

MEETING OF THE FINANCE & RESOURCES COMMITTEE OF BOLTON IMPACT TRUST

MEETING HELD VIRTUALLY VIA ZOOM

FRIDAY 12 JUNE 2020 AT 1.00PM

Present: Tony Grimshaw (TG) – Chair of Committee, Paul Hodgkinson - Executive Principal (PH) and Kristian Halliwell (KH)

In Attendance: Keith Davies (KD) - Chair of Trustees, R Leonard (RL) – Vice-Principal, David Smith (DS) - Finance Director and Emma Stoddard (ES) – Clerk to Trustees

TONY GRIMSHAW IN THE CHAIR

1. WELCOME AND APOLOGIES FOR ABSENCE

Trustees were welcomed to the virtual meeting.

No apologies for absence had been received as all Trustees were present.

2. DECLARATION OF INTEREST

No declarations of pecuniary interest were made.

3. NOTIFICATION OF ANY OTHER BUSINESS

One item of Any Other Business was reported:

- Business Development Plan

4. MINUTES OF THE LAST MEETING AND MATTERS ARISING

A copy of the minutes of the last committee meeting held on Friday 6 March 2020 had been circulated.

Matters Arising

Internal Audit Report (Minute Number 4)

TG asked if the Internal Audit Report had been shared with the Risk & Audit Committee. It was reported that the committee meeting scheduled for 20 March 2020 had been cancelled due to the COVID-19 crisis and lockdown; however, the report had been shared with members of the committee electronically.

Financial Monitoring Report (Minute Number 5)

TG asked for any update on the National Behaviour Team initiative. PH explained that all national initiatives had been put on hold due to COVID-19 and work with the National Behaviour Team would be reviewed when all parties were able to do so.

Capital Resources (Minute Number 5)

TG asked if the work on the student kitchen would still be going ahead. RL stated that little progress had been made with this due to the current situation. KH stated that it may be an ideal time to progress with this work with a reduced number of pupils currently in the building. In response to questions PH reported that work had been able to be carried out on the mezzanine area, providing a library / drop-out area for students.

Agreed: To approve the minutes of the Finance & Resources Committee meeting held on Friday 6 March 2020

5. BUDGET MONITORING REPORT 2019/20 – SUMMER TERM 2020

A copy of the Financial Monitoring Report for the summer term 2020 had been emailed to Trustees prior to the meeting. The report outlined the following:

- The final monitoring position (both revenue and capital) for the 2019/20 year, based upon transactions that have occurred in the period 1st September 2019 to 31st May 2020.
- The Trust's cashflow position as at 31st May 2020, including monthly cashflow predictions up to August 2021.
- The Trust's Balance Sheet, as at the 31st May 2020.

DS stated that the Trust was currently in a positive position and was anticipating a surplus of £354,000, which was £87,000 greater than originally budgeted. The Trust had received the same level of income during the crisis, but expenditure had reduced. KD stated that he did not feel that this was reflected in the report and asked if this was a variance by spend. DS stated that there was some variance in certain areas but any additional spend did correlate to the additional income. There had been a growth in traded income, which had formed part of the budget plan. In response to questions DS confirmed that the additional costs for the Central Team related to the Vice-Principal position and the Account Apprentice post.

Capital Resources

DS reported that the Trust had brought forward capital resources of £89,000 and had received a further £26,000 of devolved formula capital funding in 2019/20. Following £27,00 expenditure on a replacement minibus and replacement computer equipment the Trust had £85,000 of uncommitted capital resources available.

Cashflow

DS reported that the cashflow situation was currently very positive, but this would likely reduce moving forward.

Balance Sheet

The balance sheet was also in a positive position, but this would reduce due to the August pupil numbers. TG asked if there had been any issues with payment of Local Authority invoices. DS stated that there were no issues to report. PH added that relationship with the LA had improved considerably since the change in leadership. PH stated that his involvement in other local partnerships had also helped forge relationships with other LA Officers and he was keen to preserve this improved relationship with the LA.

Three Year Forecast

The Board of Trustees, having designated details of the discussion that followed as confidential in accordance with Article 125 of the Articles of Association, this information is excluded from these minutes.

Agreed: To receive and note the Financial Monitoring Report 2019/20

6. BUDGET REPORT 2020/21 TO 2022/23

DS directed Trustees to the Budget Report, which outlined the following:

- The proposed budget for 2020/21
- The three-year forecast for 2020/21 to 2022/23
- The staffing establishment
- The capital position 2020/21

DS had worked with each Academy Lead to produce the proposed budget. Trustees were informed that the initial budget for 2019/20, reflected an anticipated in year surplus position of £249,000.

KD stated that this was the first budget report to include the Business Strategy and suggested that this be added to the narrative to make sure this was clear. The Trust would incur additional costs but because of this was anticipating additional revenue as part of the business plan. KD further suggested that key elements of the plan be highlighted in the document.

TG asked why prior to being charged for central services, all academies, apart from the Personal Learning Centre (PLC), were operating at a surplus position. However, once central services had been allocated, the Forwards Centre, the Personal Learning Centre and Lever Park were budgeted to incur deficits. DS reported that some academies within the Trust had a budgeted surplus, which in turn supported those academies with a deficit. TG asked if the amount allocated to central services for each academy was an accurate reflection of their use of the services. DS confirmed that this was based on accurate figures and although the PLC was a much smaller provision, they still used the same services as other academies.

