

MINUTES

**The Challenge Academy Trust
Finance, HR and Operations
Thursday 18 June 2020, 6pm**

PRESENT:

Linda Waterson (LW)
John Monaghan (JM)
Anita Pailing (AP)
Howard Platt (HP)
Stuart Titchard (ST)
Tim Long (TL)
Ben Logan (BL)

Stephen Whatmore (SW)
Matthew Grant (MG)
Andy Moorcroft (AM)
Adrienne Lang (AL)
Damian McGuire (DM)
Vicky Briggs (VB)

IN ATTENDANCE: **Lisa Adams – Clerk to Governors**

Part One – non confidential business

1. Welcome

The Chairperson welcomed everyone to the meeting.

2. Absence and apologies

Apologies were received from Graham Bratley.

Agreed: The governors consented to the absence of Graham Bratley

3. Minutes from the previous meeting

SW reported that in terms of the funding agreement with the Local Authority for the Bridgewater expansion project the trust have submitted the first invoice. He felt that this needs to be kept on top of to ensure that the Local Authority continue to make the payments. **HP asked** if the Trust is paying for the work and then getting the money back from the Local Authority. TL informed them that this was the case. TL noted that the new build costs are separate but that this will also be an invoice process. DM informed Trustees that raising invoices is the way the council works.

MG reported that the 6th form pay disputes have been resolved. The teachers have agreed to a 1 year deal and the Business staff a 2 year deal. All have received the pay rise including back pay on Monday.

4. Declaration of personal interests

There were no declarations of personal interest.

5. Proposed budget

A copy of the draft budget for 2021 including a narrative was circulated to governors.

It was reported that the main thing is that all academies are forecasting a surplus with the exception of Broomfields Junior who are projecting a small deficit. The budget has been through a number of iterations which, as a result, found that two new Teaching Assistants posts were removed from the budget. Broomfields LGB agreed to approve the budget but had expressed concerns about the education of the children with not appointing another Teaching Assistant. There are a number of children joining in September who have special educational needs but don't carry any funding with them. The main area of concern is that they have a falling roll which will have an impact on future budgets. DM reported that he has met with VB who is going to provide some support to the Headteacher. **ST asked** how VB sees this working and what impact it will have. VB noted that she is due to meet with DM to look at the budget and will then meet with the Headteacher in a couple of weeks to go over the detail. DM noted that the school is open to considering their options. He felt that following the experiences the Trust has had with Penketh High it is better to step in sooner to try and avoid a bigger issue. VB noted that the biggest challenge is the numbers starting in September and this is predicted to continue for the next 3 years. DM noted that the lag funding also makes the decreasing numbers difficult.

DM reported that in terms of the 3 academies with historic deficits repayment plans are now in place. Padgate Academy and Sir Thomas Boteler should repay their deficit within the 3 year timescale. Penketh High will take slightly longer. A lot of work has been done around the budget. A number of changes have been made and it is on the trajectory to reduce the deficit.

DM reported that an issue has been discovered this week in terms of the Nursery funding allocation at Great Sankey Primary, Meadowside Primary and Penketh South Primary through the Warrington Schools funding pack.

The budgets have been prepared on the basis of little impact from covid-19 unless there is something that we have already been made aware of. It has been suggested to the Local Governing Boards that due to uncertainty the

budgets are revisited in October. This will help schools plan. In terms of Priestly the numbers joining in September is unknown. It is possible that there could be an increase in numbers because of the uncertainty around the apprenticeships. MG noted that this will put added pressure on the college.

The STRB proposed three options for teachers pay award which would see the increase for teachers at point 6 upwards of 2.25%, 2.5% or 2.75%. The recommendation from them is to use 2.5% however the Trust has budgeted for 2.75% with the exception to Priestly College.

DM reported that the Trust has started to look at the impact COVID-19 will have on the budgets. All performances and educational trips that were planned have not taken place.

DM reported that the Warrington School Funding Pack for 2020/2021, from which the figures have been based on, are only a notional figure and not an actual figure. On closer inspection, the level of fluctuation in the notional figures needs further investigation. When compared to previous years the fluctuation could have a significant impact for Penketh South in particular. The Local Authority have been contacted and asked to explain how the formula is worked out. The other two primaries should retain an overall surplus, although reduced. DM reported that at Penketh South's LGB discussions took place around how to promote the nursery as there are places available. It was noted that if the figures are correct then the school will go into a deficit and further discussions will need to be held with the Headteacher. **AM asked** why this had only just come to light now. DM reported that in terms of nursery places the children join at different times and schools are allocated some funding. Every term there is an adjustment and because it is so much higher this year the difference is more obvious. **AM asked** how it affected the schools last year. DM reported that it affected Penketh South by £50k. VB noted that the issue arises when it is not full and therefore money is clawed back. Schools should monitor the numbers so that they can anticipate the level of clawback. **AM asked** if the same process was used when it was a maintained school. VB informed them that it was and it is important to check the numbers all year through.

LW noted that the cumulative total is recorded as £465k and the total in year deficit is £515k therefore suggests that the revenue has been overstated. She asked if it is a surplus of £465k and not a deficit of £515k. DM reported that this is correct and that the reason for the difference is that it doesn't include the brought forward figures. MG asked what the figure was for last year. DM reported that it was a £520k deficit. He informed Trustees that all forecasts were pretty much in line apart from Padgate Academy and Penketh High, this is largely due to the loss of income. It is predicted that there will be £170k in lost income. MG noted that there is a turnaround of £900k which reflects the amount of work that has taken place through the Trust. The in-

year funding at Padgate Academy and the increasing numbers at Sir Thomas Boteler is beginning to bear fruit.

