



Minutes of the meeting of the Finance and Resources Committee held at The Hive, Ripley St Thomas Church of England Academy on Tuesday 7 December 2021 at 5:30pm.

**Present:** Canon Peter Ballard (Chair)  
Professor John Crewdson  
Mr Chris Hopkinson

**Also present:** Mrs Fiona Graham (Clerk)  
Mr Andrew McKinnell (Chief Operating Officer and Chief Financial Officer)  
Mr Robert Mitchell (CWR Accountants – Observer)

**Apologies:** Apologies were received and accepted from Mr Ben Ardern, Mr Mike Dudfield, and Mrs Sally Kenyon.

Chris Hopkinson joined the meeting via a virtual Zoom link.

**ACTION**

Peter Ballard opened the meeting with a prayer.

Committee members agreed to alter the order of the agenda so that item 6 would be discussed after item 7.

**21.01 Declaration of Interest**

There were no declarations of interest in relation to agenda items.

**21.02 Minutes of the Last Meeting**

The minutes of the previous meeting held on 22 June 2021, having been circulated, were approved and signed by the chair as a correct record.

**21.03 Matters Arising**

There were no matters arising from the minutes of the previous meeting.

**21.04 Election of Chair**

Peter Ballard was proposed and seconded as chair of the committee until the autumn term 2022.

**21.05 Review of the Terms of Reference for the Committee  
Appendix A**

Since September 2021 the School Centred Initial Teacher Training (SCITT) finances had moved to the Bay Learning Trust from Ripley St Thomas CoE Academy. Oversight of the SCITT finances would now be made by the Bay Learning Trust.

The terms of reference for the committee were reviewed and adopted subject to the following amendments; **clerk**

'12. To oversee the financial strategy of the School Centred Initial Teacher Training (SCITT) ensuring it is maintained effectively and is suitable for its intended purpose.'

## **21.06 Annual Report 2020-21 and explanation sheet**

Trustees were referred to the Annual Report 2020-21 and the explanation sheet that had been circulated prior to the meeting.

Rob Mitchell provided a detailed explanation of the Annual Report 2020 -2021. He pointed out that the layout was the same as had been used previously, with Trustees details towards the front and financial details towards the back of the report with income and expenditure information. Rob Mitchell said the audit report opinion on the account was that the figures were correct.

**A Trustee asked** why on page 10, 4.8 Streamlined Energy and Carbon Reporting was included in the report. Rob Mitchell replied that large Multi Academy Trusts had to report on Energy and Carbon. This had been necessary since last year when Central Lancaster High School joined the Trust and meant the turnover, assets and number of staff reached the level at which reporting was necessary.

**A Trustee enquired** about the reason for this reporting and was it a means to reduce the carbon footprint. Rob Mitchell replied that he assumed every school would have to demonstrate a reduced carbon footprint, also CIF bids referred to streamlined energy and carbon reporting. **A Trustee added** that the Trust could demonstrate actively managing down the carbon footprint with two ground pumps and one wind turbine.

Rob Mitchell mentioned that the 53 page report was hard to digest and the separate schedule he had provided told the position on income and expenditure for each school in the Trust.

Rob Mitchell provided details about each school.

### **Central Lancaster High School**

Year ended 31 August 2021

Revenue Reserves brought forward £-121,000

Income from all sources (excluding capital) £3,838,000

Expenditure £-3,844,000

Capital expenditure £-137,000

Revenue Reserves carried forward £-264,000

The income was largely matched by expenditure and so the school had broken even over the year. But the capital expenditure and the school's obligation towards the capital projects of £150,000, via a CIF loan, would mean in the longer term that the deficit would increase.

Pensions brought forward £-1,272,000  
Movement £-421,000  
Pensions carried forward £-1,693,000

These details on pensions referred to the Local Government Pension Scheme and the trend was worse again increasing from £1.2m to £1.7m for Central Lancaster High School.

Capital assets brought forward £11,869,000  
Additions £150,000  
Depreciation £-27,000  
Revaluation £-8,824,000  
Capital assets carried forward £3,168,000

The capital assets for Central Lancaster High School had had £9m wiped off the value of the buildings. Last year no valuation had been made by the Education Skills and Funding Agency (ESFA), so a market value had been taken. Last year the market value had been £12m. This year the ESFA had provided a value of £3m. As the principal regulator the ESFA valuation had been adopted.

