



## THE CHALLENGE ACADEMY TRUST

### Spring 2019 meeting of the Finance, HR and Operations Committee

Held at Priestley College on Wednesday 6 March 2019, 6.00pm

## MINUTES

### Present:

Anita Pailing	AP
Gemma Johnson*	GJ
Howard Platt*	HP
John Monaghan*	JM
Linda Waterson*	LW
Matthew Grant*	MG
Neil Pearson*	NP
Steve Whatmore*	SW
Stuart Titchard*	ST
Toby Macormac*	TM

### In attendance:

Adrienne Laing (TCAT Operations Lead)	AL
Damian McGuire (TCAT Chief Finance Officer)	DMc
Tim Long (Bridgewater High School)	TL

*\*Denotes Trustee*

### **Part One – non-confidential business**

#### **1. Welcome**

The chair welcomed everyone to the committee.

#### **2. Absence/Apologies**

The clerk confirmed that Bev Scott-Herron (Principal, Sir Thomas Boteler CE High School), John Carlin (Principal, Penketh High School) and Vicky Briggs (Headteacher, Great Sankey Primary School) sent apologies for the meeting.

The committee **accepted** the apologies. There was no contact from committee member Graham Bratley.

#### **3. Minutes**

Consideration was given to the minutes from the meeting on 5 December 2018. Committee members **accepted** that the minutes are an accurate reflection of the meeting.

##### a) Matters Arising

There were no matters arising from the minutes.

##### b) Action Log

Committee members **agreed** that all actions were complete.



#### **4. Declaration of personal interests**

Committee members were reminded of the requirement to declare any interests, pecuniary or otherwise pertaining to the meeting. No interests were declared.

#### **5. Audit Accounts**

The accounts were completed and submitted to the Education and Skills Funding Agency (ESFA). The ESFA accepted the accounts.

#### **6. Finance Report**

The committee were presented with the figures for Period 5 (period ended 31 January 2019). The committee were provided with the following documents:

- Actuals for the five month period to 31 January 2019
- Original budget for Period 5 (Time apportioned)
- Full year 2018/2019 original budget
- Full year forecast 2018/2019 budget

DMc reported that the academies received additional capital which totalled £394,000 across the Trust. This money has not yet been spent.

DMc informed the committee that a recent consultation on increasing the employer's pension contributions from 16.48% to 23.68% is likely to have a financial impact. It is hoped that this will be funded by the government however there has been little communication about this.

During a recent meeting with the ESFA, it was requested that the prospective funding be removed from the budget in order to give a clearer indication on how this would affect each academy. No academy can sustain an increase of this level without it being funded.

As there have been a number of changes to financing for the academies, DMC expressed the importance of a full budget review. The process will begin before Easter and it will be reported back at the Finance, HR and Operations Committee.

**Action: Update on Budget review to be added to summer 2019 Finance, HR and Operations Committee meeting.**

DMc informed the committee that schools are operating in line with what would be expected.



DMc reported that there are further developments with regards to Beamont Collegiate Academy purchasing the Roger Hunt Building (Warrington and Vale Royal College building). It would seem that TCAT is the landlord of the property. This would raise the question whether Beamont should purchase this.

**HP asked** if Beamont Collegiate should never have paid rent. DMc advised that the lease allows a sub-let. The question is whether TCAT should be charging Warrington and Vale Royal College.

**NP asked** who TCAT would be purchasing the building from. DMc explained that the sub-lease was agreed between Warrington BC and Warrington and Vale Royal College. This lease refers to the land and not the building. A rent review is planned in 2021, with the lease ending in 2035.

**HP asked** if Warrington and Vale Royal College could potentially demolish the building. DMc advised that this would require permission from the landlord.

**HP asked** if Warrington and Vale Royal College could use the building. DMc explained that there are restrictions in the lease that mean the building is of no use to Warrington and Vale Royal College.

DMc noted that within the lease, Warrington and Vale Royal College cannot charge any more than the rent agreed. The Trust is awaiting the DfE's position before starting discussions with Warrington and Vale Royal College.