ST asked what the outturn is likely to be. DM reported that the majority of academies outperformed or were in line. The outturn will be slightly over due to the lost income in terms of the COVID-19 pandemic. MG noted that in terms of money in the bank the Trust will receive some money back for the Bridgewater expansion project. DM stated that any refunds from the examination boards has not been factored in. MG informed Trustees that it is highly unlikely that schools will receive refunds due to the possible resists costing a huge amount.

SW asked about the formula mentioned earlier in terms of notional school income and SEN. TL reported that the Local Authority uses a funding formula which is difficult to understand. It was noted that the Headteachers are dealing with families where their child's report details what they are entitled to but the money isn't available to provide everything. TL felt that Trustees need to have a clear understanding of the formula used. **AM asked** if it was worthwhile asking the Local Authority to provide workshops to go through in detail the funding formula. He felt that it is the Local Authorities responsibility to ensure that the Multi Academy Trusts fully understand the formula. DM expressed concerns that schools are being issued with figures that are overestimated. **MG asked** if the suggestion is that they show the money is there and then claw it back. VB noted that the academy funding is different than a maintained nursery which DM is looking into. LW felt that a workshop would be useful so that the Local Authority can be held to account and challenged. SW stated that it is really important that the Trust stays on top of this as he has been in this position before.

Action: DM and AM to arrange a meeting with the Local Authority to understand the funding formula

DM reported on the capital budget. The Devolved Formula Capital is an estimate and is based on current numbers therefore there may be some slight fluctuations. It was noted that these figures would increase if another academy joined. A lot of capital work is underway however there have been some delays due to COVID-19. Trustees were informed that not all of last years allocation has been spent but assumptions have been made that it will be spent.

DM reported that in terms of additional expenditure due to COVID-19 not a lot has changed since this was last reported. Total costs are yet to be quantified due to all restrictions not being lifted. Catering staff at the two academies who provide in house catering have been furloughed. Trustees were informed that the furlough scheme is changing with less money being funded by the government. There are concerns around Padgate and the leisure centre as it

is yet unknown when it will be able to re-open. As the government release more guidance an update will be provided to Trustees.

LW noted that her Local Governing Board approved the budget on Monday however the figures presented to the board had a surplus and the overall income and expenditure is less than reported here. She asked why this was the case. DM reported that the reason it is reduced is because of the salaries and income from the trust has been factored in to cover it. It was noted that the overall figure should be the same.

SW asked DM where he was up to with switching electricity providers for a better deal. DM reported that he had tried to use the academies procurement system to switch however the system doesn't allow for MATs to do this. It has been discovered that the tariffs and the VAT charge is incorrect. It is hoped that there will be an agreement in place by the end of next week.

LW proposed and SW seconded that the budget be approved in principle subject to the following amendments:

- Calculations highlighted by LW to be changed
- Nursery forecasts

Action: DM to share the draft forecast with Trustees for the next Trust Board meeting

6. Growth

MG reported that there are a number of conversations taking place with primary schools that we are interested in working with. It was agreed that the Chairs of the committees would meet to look at the strategic growth plan.

7. COVID-19 response and academies reopening

MG reported that it is the first week of the wider re-opening of schools. The numbers of Year 10 pupils returning to school has been positive. The nursery pupils, reception and Year 1 have returned in the primary settings with Year 6 joining next week. In terms of Broomfields Junior the Year 6 pupils joined this week. It was reported that 423 pupils are attending school across the Trust and 198 pupils will have returned to Priestly by the end of the week.

VB reported that it has been lovely to see the children returning and skipping down the paths. Since the schools have opened to more children there have been a number of additional requests from families for them to return.

HP asked what percentage of pupils have returned. VB reported that 60% returned at Great Sankey's nursery and Meadowsides nursery are returning next week. In terms of reception it is 70% across the board. Year 1 there are 55% at Great Sankey and Meadowside. The numbers at Penketh South are

slightly higher. VB reported that the Year 6 uptake has been high with the majority of families wanting to return. **HP asked** if it is parents that are concerned or children not wanting to come back. It was felt that a number of the families at Meadowside don't work and are therefore at home. It was also felt that parents have confidence in the schools and will encourage other families to return. Some families haven't sent their children back because they have other children in the year groups that aren't returning.

MG reported that in terms of staff across the Trust there are 4% of teachers and 4% of Teaching Assistants not able to work because of shielding or living with someone that is. One benefit of the lockdown is that less money has needed to be spent on supply cover however come September if staff are still required to shield this will have an impact on the supply budget.

8. Policies

a) TCAT Disciplinary Policy

AM reported that the amendment is due to an anomaly coming to light in a particular case. It is therefore proposed, for clarity, that the following sentence is added to 4.1:

In the event that an employee is absent from work due to sickness, and this absence is covered by a medical certificate, the employee will receive their normal pay, which in these circumstances is pay in line with the relevant occupational sick pay scheme.

It is also proposed that a section specifically covering sickness absence during the disciplinary process is added in order to confirm the reasonable steps that can be taken to ensure that matters are dealt with in a timely manner. The proposed wording is included in the document circulated to Trustees.

MG proposed that additions are approved and this was seconded by JM. Trustees approved the amendments.

9. Any other business

MG reported that the Deputy Headteacher at Sir Thomas Boteler suffered a heart attack and has undergone a triple heart bypass. It was noted that he was a fit young man and it came as a complete shock to the school. Governors passed on their wishes to him and his family. AM reported that he hopes to be out of hospital by Saturday.