

MEETING OF THE FINANCE & RESOURCES COMMITTEE OF BOLTON IMPACT TRUST

MEETING HELD VIRTUALLY VIA ZOOM

FRIDAY 11 JUNE 2021 AT 12.00 PM

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

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

TONY 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

No items of Any Other Business were notified.

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

Formal Consultation Update (Minute Number 4)

KD reported that ministerial approval to close the Personal Learning Centre (PLC) had now been received.

TG asked if purdah had presented an issue, as mentioned at the last meeting. PH reported that fortunately purdah had not been an issue. The listening period had closed on 14 May and no further consultation input had been received.

Financial Monitoring Report 2020/21 (Minute Number 6)

It was noted that the Trust contribution to the AA Project, recorded in the minutes as £48,000, should read £148,000. TG asked for an update on the project. DS reported that he had not yet heard if the bid had been successful, a response had been expected in June, but it was hoped that this might still be received before the end of term.

TG referred to the additional funds available from the ESFA and asked how much the funds equated to. DS stated that the Trust had been given the opportunity to draw down a further £200,000 but due to the proactive actions taken this would now not be needed in order to support the cashflow. DS stated that the robust financial management meant that the Trust was now in a stronger position and it was a positive

outcome that the funds would not need to be used and this should reflect positively on the Trust moving forward.

Trust Growth Strategy (Minute Number 7)

KD asked for an update on the website. VG reported that the revamped website was now up and running and this had been well received. PH added that the LA had conducted an unannounced visit and had commented positively on the new website.

Action: ES (update minutes)

5. FINANCIAL MONITORING REPORT 2020-21

Financial Monitoring – Summer Term 2020-21

DS reported that the financial position was improving with significant numbers of new pupils arriving in the Academies. In Youth Challenge alone there was now 93 pupils, this was an increase from 66 pupils in February and 84 pupils in April.

DS stated that the Trust was currently anticipating a deficit totalling £187,000, which was an adverse variance of £435,000 from the budget. This position did not include the receipt of £300,000 cashflow support from the ESFA in January 2021, and therefore it was anticipated that the Trust would reflect a surplus position totalling £113,000 by the end of the year. The cashflow position was also positive but Trustees were reminded that income reduced in July and August due to lower pupil numbers, but plans had been put in place to manage this. TG asked if the Trust would have made a loss in 2020/21 without the support from the ESFA. DS explained that the Trust would have made a loss without the cashflow support, so this had been very valuable in maintaining a positive financial position.

KD referred to the summarised balance sheet and asked how old the land and building valuations were. DS reported that there had not been an update since the LA valuation, although there had been a slight increase in the building's valuation. KD requested that further information be provided on this.

KD referred to the pensions deficit and asked if this had increased. DS explained that this figure had not changed since last August, but he hoped that this would start to improve.

TG referred to the capital resources section which stated that the Trust was expected to receive a further £26,000 of devolved formula capital funding in 2020/21. TG asked for further clarification on this funding. DS explained that this was an annual allocation of funds received from the DfE and needed to be spent on assets more than £3,000 in value and which would last for more than 1 year. TG referred to the plans to refurbish the play facilities at the Forwards Centre at an estimated cost of £12,000 in the summer holiday period. TG asked if three quotes were needed, would this spend create any extra revenue and if the committee needed to sign this work off. DS stated that the work was needed as the play facilities now needed replacing. This would not create any direct additional income, but improved facilities would help to sell the Trust's services. TG concurred that it was important to ensure all facilities across the Trust were maintained and upgraded where needed but he felt it important to query this due to the recent spending cuts that had needed to be made. DS asked for Trustees' approval to proceed with this and obtain quotes for the work.

TG reported that he had visited Lever Park and proposed minor changes to be able to provide a nurture classroom. This involved changes to the gym and IT room but would not be very costly. 8 pupils would be able to be taught in the nurture classroom and this would free up places to then accommodate another 8 pupils in school. Trustees were informed that capital resource funds could be used to fund this work.

