

# MINUTES

**The Challenge Academy Trust  
Finance, HR and Operations  
Wednesday 4 March 2020, 6.00pm**

**PRESENT:**

Graham Bratley (GB)  
John Monaghan (JM)  
Anita Pailing (AP)  
Howard Platt (HP)  
Stuart Titchard (ST)

Stephen Whatmore (SW)  
Neil Pearson (NP)  
Matthew Grant (MG)  
Andy Moorcroft (AM)  
Adrienne Lang (AL)  
Damian McGuire (DM)

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

Part One – non confidential business

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**1. Welcome**

The Chairperson welcomed everyone.

**2. Absence and apologies**

Apologies were received from Linda Waterson.

**3. Declaration of personal interests**

There were no declaration of personal interests.

**4. Minutes and matters arising**

Governors were informed that Ben Logan, HR started on 3 February 2020 and already has a heavy workload. He will attend all future meetings.

It was noted that all outstanding actions have been completed.

**5. Correspondence**

There were no items of correspondence.

## 6. Statutory Accounts

DM reported that the statutory accounts have been submitted.

## 7. Finance Report

DM apologised for the report being sent late due to staff absences.

The financial statements were presented at the last Trust Board. Following that meeting, the financial statements have been submitted to the ESFA. The ESFA Annual Accounts Return has been completed and submitted in January 2020. The external auditors confirmed that this information has been submitted on time.

It was reported that appendix 1 of the report shows the summary position of the academies, excluding the two new primary academies, and Trust in terms of revenue funding. Governors were informed that the majority of the schools are operating to their budgets. Padgate Academy continues to operate a tight budget which is showing some strains. The supply budget has reached its limit. The academy suffered a break-in where some laptops and mini bus were stolen. The gates have been damaged as they were rammed to gain access. The matter is with the police and an insurance claim will be submitted. **HP asked** what the valuation of loss is. It was noted that the loss adjusters have been in to assess the amount. AL noted that the academy worked hard to get it back to normal for staff and students to return. ST asked in terms of supply what is in place. DM reported that any additional spend on supply needs approval from finance and the Headteacher. It was reported that the in year funding should be in the budget by April. Additional applications for in year funding for other academies are being submitted.

**NP asked** why the supply spend is so high. MG reported that it is due to sickness and absences. HP noted that this increase is often a symptom of the issues. DM informed governors that it hasn't been an easy environment for staff to work in with the restructure of the office staff. AM reported that there have been a number of capability and disciplinary issues which have needed cover arrangements in place. **NP asked** if cover can be done through the other academies within the trust. MG reported that this happens where possible.

DM reported that in terms of Priestly college the number of adult learners is a lot lower and therefore will be a lot less than contracted to supply. It was noted that the teaching is paid on variable hours so if lessons are not provided then there is nothing to pay.

It was reported that as at 31 January 2020, the Trust has cash reserves of £5.1m. HP asked if in terms of what Trustees were expecting is it better or worse. DM reported that it is in line with projections. It was reported that the income from the Sir Thomas Boteler and Beamont Collegiate in year funding hasn't been included. A bid for this money will be submitted this month, within the bid the impact that this funding will have and as had needs to be evidenced. MG informed governors that as the Trust has reserves it is not always a given that these bids will be successful.

DM reported that the CET have started the process to look at a deficit recovery plan for the 3 academies with deficits. There is a requirement for a 3 year forecast to be submitted. The consultation process for a staff restructure at Penketh High has been put in place. The number of students on roll is also falling. **ST asked** what the timescales for submitting the application. MG informed them that it is the end of this month.

Governors were informed that in terms of the next financial year the main core funding for all academies has been released. There has been an increase in funding per student for primary to £3,750, secondary to £5,000 and £4,188 per 16 – 19 student. The Bridgewater High split site funding has been resolved. WBC have agreed a formula. **HP asked** if we had lost anything. DM reported that the Trust has lost revenue funding for 2 years. **HP asked** if the Trust underspends on the capital project will they have to give money back. AL reported that any underspend would have to be returned however the brief is wide enough to spend all the money. HP noted that in an indirect way the Trust has received the majority of the money. HP expressed his thanks to all involved in resolving the split site funding. SW stated that it is important that the Trust ensures it receives the money and that the council follow through. AL reported that the changes to the funding agreement have been accepted and is currently with the legal team.

Governors were informed that the pupil premium, sports and catch up funding are not included. This information will be available for the next meeting. It was reported that there have been some increases in funding for Sir Thomas Boteler and Padgate due to the increase in numbers on roll. There are 3 academies which funding has dropped slightly to reflect a decrease in student numbers. Priestly College has a decrease of 8 funded students but enjoys an increase in funding due to improved retention factors, programme weighting and new funding streams for GCSE Maths and English. Governors were informed that the funding formula for the college is complicated and if students leave it is penalised.

**SW asked** when producing the forecast what assumptions are made in terms of pensions. DM reported that the assumption is that the Trust will receive a pension grant. MG reported that the letter from Lord Agnew made it clear that the teachers pension grant is guaranteed for 3 years so there are no

risks. In the longer term there is a spending review planned. DM reported that the teacher pay award grant will continue. MG reported that it is only guaranteed for 1 year for post 16 provisions.

