



Yvonne Hilditch Chancery MAT [85] 14 October 2020

Directors Meeting Minutes 14/07/2020

▶ Virtual ▶ Tuesday, July 14, 2020 ▶ 17:30 ▶ Chair: Ros Caulfield ▶ Clerk: Sue Lambeth

FINAL: The minutes are confirmed and locked.

Governors Attending: >Justine Twiss, Steven Coles, Jenny Whiston, Nikki Ratcliffe, Ros Caulfield, Sarah-Louise GohrAlison Hattersley,

Governors Apologies: >Alison Hattersley, Justine Twiss, Elizabeth Martindale

Non Governors Attending: >Sue Lambeth, Yvonne Hilditch

Non Governors Apologies: >

Agenda Item 1 ▶ Welcome, Apologies and AOB

The meeting was quorate and started at 17.30.

MINUTE

RC welcomed all to the meeting.

Apologies received from Justine Twiss, Alison Hattersley and Elizabeth Martindale were accepted.

No items of other business were requested.

Agenda Item 2 ▶ Declarations of Interest

MINUTE

No declarations of pecuniary interest or conflict of interest between an individual and the Board of as a whole in connection with the business to be discussed during the meeting were declared.

Agenda Item 3 ▶ Membership

There were no changes in membership of the Chancery Multi Academy Trust Directors since the previous meeting on 21st May 2020.

MINUTE

There were no terms of office due to expire before the next meeting.

A meeting had taken place with Mark Whitfield, a prospective Director with a finance background. Having worked overseas in accountancy for 20 years, he was currently working with The Northern Consortium Charity, a company aiming to improve access to UK education for overseas students. Directors felt he would add to the skills of the board, and was reported to be positive after the discussion.

ACTION

To contact the Members and recommend the appointment of Mark Whitfield as a Director after confirmation of his interest by LG. (RC)

Agenda Item 4 ▶ Chairs Action

MINUTE

The Chair advised she had taken no actions on behalf of Chancery Multi Academy Trust since the last meeting.

Agenda Item 5 ▶ Part One minutes of the previous meeting

The minutes of the Directors' meeting held on 21st May 2020 were reviewed, agreed to be a true and accurate account and would be signed off by the Chair.

MINUTE

There were no matters arising.

The actions from the previous meeting were reviewed and the following points highlighted:

- Review of the Business Continuity and Disaster Recover Policies by the schools was ongoing.
- Investigation of the role of Link Directors in other trusts would be continued in the autumn term.

Agenda Item 6 ▶ Minutes of LGB meetings

The Directors received the minutes of the following LGB meetings:

MINUTE

- Excalibur LGB 18th May
- Pikemere LGB 20th May
- The Berkeley Academy Spring Term

Agenda Item 7 ▶ Finance

MINUTE

YH explained the finance report previously available to Directors on Trust Governor.

The Berkeley Academy had received a finance report and approved their budget presented two weeks ago and this information was built into the document. Pikemere LGB would be meeting on 15th July and had previously agreed their draft budget; however, changes to staffing now required re-approval. Excalibur LGB had met on Monday 13th July and had agreed their new budget. After agreement the information could then form the basis of the budget to be submitted to the Education and Skills Funding Agency (ESFA) by the postponed deadline of 28th September. YH would endeavour to submit as close to the original 31st July deadline as possible.

Section 2 - Financial position

This included the financial position as at May 2020, the budget and the latest forecast. A loss of £226k had been forecast which would now be only be £113k. Although there were larger losses in the schools, the building work at The Berkeley had not taken place and would be carried forward. This was not a saving.

The latest budget forecast showed annual expenditure exceeding income by £113,240 (Chancery deficit £9,530, The Berkeley Academy deficit £58,742 (1/12/19-31/8/20), Excalibur Primary School deficit £15,497, Pikemere School deficit £29,471). The deficit on Berkeley was due to timing and not accruals based accounting to 30/11/19, as they had made a draft profit of £85,472 from 1/9/19 to 30/11/20. No deficits had been predicted before closure and no coaching had been possible.

Q: Is the loss due to lack of income from wrap around?

A: Yes. The loss of income is from out of hours provision and from the nursery at The Berkeley Academy. No wrap around staff have been furloughed as schools had felt they wanted to keep the staff to use to be able them to function. Expenditure will not be reclaimable as The

Berkeley Academy are adding to their reserves. Excalibur and Pikemere are not, and an application will be made to reclaim in late July. The limit of any reclaim is £25K.

Q: Has any furlough taken place across the Trust?

A: No. Only the out of hours staff would have been eligible.

Section 3 - Virements under £10k had been presented and agreed by the LGBs, but Directors were required to agree those over £10k:
 Excalibur Primary School - £13,150 increase in Catering expenses to pay for Universal Infant Free School Meals (UIFSM) lunches during closure payable in accordance with the government requirement to continue to pay contractors.
 Pikemere School - £10,387 increase in SEN funding income
 Pikemere School - £22,000 decrease in other income due to the closure of the out of hours provision in March 2020.

All schools had lost out of hours income and incurred catering expenses.

There were no invoices or orders (**Section 3.2**) currently. The Berkeley Academy went out to tender on their nursery provision; however, as there were not enough applicants, this would be repeated in the next year. Further building work around the entrance at The Berkeley Academy would take place in the following year.

Section 4 - Forward projections

A loss of £113,240 was proposed in-year, with reserves rising to £551,237. YH confirmed that it would be only the Trust only going into a deficit. Dains Auditors had been informed and had confirmed this was in order provided the Trust could prove where the funding would be obtained in the future and there would be no impact on the accounts at the end of the year. An end of Year meeting with Dains Auditors had taken place.