Agreed: i) To proceed with obtaining quotes for the refurbishment of the play facilities at the Forwards Centre

ii) To proceed with the work at Lever Park to provide a nurture classroom using capital resources funds

Action: DS (obtain quotes)

6. **BUDGET REPORT**

The Budget Report 2021/22 to 2023/24 had been uploaded to the Gateway. DS reported that the initial budget for 2020/21 reflected an anticipated in year surplus position of £232,000. The budget had been prepared in accordance with discussions with each Academy Lead based on budget assumptions, which had been included in the written report.

DS referred to Annexe A and stated that the projected income was very prudent. There were now significantly less staff in the structure due to the savings programme and temporary staff would need to be added as pupil numbers increased.

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.

DS directed Trustees to the proposed budgets for each Academy and reported that a surplus was projected for each provision so there would be no need to subsidise any Academies as had been needed in the past.

DS directed Trustees to page 7 of the report which provided information on the three-year forecast and explained that elements of the business strategy had been factored in, but some elements had been left out for Trustees to discuss before being added. It was noted that the Trust would move into a deficit budget from 2023/24 without action.

DS reported on the business strategy elements as follows:

- The Trust had already secured an agreement with a MAT in Bolton for pre-commissioned places. This would generate £50,000 per annum.
- The KS3 expansion was forecast to generate £40,000 per annum.
- The main driver of academy sponsorship would not be to make money, but this would help to sustain future expansion. DS proposed that a target of £50,000 per annum be included in the report.
- Increase in DPS price – DS reported that the DPS price had been set two years ago and was due for review in 2023.

KD asked if the business strategy growth was included elsewhere in the budget figures. DS reported that they were not included elsewhere and were listed as a separate section.

KD stated that the projected outturn costs for agency / third parties would increase significantly in 2021/22. DS reported that this increased cost would be balanced against the savings on employee costs.

TG stated that income should be linked to inflation and should be reviewed every year and added that he felt the budget should be presented in a more optimistic light. The DPS price needed to be reviewed before 2023 and Trustees needed to consider demand for places and other competition before agreeing a new price. DS proposed that the DPS price be reviewed next year, 2022. KD concurred that the three- year forecast needed to reflect the Trust's strong position and proposed that the business strategy figures be included in the top line with further details provided below. KD suggested that a sentence also be included to state that income from the ongoing investment strategy would be invested back into the Trust.

KD referred to the surplus carry forward for 2021/22 and stated that this should read 482, not 484.

- Agreed:**
- i) That the internal application process be checked before placing an advert for the two vacancies
 - ii) That the academy sponsorship target be included as £50,000 per annum
 - iii) That the DPS price be reviewed in 2022
 - iv) That the business strategy be included in the top line figures
 - v) That the budget be presented to the Trust Board for approval at the meeting on 13 July 2021

- Action:**
- PH / DS (double check with HR re internal applications)
 - DS (update budget report with recommendations / amend surplus carry forward figure on the report)

7. **DATE OF NEXT MEETING**

PH reported that he would email the dates for 2021/22 to Trustees and these would also be included on the Trust meeting agenda.

- Action:** PH (email Trust meeting calendar)

8. **ANY OTHER BUSINESS**

There no items of Any Other Business.

9. **CONFIDENTIALITY**

- Agreed:** That the following items of discussion at this meeting be designated as confidential in accordance with the Academy's Memorandum and Articles of Association:

Minute Number 6 – Budget Report (3rd paragraph – agency staff)

With no further business the meeting closed at 1.00 pm.

SUMMATIVE ACTIONS

Minute Number	Responsible	Action
4	ES	Update minutes
5	DS	Obtain quotes
6	PH / DS	Check with HR re internal applications
6	DS	Update budget report with recommendations / amend surplus carry forward figure on the report.
7	PH	Email Trust and committee meeting dates

Signed as a correct record: _____

Date: _____

(Chair of Finance & Resources Committee)