**A Trustee commented** that should the school close and be knocked down the valuation would be on the land only and hence the very low valuation.

### **Morecambe Bay Academy**

Year ended 31 August 2021  
Revenue Reserves brought forward £407,000  
Income from all sources (excluding capital) £7,429,000  
Expenditure £-7,065,000  
Capital expenditure £-149,000  
Revenue Reserves carried forward £622,000

The day to day expenditure was inline with the income and in capital expenditure the school had contributed to their own loans.

Pensions brought forward £-2,168,000  
Movement £-833,000  
Pensions carried forward £-3,001,000

The pension position, with a £3m deficit for Morecambe Bay Academy was worse than for the other schools.

Capital assets brought forward £8,915,000  
Additions £177,000  
Depreciation £-144,000  
Revaluation 0  
Capital assets carried forward £8,948,000

**Carnforth High School**

Year ended 31 August 2021

Revenue Reserves brought forward £401,000

Income from all sources (excluding capital) £4,188,000

Expenditure £-3,931,000

Capital expenditure £-17,000

Revenue Reserves carried forward £641,000

An in-year surplus amounted to £240,000.

Pensions brought forward £-1,469,000

Movement £-163,000

Pensions carried forward £-1,632,000

As with the other schools the pensions deficit had increased.

Capital assets brought forward £3,959,000

Additions £33,000

Depreciation £-43,000

Revaluation 0

Capital assets carried forward £3,949,000

**Ripley St Thomas CoE Academy**

Year ended 31 August 2021

Revenue Reserves brought forward £2,734,000

Income from all sources (excluding capital) £9,855,000

Expenditure £-9,431,000

Capital expenditure £-112,000

Revenue Reserves carried forward £3,046,000

Rob Mitchell described Ripley St Thomas CoE Academy as being in a strong financial position. This included a water bill of £96,000. The school had managed to reduce the water bill, although the figure was still being challenged.

Pensions brought forward £-4,279,000

Movement £-402,000

Pensions carried forward £-4,681,000

The pensions deficit had increased to £4.7m

Capital assets brought forward £12,822,000

Additions £148,000

Depreciation £-169,000

Revaluation 0

Capital assets carried forward £12,801,000

The infrastructure costs were high and there were depreciation charges.

**Central Services (including Central Grant and Condition Improvement Fund (CIF))**

Year ended 31 August 2021  
Revenue Reserves brought forward £619,000  
Income from all sources (excluding capital) £930,000  
Expenditure £-752,000  
Capital expenditure £-63,000  
Revenue Reserves carried forward £734,000

A capital expenditure grant for the development of the gatehouse at Morecambe Bay Academy had amount to £63,000.

The capital awards that had been successful were all reflected under the Central Services.

Capital monies brought forward £2,721,000  
Capital income £5,026,00  
Capital monies spent £-2,156,000  
Capital monies carried forward £5,591,000

The Central Services did not have pensions liabilities at the moment.

Capital assets brought forward £5,166,000  
Additions £2,218,000  
Depreciation £-61,000  
Revaluation 0  
Capital assets carried forward £7,323,000

**Total**

Year ended 31 August 2021  
Revenue Reserves brought forward £4,040,000  
Income from all sources (excluding capital) £26,240,000  
Expenditure £-25,023,000  
Capital expenditure £-478,000  
Revenue Reserves carried forward £4,779,000

Capital monies brought forward £2,721,000  
Capital income £5,119,00  
Capital monies spent £-2,249,000  
Capital monies carried forward £5,591,000

Not all the CIF money had been received yet, which explained the difference in the two final columns for capital income and capital monies spent.

**A Trustee enquired** about the levels of reserves. Rob Mitchell replied that total revenue reserves of 5-10% were ideal.

Andrew McKinnell added that now Mrs Catherine Walmsley had been in post as Principal of Ripley St Thomas CoE Academy for a year, she was working with Mr Gavin Gomersall, Director of Operations and Mr Peter Mashiter, School Business Manager, on plans to add new buildings, refurbish toilets and re-carpet the Multi Use Games Areas (MUGA).

**Andrew  
McKinnell**

**A Trustee queried** if the level of revenue reserves would have an impact on the potential of CIF bids. Andrew McKinnell was not aware that it would and explained that Ripley St Thomas CoE Academy would look to contribute 30% towards the improvements and then more would be received from the CIF bids.

**A Trustee asked** if the Trust was liable for pensions. Rob Mitchell referred the Trustees to page 48 of the Annual Report 2021-2022;

'Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013.'