Surpluses of £110,889 for 2020/21 and £47,977 for 2021/22 were proposed. However, the prediction for 2022/23 and 2023/24 was deficits of £2205 and £116,670. No increase in income had been forecast but incremental rises and teachers' pay increases were built in. Details for the individual schools were included in **Section 4.2**.

YH confirmed that the document was based on a worst case scenario.

Directors were referred to the figures for pupil numbers in **Section 4.3 and 4.4**, and learnt that there was talk of pupils not returning to school due to an increase in home schooling. This would impact the October census and funding in 2021/22. It was acknowledged that work needed to be done if this is the situation, and this will be discussed in LGB meetings. The Trust would issue notice of having places as early as possible.

Section 4.5 gave details of ratio analysis for each school based on a comparison with an academies benchmarking document. An increasing number of trusts were now moving to a top slice levy based on income, and YH advised that the General Annual Grant (GAG) funding was about average. Governors were referred to the section in the document.

The top slice analysis **Section 4.6** was also included in the report moving down from 4.8% to 4.5% from 2021/22 as an incentive for further schools to join Chancery Trust.

Section 5 - Profit making activities showed expected losses and then moving to a profit.

Section 6 - Assessment of business risks for the school included elements such as the impact of the funding formula, teacher pay proposals, the DfE decision to make all Newly Qualified Teacher (NQT) salaries £30k from 2022 and the resultant increase in cost of other teaching staff salaries. Most of the DfE funding coming into school would be required to cover these.

The planned meeting to discuss the use of similar projections across the Trust had been postponed.

Q: What amount has been budgeted for support staff pay increases?

A: Pikemere and Excalibur 4.5% backdated to 1st April, although this could be between 2% and 8%.

Section 7 - Summary and conclusions

Directors were referred to Appendix B which gave details and explained the fixed asset situation together with details of debtors and creditors.

The refund of Value Added Tax (VAT) was still awaited for February and May. Her Majesty's Revenue and Customs (HMRC) had questioned the February claim which was due to THE BERKELEY ACADEMY joining Chancery Trust and documents had been provided to explain.

The Cashflow Forecast, detailed in Appendix C and D, showed a rolling 12 month cashflow based on the 2019/20 and 2020/2021 budget forecasts and showed a bank balance at 31st May 2021 as £740,053.49.

Directors thanked YH for her extremely helpful report.

Directors learnt that wrap around care would be difficult to run safely in September, but would be based on a balance between the mitigation of risk and still allowing pupils to access provision. LG and Heads were of the mind that it could be done but may incur greater costs due to smaller groups of pupils.

Benchmarking would be presented to the individual schools in September and then to Directors.

YH left the meeting at 18.11.

Agenda Item 8 ► Business Critical Decisions

September planning in the schools.

Considerable discussion on the latest government guidance had taken place between LG and the Heads, arriving at the conclusion that much of the response to the guidance needed to sit at local school level, with input from LG if requested. LG proposed she would co-ordinate plans for September and circulate to Directors when ready. Schools would be responsible for their own logistics. Directors **agreed**.

Directors were assured the Heads of the three schools were doing an excellent job.

Chancery team meetings had recommenced with discussions on local lockdowns e.g. Deputies had met to discuss a strategy for local lockdown, actions to be taken in the event of pupils testing positive and the impact on bubbles. A plan for all eventualities would be in place for September. Sharing of the work had taken place, but was subject to individual context.

MINUTE

Directors confirmed that the responsibility for the risk assessments rested with them, **agreed** risk assessments should be passed to them once ready and that Heads should deal with individual contexts.

It was suggested that a one hour meeting in late August could take place in each school with one governor (Chair or Vice Chair), one Director and the Head with appropriate safety measures in place for the Heads to show evidence of the due diligence and level of support which was provided. There would be no intention of challenge but to demonstrate that a representative of the Directors had visited to support the Head, should there be any interrogation by parents and stakeholders. This was felt to be positive and valuable for the Heads.

The risk assessment would be circulated as soon as possible after a the Heads and CEO had had a break.

DECISION

LG proposed she would co-ordinate plans for September and circulate to Directors when ready. Schools would be responsible for their own logistics. Directors agreed.
 Directors agreed risk assessments should be passed to them once ready and that Heads should deal with individual contexts.

Agenda Item 9 ► CEO Report

MINUTE

The document had been uploaded on Trust Governor prior to the meeting.

Directors commented positively on the developments on the website to enable access for pupils during closure and the amount of work evidenced in the report which had gone on over the pandemic period.

The Chair reported she had spoken to the Head of Excalibur and The Berkeley and thanked them personally.

ACTION To email the Heads to convey the thanks, support and appreciation of everything done this year. (RC)

Agenda Item 10 ▶ **Policies**

MINUTE Directors acknowledged receipt of the Chancery MAT Policy listing.

Agenda Item 11 ▶ **Next meeting**

MINUTE The date of the next scheduled meeting of the Directors was confirmed to be 23rd September 2020 at 5.30 p.m.

Agenda Item 12 ▶ **Any Other Business**

MINUTE There was no other business to discuss.

Agenda Item 13 ▶ **Impact Statement**

What is the impact of this meeting on the pupils across Chancery Trust?

MINUTE

- Directors received and approved the Chancery Trust budget presented and were given an in-depth understanding of the finances of the schools in the trust, and the impact of the COVID-19 pandemic on income and expenditure.
- Directors were assured by the comprehensive CEO report of the amount of strategic work continuing during the pandemic and transition arrangements for pupils.

The Part One meeting closed at 18.26.

Governor Agreed Actions set during this meeting: 0

Directors Meeting 3 Summer 2020 Pt1 *dated:* 14/07/2020
Minutes approved by Yvonne Hilditch