



THE CHALLENGE ACADEMY TRUST

DRAFT Minutes of the meeting of the Finance, HR and Operations Committee

Date Thursday 30th June 2022

Time: 6:00pm - 7.45pm

Venue: TCAT Personal Development Centre

Trustees	
Howard Platt	Trustee – attending
Linda Waterson	Trustee – apologies given
Stephen Whatmore	Trustee – attended remotely
Stuart Titchard	Committee Chair , Trustee – attending
Andy Moorcroft	CEO – attended remotely
In attendance	
Damian McGuire	Finance Director
Adrienne Laing	Operations Director
Ben Logan	Head of Human Resources
Lara Jacob	Clerk
Katie Whitmore	Clerk (observing)
Graham Bratley	Associate
Anita Pailing	Associate – left the meeting at 7.31pm

Documents circulated in advance of the meeting
Draft Minutes Finance, HR and Ops 10.03.2022 Finance Report June 2022 Utilities Bill 220317 – L6 Utilities Bill 220513 – L6 Budget 2223 HR Report June 2022 – Narrated HR Report June 2022 – Slides Business and Operations Monthly Report May 2022 Estates Summary 2022-23 TCAT Estate Management Plan 2022-23 Draft Key Development Projects 23.06.2022 Code of Conduct cover note TCAT Staff Code of Conduct 2022 Final

Part one – non confidential business

The meeting opened at 6:02pm The meeting was quorate	
1	Welcome ST opened the meeting and welcomed all in attendance.
2	Absence/Apologies Apologies were received and accepted from Linda Waterson.
3	Declaration of personal interests No declarations of interest were made.



4	<p>Minutes</p> <p>To confirm the minutes from the meeting held on 10 March 2022</p> <ul style="list-style-type: none"> a. Matters arising <ul style="list-style-type: none"> Clarification was sought on whether John Monaghan was a member of the committee. ACTION – ST to email JM and clarify his membership of the committee; membership of the committee to be established by the next meeting. ACTION – to invite non-trustee LGB members to join the committee as observers b. Action Log <ul style="list-style-type: none"> The item on iAM compliant reports was now closed. <p>Resolved: The minutes of the Finance, HR and Operations Committee meeting held 10 March 2022, with the deletion of Greg Dykes as being present and the addition of Graham Bratley as being present, were accepted as an accurate record of the meeting.</p>
5	<p>Finance Report</p> <p>Monthly report and monthly management accounts</p> <p>DMG highlighted the following from the reports:</p> <p>The surplus would be ahead of what had been forecast as extra income had been received and some costs, such as the teachers' pay rise had been less than the original budget.</p> <p>Clarification was sought on when the revised whole year figures had been prepared.</p> <p>DM - The revision was prepared in May 2022.</p> <p>Tenders - a number were issued from April onwards and the Chair of the Trust took Chairs Action to approve these tenders. Savings were made on each except for transport for Priestley College, where costs will rise because two new routes have been added. The tender for photocopying has been completed using the government's framework. The number of devices has been rationalised over the sites and the service aligns with the IT strategy that allows anyone to print anywhere.</p> <p>Recovery Funding – costs to the Trust will increase as the contribution percentage from schools to the programme is set to rise to 40% in 2022/23 and then 75% in 2023/24.</p> <p>Funding beyond 2023/24 – unless the government issue another spending review then the current settlement will remain which will mean a reduction in funding over the next two years with the majority of funds for 2022/23 already received.</p> <p>A Trustee noted that no contribution is being asked for the provision of transport for Priestley College and asked what the implications of this will be.</p> <p>DM – the cost will be around £100,000 which is affordable for the college and the non-contribution element is only for one year to offset the cost of living increase.</p> <p>Draft Budget 2022-23</p> <p>DM highlighted the following:</p> <p>The majority of schools in the Trust have now approved or are about to approve their budgets.</p> <p>The assumptions on which the budget has been based were outlined:</p> <p>Income - 87% of the projected income is guaranteed, with other income projected to come from lettings and miscellaneous sources.</p>