The committee were provided with individual balance sheets for each academy. DMc reported that a budget has been set for Padgate Academy and this is being monitored closely. The academy has not yet received full financial autonomy.

Penketh High School is due to start consultation for redundancies.

Sir Thomas Boteler CE High School has made changes to staffing that will provide savings. The Boteler Trust has agreed to another 2 years of funding and this will be a useful source of income.

Student numbers at Padgate Academy, Penketh High School and Sir Thomas Boteler CE High School are above expectations; this is something to be celebrated and will help finances moving forward. There is a possibility of Sir Thomas Boteler receiving funding based on actual students numbers rather than lagged funding. Padgate Academy will receive funding based on actual student numbers for the next 2 years.

**LW asked** the number of first choices for admissions at Padgate Academy. AL confirmed that Padgate Academy has 147 first choices, Sir Thomas Boteler



has 156 first choices and Penketh High School has 171 first choices. All other schools are over PAN (published admission number).

MG reported that the issue between the Boteler Trust and the local authority is ongoing. The Boteler Trust is now pursuing this and is clear that the money should not have been retained by the local authority.

**SW asked** the amount of money. MG confirmed that the local authority have retained £100,000. HP clarified that the money is not being used for its intended purpose. DMc advised that the Boteler Trust have asked that this money is moved into a separate bank account from the school.

## 7. Pay

MG reported that he attended the sixth form college council meeting regarding sixth form college pay. An offer has been made for Business Support Staff and Teaching Staff.

Unison (Trade Union for Business Support Staff) has recommended the offer to their members who will have until 22 March 2019 to complete a consultation. It is hoped that this offer will be paid to staff within April 2019 pay and will be backdated from September 2018.

The Trade Unions have not yet made a decision for teaching staff at Sixth Form Colleges; this matter should soon be settled.

AL informed the committee that a structure change for school support staff is required due to the introduction of the national living wage forcing a higher increase to the lower points of the National Joint Council (NJC) pay spine.

AL provided the committee with the current structure and the recommended structure. Warrington BC has had discussions with the Trade Unions and has agreed that the priority is to assimilate staff onto the new pay scales. Adopting these scales in full requires structural changes and therefore Warrington BC have agreed with the Unions that, for the moment, new pay points would be on the scale but not used. It is felt the same approach should be adopted within TCAT.

The Trust HR Group and the Central Executive Team have agreed that it would be better to assimilate staff and then apply the April 2019 pay increment.

AL requested that the committee agree to implement the new structure and assimilate staff across.



**HP asked** how many staff members will be affected. AL confirmed that this will affect between 350-400 staff members.

NP confirmed that his wife is a teaching assistant within a TCAT school and wished to declare his personal interest in this item.

AL requested that the committee agree to:

- the new pay scale be adopted
- staff are assimilated
- increments be applied
- the new pay points are not used for the 2019-2020 year

**TM proposed** that the committee agree to the request. **JM seconded** the proposal.

SW highlighted that AL referenced the local authority during this discussion. **SW asked** if there will be a point when the Trust does not follow their guidance. AL advised that changing pay scales is a complicated implementation; by sharing good practice the Trust remains consistent with staff across Warrington.

The Trust currently follows and supports the NJC terms and conditions. If the Trust were to move to new terms and conditions a consultation exercise would need to be undertaken. A change in terms and conditions could lead to difficulties when recruiting staff. AL confirmed that all support staff contracts are NJC.

## 8. Personnel

There were no personnel updates reported.

## 9. Health and Safety

### a) Draft Health and Safety

AL reported that all schools across the Trust now have one health and safety advisor (A Partridge – Health & Safety in Care) who will carry out all audits. When audits have taken place the information will be assimilated. A Partridge is also undertaking training for staff across the Trust.

A group of premises managers across the Trust recently met and identified that there is a need for consistency with the monitoring and management of compliance; software is now being explored.

### c) Capital Update



AL provided the committee with an update on the projects being undertaken across TCAT. The committee were provided with the list of priority works for 2018-2019; those works highlighted in green are complete. The works highlighted in amber are close to completion.