RL stated that the Trust was anticipating fewer pupils at the start of the autumn term, due to the COVID-10 crisis and asked if this had been planned into the budget. DS

confirmed that he had been cautious when calculating pupil numbers, but these were expected to increase from October onwards. PH stated that the number of exclusions across the borough would reduce due to the reduced numbers of pupils in mainstream schools and this would impact on Youth Challenge. There was however expected to be an increase in the demand for mental health provision. Trustees acknowledged the impact that the COVID-19 crisis had had but proposed that the Executive Principal seek reassurance from the LA that the Trust would not be impacted negatively due to this as services would need to be in place when demand increased again. PH stated that he would speak directly to Berni Brown, Director of People, about this and feedback to Trustees. KH suggested that if demand in the borough was low this may present an opportunity to expand further afield. RL stated that there would a reduction in permanent exclusions throughout the country so there would not necessarily be a demand for services from other local authorities at this time.

Agreed: To approve the budget for the Trust for the 2020/21 financial year and the three-year forecast for 2020/21 to 2022/23

Action: DS (include reference to the Business Strategy Plan in the budget report)

PH (contact BB about demand for services and feedback to Trustees)

7. CAPITAL INFRASTRUCTURE FUND BID

The Department of Education provided an opportunity each year to academies to obtain capital funding to improve the condition of their buildings. Trustees were informed of the opportunity for AA Projects to work with the Bolton Impact Trust to develop and submit a bid to the fund for the 2021/22 financial year.

TG reported that AA Projects were a well-respected company and had visited Lever Park and proposed an initial bid be prepared to replace the boiler and roof. Initial estimates were that the scheme would cost in the region of £400,000 to £500,000, with a match funding contribution in the range of £64,000 to £80,000. This equated to a 16% contribution by the Trust, which could be paid either via a loan or through the Trust budget.

AA Projects had offered to undertake to work involved in preparing and submitting the bid on a no win no fee basis if the bid was successful and they were appointed to manage the project. In response to questions TG reported that the total fees payable for both projects would be £5,000 (£2,500 each project) and would be payable only if the scheme received grant funding.

DS explained that the DfE condition improvement fund project was greatly oversubscribed so the Trust would need to work with an external company to be in with a chance of being successful. Not all companies operated on a no win no fee basis and TG confirmed that he had also negotiated a deal, so the fees did not need to be

paid upfront. AA Projects were also keen to be involved in future projects including the installation of LED lighting in all academy buildings. AA Projects would try and secure funding for this, but the new lighting would pay for itself within five years.

Trustees were happy to proceed with the project; however, stated that this should be managed by DS and TG as this would be too time consuming for the Academy Lead at Lever Park to manage.

Agreed: That the Trust use the services of AA Projects to submit a bid to the DfE condition improvement fund project for the 2021/22 financial year, subject to the conditions discussed above

PH thanked TG for his hard work in relation to this project.

8. ANY OTHER URGENT BUSINESS

TG stated that as the Trust was now in an improved budget position, a Business Development Plan was needed to move the Trust forward. Trustees needed to consider where they wanted the Trust to be in five years' time and it was suggested that another meeting might need to be convened to discuss this.

PH stated that the current Central Team was working at maximum capacity and the following roles would enable the Trust to move forward:

- Central Office Support Manager
- Business Development Manager
- CSR programmes – job placements
- Facilities management

TG stated that Trustees needed to consider what support could be put in place to support the Executive Principal to release more time for him to grow and expand the Trust. KD reminded Trustees that the Board approved the Business Strategy Report in the autumn term. This report had been produced from the findings of the Trust Business Development Group and set out the growth opportunities for the Trust. The COVID-19 crisis had impacted on the work needed on this, but it was suggested that the report be circulated to all Trustees again, with any updates that may need to be added. KH stated that Trustees also needed to look at both the current risks and opportunities resulting from the crisis, particularly as there was currently no end point in sight. This could include more emphasis on remote working, schools and businesses had needed to adapt and many had done this very successfully. This may also 'widen the net' when recruiting as staff did not necessarily need to be office based; this in turn may also have a positive impact on premises costs. PH stated that the Trust's distance learning packages had been received well, and this was something that could be expanded upon with BIT leading the way on this.

Agreed: That the Business Strategy Report be revisited and updated where needed

Action: PH (re-circulate the Business Strategy Report)
ES (Business Strategy Report – Trust agenda)

9. DATES OF NEXT TRUSTEE COMMITTEE MEETINGS

It was noted that PH and RL would liaise with ES to produce the meeting schedule for 2020/21 and this be shared with Trustees at the Trust meeting to be held on **Tuesday 14 July 2020**.

Action: PH and RL (liaise with ES)

10. CONFIDENTIALITY

Agreed: That the following matter discussed at this meeting be designated as confidential in accordance with the Academy’s Memorandum and Articles of Association:

Minute Number 5 (Three Year Forecast)

The meeting closed at 2.15 pm

SUMMATIVE ACTIONS:

Minute No.	Responsible	Action
6	DS	Include reference to the Business Strategy Plan in the budget report
6	PH	Contact BB about demand for services and feedback to Trustees
8	PH	Re-circulate the Business Strategy Report
8	ES	Add Business Strategy Report to Trust agenda
9	PH & RL	Liaise with ES re meeting schedule for 2020/21

Signed as a correct record: _____

Date:

(Chair of Finance & Resources Committee)