

MEETING OF THE FINANCE & RESOURCES COMMITTEE OF BOLTON IMPACT TRUST

MEETING HELD VIRTUALLY VIA ZOOM

FRIDAY 10 JUNE 2022 AT 1.00 PM

Present: K Davies (KD) – Chair of Trustees, T Grimshaw – Chair of the Committee (TG) and Paul Hodgkinson (PH) - Executive Principal

In Attendance: V Gavin (VG) - (Business Manager), D Smith (DS) - Finance Director and E Stoddard (ES) – Clerk to the Trust

T GRIMSHAW IN THE CHAIR

1. WELCOME AND APOLOGIES FOR ABSENCE

Trustees were welcomed to the meeting. No apologies for absence had been received; all Trustees were present.

2. DECLARATION OF INTEREST

No declarations of pecuniary interest were made.

3. ANY OTHER URGENT BUSINESS

One item of Any Other Business was notified regarding the WAVE 15 National Free School Project.

4. MATTERS ARISING FROM THE LAST FINANCE & RESOURCES COMMITTEE MEETING

There were no matters arising, which were not already included on today's agenda.

5. FINANCIAL MONITORING REPORT 2021-22

Financial Monitoring – Summer Term 2021-22

DS directed Trustees to the summer term monitoring report, which showed that the Trust was currently anticipating an outturn surplus totalling £153,000, which was £192,000 less than the original budget.

DS highlighted the significant variances for each Academy.

Trustees were advised that Youth Challenge was predicted to generate a deficit of £166,000 as a result of the following:

- Having a higher proportion of Key Stage 3 pupils with greater needs than in previous years had resulted in a requirement for additional staff to meet those needs. In addition to this, additional temporary staffing has been required to cover for long term absences associated with Covid.
- School closures during the pandemic lowered the base number of pupils commissioned by the Local Authority (LA) at both Youth Challenge Secondary (4

pupils) and Youth Challenge Primary (4 pupils). This had resulted in a projection of £121,000 less income than originally budgeted.

- It had not been possible to meet the additional income target of £40,000 traded income incorporated into the budget in the current year.

DS advised that the increased costs and reduced income were anticipated to be one offs and pupil numbers were expected to rise in the future. Moving forward the LA had increased the number of commissioned places by 10 with effect from 1 September 2022 which would generate an additional £100,000 of place-based income.

DS reported that the Youth Challenge Primary move into the Forwards Centre building would provide space for increased KS3 capacity at the Smithills site, which would be positive for the budget.

TG asked why the Trust was taking on pupils with additional needs if this meant that additional staff were needed to accommodate these children and if the Trust would receive additional funding to cover these increased costs. PH stated that the Trust now worked on the DPS model so had to admit a specific number of children; however, they were not informed regarding the needs of the children before they were admitted, no prior assessment was able to take place and no extra funding was received. Pupils were entering the provisions with very complex behaviours and needs, which presented huge challenges. DS reported that the DPS framework provided a standard price for all pupils, but this was now being negotiated with the LA. TG stated that the needs of the pupils needed to be taken into account and built into the new contract, otherwise this could present safeguarding risks to both pupils and staff. PH acknowledged TG's concerns and stated that the SLT had conversations about this on a daily basis. DS reported that negotiations with the LA had so far been positive, and he would be negotiating a different price for KS3 pupils to mitigate the risk moving forward. DS reassured Trustees that these issues would be accommodated within next year's budget. Trustees agreed that this matter should be added to the Risk & Audit agenda for further discussions due to the financial and safeguarding risks posed.

Trustees were advised that Lever Park now had a great business model in place. Lever Park was projected to generate a surplus for the year of £248,000 (£193,000 more than originally budgeted). Increased pupil numbers had provided additional income of £294,000 above the budget which had been used to fund required temporary staffing and other costs totalling £168,000, to meet pupils' needs.

Capital Resources

DS reported that Lever Park had been successful in the bid for a replacement roof with a total scheme cost of £949,000 for which the Government will contribute £663,000 with the remaining cost being funded by a low interest ten-year loan of £286,000. DS proposed that AA Projects be appointed to manage the project using the NHS SBS Procurement Framework for consultants given that they had prepared and submitted the successful bid.

Trustees were directed to the information provided on the play facilities at Lever Park. It was proposed that additional facilities be provided at this provision due to the increasing pupil numbers and also the changing dynamic in the type of pupil attending the academy (in September 50% of the children will be Nurture children). The number

of children with sensory needs was also increasing. Three quotes had been obtained and DS proposed that Trustees approve the quote of £34,000.

Cashflow position

The cashflow statement for September 2021 to August 2022 was included in the report. Trustees were informed that the loan repayments had now been fully repaid. TG asked if this had been paid ahead of schedule. DS confirmed that this had been repaid in 5 months rather than 18.

- Agreed:**
- i) To receive and note the Summer Term Financial Monitoring Report 2021-22
 - ii) To add the KS3 pupil numbers to the Risk & Audit agenda
 - iii) That AA Projects be appointed to manage the Lever Park roof project using the NHS SBS Procurement Framework for consultants
 - iv) To approve the quote of £34,000 for the Lever Park play facilities

Action: ES (update Risk & Audit agenda)

6. BUDGET REPORT 2022-23

The Budget Report 2022-23 had been uploaded to the Gateway. DS proposed that the committee approve the budget, and this be presented at the full Trust Board meeting for ratification.

