Terms of Reference

This item would be deferred to the next meeting. In the interim, ABe would circulate a copy of the finalised Omega Trust FAR Committee Terms of Reference.

Action: ABe to circulate finalised Omega Trust FAR Committee Terms of Reference in advance of the next meeting.

12. Any Other Business

There were no items of Any Other Business.

13. Date and Time of Next Meeting

TBC

The meeting concluded at 18.55.

Signed Dated
Mr Andrew Bent (Chair)

Summary of actions

Item	Action	Owner
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8	ETa to include Covid Catch-Up as a standing agenda item.	ETa
9	MHa to update the Risk Register in regard to Quality of Education/staffing risks and circulate the updated Risk Register to the FAR Committee for approval.	MHa
11	ABe to circulate finalised Omega Trust FAR Committee Terms of Reference in advance of the next meeting.	ABe