	<p>Pay rises – the best available information has been used, with a 3% rise factored for teaching staff and sixth form staff and a 2.5% increase for support staff.</p> <p>Costs – the overall projection is for an increase of 10%; energy across most of the Trust comes under the Crown Commercial Services scheme with a 50% increase forecast.</p> <p>Central Levy – this will be pegged at 3.75%</p> <p>Assumptions may not hold if pay increases are settled at more than the STRB recommendation or if utilities increase above 75%. The expected surplus of £470,000 would be challenged if pay is more than 1% above, utilities more than 36% and inflation more than 6% above that budgeted. The hope is that these rises would initiate government action to prevent schools from running into deficit.</p> <p>A Trustee asked about the likely timeline for admitting an additional school to the Trust, the amount of surplus the school is likely to carry into the Trust and the effect on the Trust's income as a result.</p> <p>DM – the additional school would likely join in early 2023, with a projected surplus of £64,000.</p> <p>A Trustee asked what the effect on the Central Levy costs would be if pay awards outstripped the STRB recommendation.</p> <p>DM – cost saving measures would be taken and actions taken to generate more income to maintain the Central Levy.</p> <p>A Trustee asked how a +1% above the recommended 3% on pay would impact individual schools in the Trust.</p> <p>DM – this has not been modelled but some work around that could take place.</p> <p>A Trustee asked for clarification on the government's position on helping to fund a pay rise above the 3%.</p> <p>DM – Schools must find the 3% increase and the government have been silent on the matter but there is an expectation that they would need to provide additional financial help.</p> <p>A Trustee commented that the Trust are doing their best to control the things that they do have control over and hoped that the government would do what was right for those factors which lie outside of schools' control.</p> <p>A Trustee commented that the sensitivity analysis was good and another that there is a craft in getting a budget to balance.</p> <p><u>Resolved</u> – the committee recommend the budget to the Trust Board.</p>
6	<p>Monthly Reports</p> <p>HR report</p> <p>BL reported to the committee.</p> <p>Staff Absence – sickness absence has returned to pre-pandemic levels and still within the 3% acceptable limits. A summary was given in the report of long-term absence and further information was reported in the Confidential Minutes.</p> <p>Pay – support staff negotiations were underway with an uplift of £2,000 or by the rate of RPI whichever was higher. The Employer Body meets on 25 July 2022.</p> <p>Gender Pay Gap report – a working group are currently moving forward towards a report and recommendations.</p>



	<p>HR policies – a summary list of HR policies which will be reviewed at the next meetings of committees was provided in the report.</p> <p>Future workstream – an overview of areas of future focus was provided in the report.</p> <p>A Trustee asked for clarification on the process to be followed by staff if testing positive for Covid.</p> <p>BL – the process of the Trust follows the guidance from government, with a recommendation to remain at home for 5 days and to work from home if well enough to do so.</p> <p>A Trustee asked how the Trust benchmarked for disciplinary and grievance across the academies and whether the numbers were high.</p> <p>BL – the data is not available across the academies; the current level of casework is complex but manageable and proportionate across a whole staff cohort of 800.</p> <p>A Trustee asked if the relationship with Stone King was beneficial.</p> <p>BL – yes the service provides a backup of legal advice that helps the HR team in decision-making, giving confidence that pursuing an action is the right thing to do.</p> <p>BL was thanked for the report and the accompanying verbal narrative, which made the information easy to comprehend.</p> <p>Building and Operations (incl H & S)</p> <p>AL reported to the committee, highlighting the following from the reports:</p> <p><i>Health and Safety</i> – slides 2-4: accident summary and compliance data data capture is more consistent and more complete and that data will be analysed to establish any trends in the type of accidents</p> <p><i>Compliance</i> – slides 5-7 - there was not a concern about dips in compliance data as there has been an increase in reporting and confidence that academies are managing their reporting well with new staff receiving training and a buy-in to the system and the culture of reporting.</p> <p><i>Data Protection Reporting</i> – slide 13 - there will be a focus on reporting data breaches – there have been a few minor breaches in June.</p> <p>A Trustee asked if reporting of breaches was reliant on staff honestly flagging issues and if two breaches across a staff cohort of 800 could be a correct representation.</p> <p>AL – the system won't capture all the breaches, but staff will flag up those which are less than minor; a new email system has built-in capability to minimise data breach risk; the culture change and awareness is needed at classroom teacher level and reporting data breaches needs to be thought of on a par with safeguarding and health and safety</p> <p><u>Other Projects:</u></p> <p><i>Catering</i> – the transfer of catering from WBC provided to in-house provision was complete and the Trust are fully staffed in the Catering Department.</p> <p><i>IT work</i> – Arbour transfer took place in April with 9 academies using the system; Office 365 project to bring all tenancies together and centralise the system ongoing; TCAT Teams is now set up and making work in the Hubs easier.</p> <p>AL was thanked for the report, both the slides and the narrative commentary and there was recognition for the amount of work the team were undertaking.</p>
7	<p>Estates</p> <p>Estate Management Plan</p> <p>AL reported on the following:</p> <p>Key development projects</p>



Bridgewater Expansion – an amended date of completion had been advised as end September with Year 9 to move after October half-term to the Upper School; there was a projected deficit of £60,000 and it was proposed that, if the possible mitigation did not happen, the deficit be met 50% from the SCA and 50% from Bridgewater's resources.