DS advised that the initial budget reflected an anticipated in year surplus position of £262,000. This figure was based on an increased pricing structure of 10% due to the increased costs incurred by the Trust since the start of the DPS. Trustees discussed whether 10% increase was a realistic figure to present to the LA. After discussion it was proposed that DS reduce this by 1.5%, which would generate an additional £296 per year. DS stated that the difference could be plugged by traded services so the Trust would still generate more than this amount. It was suggested that the DPS be reviewed on an annual rather than a three-year basis moving forward.

TG stated that the increases needed to also include the additional staff needed for the KS3 pupils as discussed earlier in the meeting. DS stated that there was a mechanism to request additional funding for exceptional cases. TG stated that the Trust may need to consider a separate provision for the most challenging pupils. PH concurred that this was an issue and stated that many pupils currently at Youth Challenge should be at Lever Park. However, it was very unlikely that the LA would be able to fund a separate provision.

TG referred to page 4 and asked if the 4% increase related to NI contributions or pay. DS confirmed that the budget had allowed a 4% pay increase for teaching staff. TG asked if Trade Unions would be satisfied with this. DS stated that it was likely that they would want more than 4%. TG asked if it would be sensible to allocate more in the budget. DS advised that government would have to provide support to schools if more than 4% was awarded. KD stated that the budget would need to be reviewed if the pay award was much different to what had been budgeted.

DS directed Trustees to the analysis of the agency budgets, which was £440,200. DS advised that the agency staffing was working well as the Trust only needed to utilise them as and when needed.

Trustees were advised that further information needed to be added to the Business Strategy figures and this would be completed by the date of the full Trust meeting.

KD stated that a 30% increase for energy costs may not be enough and added that it may be worth paying for an external advisor to review this in detail so there were no surprises. DS stated that the Government strategy was to move to carbon neutrality, but this may not necessarily present any financial savings. KD asked if the Trust could make any immediate savings. DS advised that the Trust used the LA for energy, and this presented a good deal due to their bulk buying power. He would however speak with AA Projects regarding the work they would be completing for the Trust to ensure this was as cost effective and energy efficient as it could be. Trustees agreed that the increasing energy costs needed to be closely monitored moving forward.

Agreed:

- i) That the DPS be reviewed on an annual basis
- ii) That the Budget Report 2022-23 be approved and be presented at the full Trust Board meeting for ratification

Action: ES (full Trust meeting agenda)

7. HR UPDATE

The Executive Principal provided an HR update including.

- Wellbeing
- Park School Restructure
- Resignations / Staff Changes / Vacancies
- Youth Challenge Leadership
- Leadership Training

PH stated that the spring term wellbeing results had been excellent with positive swings across the board in four of the settings. PH provided the headlines to Trustees.

Trustees were informed that the Park School restructure was now complete for implementation from September 2022. Trustees agreed that the process had been managed well with as little impact on staff as possible.

Trustees were directed to the resignations and vacancies within the report. The Academy Leads at Youth Challenge Primary (LB) and Youth Challenge Secondary (NH) were retiring at the end of term. VL had been successfully appointed to replace NH; however, LB would not be replaced due to the merge with the Forwards Centre.

PH stated that there would be a strong team in place across the Trust in September.

KD asked whether the Trainee Accountant post would be retained. DS stated that it would be sensible to use this opportunity to expand the office knowledge base. The Trainee Accountant post entailed lower-level financial tasks, which could be absorbed by other office staff. TG expressed concern that a qualified accountant post would be lost and stated that consideration also needed to be given to cover should DS be off work or leave the Trust. KD stated that he would like to see an apprentice role retained within the Trust. DS stated that he was looking to provide more front-line support at

the Academies to enable the Office Supervisors to focus on their roles. This front-line support could be offered as an apprenticeship. PH provided details of the Government Kickstart Scheme, which provided funding to create jobs for 16- to 24-year-olds on Universal Credit who were at risk of long-term unemployment and stated that this could also be an option. VG stated that the Trust was also looking to recruit an apprentice to support the Site Staff. TG stated that this could be a great opportunity for one of BIT Year 11 students who were due to leave this summer.

8. **DATES OF NEXT MEETING**

Agreed: That the meeting dates for 2022/23 be as follows:

Friday 11 November 2022 at 12.00 pm

Friday 3 March 2023 at 12.00 pm

Friday 9 June 2023 at 12.00pm

PH proposed that Trustees start to meet face to face from September with the option of joining virtually.

9. **ANY OTHER BUSINESS**

9.1 **WAVE 15 NATIONAL FREE SCHOOL PROJECT**

PH informed Trustees that the Government had launched the WAVE 15 Free School programme and was inviting schools to register an expression of interest by 16 September 2022. The programme included 60 Alternative Provision (AP) schools. This had been discussed with OGAT who had stated that they would support BIT in a bid. In response to questions PH stated that there were conditions that needed to be met, one of these was that a school could not be opened in areas where there was already good or outstanding provision. PH advised that the only place in Greater Manchester with no good or outstanding provision was Bury, so this could potentially be an option. In response to questions PH confirmed that the school-to-school support work in Bury had now ended.

PH asked that Trustees agree to explore this further. KD stated that due diligence would need to be completed and all risks and opportunities needed to be considered.

Agreed: That the WAVE 15 Free School programme be explored further

10. **CONFIDENTIALITY**

Agreed: That none of the items of discussion at this meeting be designated as confidential in accordance with the Academy's Memorandum and Articles of Association

With no further business the meeting closed at 2.15 pm.

SUMMATIVE ACTIONS

Minute Number	Responsible	Action
5	ES	Update Risk & Audit agenda
6	ES	Add Budget 2022-23 to full Trust agenda

Signed as a correct record: _____

Date: _____

(Chair of Finance & Resources Committee)