HP noted that the budgets for Penketh High and Padgate Academy are a concern. MG noted that Penketh High poses the biggest concern because of the reduced numbers. It is hoped that the Ofsted result will have a positive impact and the numbers will increase. **HP asked** when the decrease PAN comes into effect. It was noted that it is from September 2020. **HP asked** about the impact of reducing the PAN. AM reported that it allowed the Headteacher to put a staffing structure in place for a smaller school. **HP asked** about the Wade Deacon issue. AM felt that it shouldn't be a concern but it was hoped that the school would attract some students from Widnes. **HP asked** if there was an answer. AM noted that it is a viable option and that the academy is on a level playing field. He felt that it is about promoting the UPS. **HP asked** if there is something that can be done with the feeder schools. It is hoped that the Ofsted report will help sell the school. MG reported that the long term plan is to look at the estate of the academy. They have done a lot of work around the personal development of the students. AM noted that there is a legacy of a poor reputation which can't be changed over-night. A discussion took place about the state of the building at Penketh High. HP noted that the issue is that as a Trust we could decide to put a lot of capital into improving the building and then find that it is eligible for a new build. **NP asked** if the issue around the Sir Thomas Boteler trust has been resolved. ST informed them that it hadn't. DM noted that at the point of transfer Sir Thomas Boteler received money from the Boteler Trust for the students. WBC closed off the accounts and this amount was shared. **HP asked** how much is left. DM reported that there is £90,000 left. **HP asked** where the Boteler Trust money sits. ST reported that it is held separately but the Boteler Trustees have control. It was noted that it is more like an endowment. Three years ago the Headteacher asked for some funding for specific works and the Trust is now claiming misappropriation of funds. DM felt that links need to be opened up with the Boteler Trust. **AM asked** if it was worthwhile writing to them. HP felt that a face to face meeting may be more useful. He also felt that the issue needs drawing to a conclusion one way or another.

**Action: ST to speak to the Headteacher about the issue**

## **8. Pay**

MG reported that the pay settlement hasn't been agreed and further strike action is scheduled. It is hoped that there will be an agreed 2 year settlement.

## 9. Capital works update

AL reported that in terms of Padgate capital works the transformation elements of the design are nearly completed. A risk assessment completed stated that the works would be completed by the end of March except the walkway. This is now due to be completed by May 2020. **NP asked** if the delay has incurred any additional costs. MG reported that there are no additional costs thanks to the work AL and the academy have done. **ST asked** that it be placed on record his thanks for the project coming in on budget and on time.

AL reported that the following work has been completed and included in contingency:

- Various ceilings in C block have been replaced as a result of rodent contamination.
- Additional lighting and ceilings in the Designate Provision area in K block
- Issues with the fire alarm have been rectified
- Doors have been replaced
- Asbestos has been removed from the ducts in the flooring below the science labs
- Lab refurbishment and kitchen refurbishments

HP noted that Padgate Academy now has a better building to promote. MG informed governors that a launch of the new improved building will be arranged. AL informed them that it isn't anticipated that there will be any further problems.

AL reported that in terms of Sir Thomas Boteler expenditure on the following projects:

- Replacement corridor and classroom
- Fire safety works
- Boiler replacement works

It was noted that feasibility studies have been completed on the fire safety and boiler replacement. The boiler survey included all 10 plantrooms (currently holding 18 boilers) and recommends a scheme which consolidates them to 5 plantrooms and reduces the numbers of boilers. A suggested timescale was presented to governors. **HP asked** what the additional costs would be. It was noted that it would be £170k. HP noted that the capital works list is already full and asked what the consequences of this project being higher. He was informed that there is £256,104 remaining in the 2019-20 funding. It was noted that the trust will receive a new allocation. **NP asked** if the Trust is required to return any unallocated money. MG reported that the Trust has two years to spend the money. **HP asked** if the Trust has a choice in terms of the works that need to be carried out. AL reported that

they didn't and that the fire management works is vital. HP felt that anything related to Health and Safety should take precedence over other capital works. AL informed governors that there will be some savings in the long run with the new boilers being more efficient.

HP suggested that the corridor project could be put on hold. AL noted that if the work isn't completed on the corridor any students with a disability would struggle to have access to all areas in the school. MG reported that some of the future planned projects are flexible and allowing the trust to respond to where the needs are. **HP asked** AL if she was looking for agreement for the project to go ahead with the additional costs. AL informed him that there are no other options. AL reported that she is meeting with all the academies to review their capital work plans and to look at where they can apply for their own funding.

**SW asked** where the costings had come from. AL reported that it is from the E3cubed survey. **SW asked** how the original estimates had been arrived at. AL reported that it had come from a condition survey. When a full survey of all the boilers was carried out additional work was highlighted. SW expressed concerns that decisions were made on an estimate which was significantly lower than the actual costs. DM reported that the original proposal was significantly different and the new project is looking at rationalising all the boilers. It was noted that the boilers are currently domestic and will be changed to commercial. The previous costings were based on changing like for like.

Governors agreed to the additional expenditure of £175k.

**SW asked** when the work on the retaining wall would be carried out. AL reported that it is hoped that it will be completed during the summer. MG reported that it is not just a case of repairing the wall, it has to be rebuilt because there are no foundations. Governors were informed that the wall has been subject to a number of surveys.

## **10. Policies**

There were no policies for approval.

## **11. Any other business**

There was no any other business.

The meeting closed at 7:19 pm