It was noted that increased local government pension deficit levels would impact on the Trust pensions contributions going forward.

Central Lancaster High School's repayment profile looked to pay off the loans in the next ten years. This would have an impact on the cash flow for Central Lancaster High School.

**A Trustee asked** if it would be prudent to pay off the loans. Rob Mitchell explained that schools have to budget for those loans.

**A Trustee enquired** if the paperwork for the Trust AGM and Full Board meeting had been sent out. Andrew McKinnell replied that most of the paperwork had been sent out earlier that day. The Annual Report 2021-2022 had not been included and would be sent when any amendments had been made.

**Clerk**

**The Trustee suggested** that the amendments be drafted. Rob Mitchell agreed to note down the amendments and update the Annual Report 2021-2022 so it could be sent to all Trustees and Members.

**Rob Mitchell**

The following amendments were agreed;

- Throughout the Annual Report the Bay Learning Trust would be referred to as The Trust.

#### Reference and Administrative Details

- Mr R Webb resigned as a Trustee of the Bay Learning Trust on 17 September 2021.
- Mrs C Walmsley (Principal, Ripley St Thomas CE Academy from 1 September 2020).
- Reverend Canon C Newlands resigned as a Member of the Bay Learning Trust on 28 February 2021.
- Reverend L Vasey-Saunders appointed as a Member of the Bay Learning Trust on 1 September 2021.
- Mr S Whittaker would be amended to Canon Stephen Whittaker.
- Professor C Carr would be amended to Canon Professor C Carr.
- Mrs S Farrimond (Director of SCITT) appointed 1 September 2021

- Mr J Cowper (Acting Principal, Central Lancaster High School 1 September 2021).
- Mrs L Winston (Clerk to the Trust Board) resigned on 6 June 2021.
- Mrs F Graham (Clerk to the Trust) appointed on 1 November 2021.

#### 4.4 Principal Risks and Uncertainties

The trust maintains its three sixth forms at present, with Carnforth High School sixth form scheduled to close on 31<sup>st</sup> August 2021.

Amended to read;

The Trust maintained its three sixth forms until 31 August 2021 when Carnforth High School sixth form was closed.

#### 5. Plans for Future Periods

We have growth plans in place and plan to expand our School improvement work for schools outside the Trust.

The Trust has approved a growth strategy which anticipates the inclusion of additional schools in the short to medium term.

#### 7.2 Governance

Six financial updates are received by the Board of Trustees per year: three at the meetings of the Board of Trustees, three at the meetings of the Finance and Resources Committee, also monthly reports are sent to key Trustees.

The Trustees thanked Rob Mitchell for his hard work in the preparation and presentation of the Annual Report. They asked that he present the amended Annual Report to the Members and Trustees at the AGM and Full Meeting to be held virtually on Tuesday 14 December 2021 at 5:30pm. Rob Mitchell agreed to this request and left the meeting at 6:30pm.

**Rob  
Mitchell**

### **21.07 Trust Accountant**

Andrew McKinnell informed Trustees that the Trust had appointed Mr Paul Jarvis as the Trust accountant. He had worked for about three years on the Annual Reports for the Trust as part of the CWR Accountants audit team.

Paul Jarvis had been interviewed last month by Sally Kenyon and Andrew McKinnell. He had been interviewed on a second occasion by Peter Ballard, Ben Ardern and Andrew McKinnell. Paul Jarvis would take up the post as the Trust accountant on 21 February 2022. Andrew McKinnell would remain the Chief Finance Officer for the Trust.

### **21.08 Current and Proposed Trust CIF projects and urgent MGA Capital Projects**

Andrew McKinnell referred the Trustees to Project costs from the past two CIF Years and the upcoming bid round, which had been circulated prior to the meeting.

- Central Lancaster High School replacement roof coverings were almost complete.
- Carnforth High School window replacement work would commence during this week.
- Ripley St Thomas CoE Academy Fire Safety and Compliance Phase 2 would commence soon.
- Morecambe Bay Academy science laboratory refurbishment would start early next year.
- Central Lancaster High School new block was in the planning stage it was likely Phase 1 would begin in January 2022.

**A Trustee asked** about the design of the new block at Central Lancaster High School. Andrew McKinnell explained that the design was similar to a new block at Morecambe Bay Academy. The building work would be carried out by Collinson Construction based in Garstang.