A Trustee asked if Warrington Borough Council were content with the delayed date.

AL – yes, they have indicated that they are and senior management are comfortable also.

Trustees commented that Year 9 were not disadvantaged by the delay, as they were in effect making their move to the new site some two and a half terms earlier than they would had the build not have taken place and their move coincided with the normal Year 10 transition.

Penketh High School – the steps of the build programme were outlined.

Existing buildings which are in a good state of repair will be refurbished.

Block B – will be refurbished in Phase 1 with replacement of the electrics, roof, windows and flooring at a cost of £1.6m, and approval from the Trust Board has already been agreed to fund the works through the SCA. This will include a redesign of the car park and renewal of boundary fencing and gates.

Areas marked G, H, I, J, K – denote mobile classrooms which will be demolished during the summer break. This will be the space in which the second phase, the rebuild of the designated provision, as detailed below, will be built.

Block C (Thomson block) – been declared unsafe. £2.4m funding has been confirmed by the local authority on the basis that the rebuild includes the designated provision. The money secured is not projected to be enough and the proposal is that the Trust funds £900,000 to complete the rebuild.

Block D and E – need refurbishment only

A Trustee asked for clarification on the percentage of the SCA which the rebuild would require from the Trust.

AL – the total SCA over two years is £4m (£2m per year) and the total of the Trust's contribution in year one will be around £300,000 and then £600,00 in year 2 meaning that this equates to one quarter of the total amount of the SCA over the two year period.

A Trustee commented that this proportion of spend on one site would have consequences for the other schools in the Trust.

Another Trustee commented that the Member of Parliament Andy Carter was lobbying alongside the Trust for funding and that the DfE had visited the school site therefore indicating some interest.

AM - A high level meeting with Baroness Barron, the MP and Andy Moorcroft has been arranged.

A Trustee asked why Warrington Borough Council were not able to provide all of the funding.

AM – they have done what they can at this point. There is an expectation in the future of developer S106 monies from the development of the Fiddler's Ferry site, but that is some way in the future.

AL – the build is predicated on the school offering a guarantee of a PAN (Published Admission Number) of 210

A Trustee asked if the funding agreement was comparable to the one for the Bridgewater build.

AL – yes, it is comparable.



	<p>A Trustee asked for clarification on the Block marked C – is this the new build? AL – yes this is the new build and its proposed location is where the mobile classrooms are being removed.</p> <p><i>Decarbonisation</i> AL reported that the Trust is working with Mantis Energy to produce Decarbonisation Reports for all academies and six have been completed to date. The plans identify works suitable for SALIX funding. Projections indicated that for an outlay of some £60,000 SALIX funding of over £1m could be secured alongside the longer-term benefits of having energy efficient buildings. A Trustee asked if this funding would be released against the Penketh project. AL – if we bid for ALSIX funding for Penketh it would be on the areas that are due to be refurbished not the areas being rebuilt.</p> <p>Discussion returned to the Penketh High School funding recommendations. Trustees asked for clarification to understand that in order to secure the local authority funding of £2.4m the Trust would need to guarantee the deficit amount of some £912,000 and that this could be secured from the guarantee of £2m in 22/23 and £2m in 23/24 of SCA monies.</p> <p><u>Resolved</u> – the committee will approve the recommendations made in the report as follows:</p> <p>The Trust, on the matter of the Bridgewater High School expansion project, makes a provision to cover 50% of the projected deficit with the school required to cover any remaining deficit over and above the agreed Trust commitment up to a value of £30,000.</p> <p>The Trust, on the matter of the Penketh High School Building Project, notes the funding previously approved for the refurbishment of Ennis and the refurbishment of the food technology room; approves the match funding of £17,725 for the Wolfson bid if successful; approves the commitment of £911,966 for the rebuild of the Thomson building funded across the 2022-23 and 2023-24 SCA funding years. The funding will be split at a ratio of 1/3:2/3</p> <p>The Trust allocates funding of £0.5million from the SCA to support bid applications to the Public Sector Decarbonisation Fund in September 2022.</p>
8	<p>Policies <i>Financial Regulations</i> It was noted that the Audit and Risk Committee had approved the Financial Regulations.</p> <p><i>Staff Code of Conduct</i> <u>Resolved:</u> Trustees approved the adoption of the Staff Code of Conduct policy.</p>
9	<p>Any other business There were no further items.</p>
10	<p>Date and Time of the Next Meeting The date and time of the next meeting of the Finance, HR and Operations committee was agreed as 13 October 2022 at 6pm.</p>



Action Log

Item	Action	Owner	Due Date
4 a	ST to email JM and clarify his membership of the committee; membership of the committee to be established by the next meeting.	ST	
4 a	to invite non-trustee LGB representative to join committees as observers	ST	