The new playground equipment at Penketh South Primary School has made a real difference to the school and to the children.

The committee acknowledged that there are some differences between the original budget and the revised estimate. AL advised that the budget was made some time ago without knowing the complete information.

The perimeter fencing required to improve safeguarding at Sir Thomas Boteler is still being pursued with the local authority.

AL advised that the cost for the toilets at Bridgewater High School and Penketh High School is significantly higher than original budget and this has been revised. E3 Cube (Property Consultancy) has completed a significant amount of work to determine this budget estimate. It is hoped that savings will be made following the tender process.

SW wished to note that the figures are three times the original estimate. AL advised that the estimate was for one set of toilets at Bridgewater however there are two sets of toilets required (for the upper school and lower school). The original estimate for Penketh High School was not completed professionally. AL informed the committee that the original estimates did not include professional fees or statutory approval costs.

AL reported that the fencing for Penketh High School costed significantly less than the original estimate.

MG explained that the School Condition Survey commissioned by E3 Cube will have far more robust cost estimates. The report will be presented to the Trust Board on 13 March 2019 and provides an estimate for a 5-10 year spending plan. MG advised that those within the list of priority works for 2018-2019 were arranged as a result of the Health and Safety audit.

MG proposed that the toilets at Bridgewater High School are paid over two years; one set of toilets will come from 2018-2019 and one set of toilets will come from 2019-2020. All improvements will be made during the 2019 summer holidays.

MG advised that the original health and safety report requested that the condition of the toilets at Bridgewater be improved urgently; it was noted that



there were not sufficient toilets and that their condition is poor. NP agreed that this be completed for the safety of the students.

AL reassured the committee that the condition survey will provide a significant amount of detail and that budget estimates for the future will be much more accurate.

The committee **agreed** that the toilets at Bridgewater High School be paid for over two financial years.

SW noted that one of the issues within the health and safety report was that Bridgewater High School did not have enough toilets for the number of students. The report noted that this was a breach of statutory requirements. SW highlighted that the works quoted will not resolve this issue. AL advised that an additional 20-30 would be required to meet statutory requirements.

**NP asked** if portable toilets are required. TL advised that the refurbished toilets will provide adequate facilities; whilst they may not be fully compliant this is a step in the right direction.

AL informed the committee that the priority works for 2018-2019 also included a lift at Sir Thomas Boteler for disabled access. This has been put on hold following a request for a feasibility study for extension to teaching space linking upper floor areas. This could potentially remove the need for a lift and will provide a better solution for the whole school.

## 10. Policies

The committee **agreed** to commence the consultation process for the following policies:

- Appraisal Policy
- Capability Policy

**JM asked** if the policies have similar procedures to previous. MG advised that the policies are similar but more succinct. JM wished to note that the policies are overwhelmingly detailed.

## 11. Any other business

### a) Treasury Management and Investment Policy

DMc presented the committee with a draft Treasury Management and Investment Policy. The policy covers:

- Banking arrangements
- Maintenance of the Trust's financial position

- Borrowing
- Investment

DMc reported that only the Chief Executive Officer (with another member of the Central Executive Team) and/or the Chief Financial Officer are authorised to open and close bank accounts. The Trust Board will be informed of this action at its next meeting. Any decision to change Trust banking service providers must be approved by the Trust Board.

Any deposits will be with Financial Conduct Authority authorised institutions regulated for accepting deposits. In order to minimise risk no more than £500,000 will be held on deposit in any one institution, except for the monies held by the Trust's main banking provider. Fixed term deposits will be no longer than 12 months. Any longer terms will form part of an investment strategy for the Trust and will required Trust Board approval.

The committee made a **recommendation** that this policy be approved by the Trust Board.

**Action: DMc to amend the policy when referencing local governing boards, before presenting to the Trust Board.**

## **12. Proposed future meeting dates**

The committee noted the date for the next meeting of the Finance, HR and Operations Committee as Wednesday 26 June 2019 at 6pm.

*Part one of the meeting closed at 7.03pm. There were no part two discussions.*