**A Trustee enquired** if the fees and the construction costs were different. Andrew McKinnell confirmed that they were slightly different. **The Trustee asked** what happened to any surplus funding. Andrew McKinnell explained that any surplus funding had to be returned. He added that an audit had been carried out by the Department for Education (DfE) at Carnforth High School following the installation of new fire doors. The audit had found everything to be in order and all paperwork correct.

Trustees reviewed the projects for 2022-2023 and agreed that Carnforth High School had done very well from CIF bids. Andrew McKinnell explained that the rules had changed and there were no longer limits to how much could be contributed by the schools. The rules now used a point system. 5-10% contribution was worth 1 point moving up to 30% being worth 6 points.

Carnforth High School would contribute 30% to the MUGA pitch project amounting to £172,000 and the school would contribute 5% towards the DT classroom refurbishment.

Ripley St Thomas CoE Academy would contribute 30% for both the replacement windows project and the Fire Safety and Compliance project, amounting to £400,000.

Morecambe Bay Academy intended to borrow in order that the school could contribute 15%. This would amount to £1/2m over 10 years with payments of ca £50,000 each year.

**A Trustee enquired** why it was necessary to borrow if the funds were available in reserves. Andrew McKinnell explained that there was a fall on roll and this would impact on the budget next year. The reserves were required as a buffer for the next three years until the number on roll increased. It was possible that the project would be a mixture of using some reserves and a

smaller loan. Reserves would be available for essential works should they be required.

Central Lancaster High School would look to contribute 20% which would amount to 4 points for both projects. 20% was a very high amount to pay back. Work was being done to enhance the profile of Central Lancaster High School. Central Lancaster High School has been chosen as the venue for the Lancaster Music Hub. Also, there were plans for a sixth day provision centre for the school.

**A Trustee suggested** that as Central Lancaster High School did not have the money would it not be better to borrow the money from within the Trust, for example from Ripley St Thomas CoE Academy, and repay the money over a number of years. Andrew McKinnell explained that this was an option and it had been talked through with Rob Mitchell. The suggestion had been raised with Catherine Walmsley, Principal of Ripley St Thomas CoE Academy and with Jackie Garnett, Chair of the Local Governing Body. In principle they had agreed.

**Andrew  
McKinnell**

**Trustees agreed** they would recommend to the Full Board meeting the borrowing of money from within the Trust although the details would need to be legally drawn up.

**Peter  
Ballard**

**A Trustee mentioned** that CIF bids were doing very well and the Trust had a moral responsibility to get the funding and use local contractors to carry out the improvement works.

## **21.09 Finance**

### a) Budget Monitoring

Andrew McKinnell referred Trustees to the budget monitoring report for the month ending September 2021. The report was not as good as he had hoped for Morecambe Bay Academy and Central Lancaster High School. Work was being done with these schools. Three staff had resigned at Central Lancaster High School, this would impact on the budget.

### b) Academy budget updates

The October census had taken place and the updated pupil numbers would be shown in the revenue budget.

Ripley St Thomas CoE Academy, Central Lancaster High School and Carnforth High School all had in year overspends in the current year.

The Draft Academy Budgets Updates 2021-2024 had been shared with Trustees prior to the meeting. Work was being done across the schools, including focused Integrated Curriculum and Financial Planning (ICFP) to reduce the year 2/3 deficits. The final budget details would be available in January or February 2022.

c) SCITT Finance Updates

Details of the SCITT income up until the end of October 2021 had been circulated to Trustees prior to the meeting. This initial report was basic but the report details would be developed.

The Teacher Apprenticeship accreditation had been confirmed. There had been more primary teachers than had been expected. **A Trustee enquired** about staff costs. Andrew McKinnell replied that these were not shown in the details but the plan was for a balanced budget.

**21.10 HR**

a) Teachers' pay and performance

In the details on PM Progression 2021 for Ripley St Thomas CoE Academy there was one teacher in the column, 'Eligible, but did not progress/did not apply'. Trustees were informed that the teacher was on maternity leave but they had been contacted to apply now.

The starting salary for a qualified teacher is planned to be £30,000, employees national insurance contributions are going up to 15.05% from April 2022 on top of significant pension contributions.

**A Trustee asked** about the average increase to teachers pay. Andrew McKinnell replied that there had been no pay award this year, but the majority of teachers, if eligible, had moved up through the pay scale.

**A Trustee enquired** if moving through the pay scales was a set pathway or if there were assessments. Andrew McKinnell replied that the main pay scale was a pathway, but that assessment was required.

Support Staff had been offered a 1.75% pay increase from April 2021 but this was still under negotiation and so had not been awarded yet. The teachers pay increase was likely to be 2% or possibly 3% next year. It had been intimated that funding would increase by 5% per pupil for 2022-2023. This would also need to take into account National Insurance increases.

**21.11 Appointment of Internal Auditor Process**

The Trustees approved the appointment of Shard Business Services Ltd as the Internal Auditor for the Trust.

**21.12 Confidentiality**

It was agreed that no discussions were deemed of a confidential nature and should be minuted as such.

**21.13 Date and Time of Next Meeting**

The next meeting of the Finance and Resources Committee would be held at 5:30pm on Thursday 10 March 2022.

The chair thanked everyone for their attendance and input and closed the meeting at 7:00pm.

I can confirm that the minutes have been agreed as a correct record of the meeting.

Signed: ..... (Chair)

Date: .....

## **Appendix A**

### **Terms of Reference for the Finance and Resources Committee**

#### **Responsibilities**

The Bay Learning Trust is a charitable company limited by guarantee.

The Directors are responsible for the general control and management of the administration of the Company in accordance with the provisions set out in the Articles of the Company.

'Finance and Resources' shall be a Committee of the Directors established pursuant to articles 100 - 106 of the Articles of the Company.

Legal responsibility lies with the Company. It is governed by the Directors, who rely on advice and support from the committee, particularly in relation to the specific matters delegated under these Trust's Scheme of Delegation.

Subject to provisions of these Terms of Reference, the Companies Act 2006, the Articles and to any directions given by special resolution of the Directors, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.

The Directors delegate to the Committee the specific following duties:

1. To receive and consider the MAT's indicative funding as notified by the ESFA and to assess its implications for the Trust and its Academies, drawing any matters of concern to the attention of the Board.
2. To consider and recommend to the Board the Trust's budget, including those of individual Academies, at the start of each financial year and any subsequent in-year budget changes as recommended by the CEO and/or the Finance Director.
3. To ensure Trust expenditure and income are in line with the agreed budget.
4. To contribute to the Trust's development plan through the consideration of financial priorities and proposals.
5. To receive and approve all financial procedures and policies of the Trust.
6. To receive and approve all value for money proposals relating to the procurement, management and delivery of goods and services on behalf of the Trust above the agreed threshold.
7. To receive and approve any applications for external funding and grants.

8. To oversee the Trust's capital strategy, ensuring the estate is maintained effectively and is suitable for its intended purpose.
9. To ensure H&S compliance across the Trust.
10. To receive reports and recommendations relating to the condition of the estate and associated assets.
11. To ensure that all policies related to Finance, Personnel, Premises and Health & Safety are reviewed regularly and are compliant with legislation.
12. To oversee the financial strategy of the School-Centred Initial Teacher Training (SCITT) ensuring it is maintained effectively and is suitable for its intended purpose.

The Chairperson will be appointed by the Directors and the Vice-Chairperson shall be elected by the Committee.

Membership of the Committee will be reviewed on an annual basis and will consist of a minimum of 3 Directors.

A quorum shall consist of 3 Directors.

The Academy Trust shall appoint the Clerk to the committee. If the Clerk fails to attend, members of the committee may appoint one of their number to act as Clerk for the meeting.

The Clerk will ensure:

- a minimum of 7 clear days' notice of a meeting is given in writing to each committee member along with the agenda
- the minutes and decisions of the committee are recorded and made available for inclusion in the agenda papers of the next meeting of the committee and the Trust Board meeting

The Committee shall meet at least once every term or more frequently as required to carry out its functions. The Chairperson of the Committee shall have the power to call additional meetings.

The Committee is authorised to make decisions on behalf of the Academy Trust only in respect of those powers specifically delegated within the Terms of Reference or by resolution at a meeting of the Trust Board.

The Chair of the Committee will be responsible for giving a summary of the Committee's deliberations if necessary at meetings of the whole Board.

The Committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including parents and members of staff who are not governors.

Any Director may attend meetings of committees.

In the event of a need to make genuinely urgent decisions between meetings on matters falling within the remit of the Committee, the Chair of the Committee, will take appropriate action on behalf of the Committee.

The decisions taken and the reasons for urgency will be explained fully at the next meeting of the Committee and Board.

