

MEETING OF THE FINANCE & RESOURCES COMMITTEE OF BOLTON IMPACT TRUST

MEETING HELD VIRTUALLY VIA ZOOM

THURSDAY 15 OCTOBER 2020 AT 6.30 PM

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

In Attendance: D Smith (DS) - Finance Director

KEITH DAVIES IN THE CHAIR

1. WELCOME AND APOLOGIES FOR ABSENCE

The Chair opened the meeting, the objective of which was to discuss the Trust's response to the funding implications of reduced pupil numbers arising from the coronavirus pandemic.

2. FINANCIAL UPDATE

PH and DS jointly delivered a presentation to Trustees outlining the financial pressures currently faced resulting from reduced pupil numbers.

Context

In discussing the context, it was highlighted that the school closures during the summer term had led to a position where there were no permanent exclusions in the period March to July. Therefore, across the Trust's AP Academies, the number of pupils commencing school in September was 50 less than the previous year.

Trustees were reminded that the pupil top up funding is based upon actual pupil numbers and that therefore funding was reduced by approximately £60,000 in September. Furthermore, the monthly reduction was expected to continue, resulting in a potential funding gap of £700,000 to £1.2m within the current financial / academic year.

Trustees were informed that government guidance for the summer term was that alternative provision should be funded based upon previous commissioning patterns and that this had occurred within Bolton for that period.

No government guidance has been issued in respect of AP funding in autumn and whilst some authorities have continued to fund based upon previous commissioning patterns; this was not the case in Bolton.

2020/21 Broad Strategy

Trustees were informed that the Trust's broad strategy was twofold:

Income Generation

Substantial lobbying of those with influence had taken place, including the Regional Schools Commissioner, the Education and Skills Funding Agency and the national AP Network.

Letters had been sent to schools in Bolton offering traded provision within the Trust's AP Academies. This had already started to generate some placements.

Discussions with other local authorities were being held, including Bury and Wigan to offer places.

The work in relation to brand development previously approved by Trustees was continuing.

Expenditure Reductions

It was recognised that to meet an immediate financial challenge of £60,000 per month would require significant cost reductions.

PH & DS outlined measures already taken, including the cessation of all non essential agency staff with effect from half term and the minimisation of all non committed expenditure. This was anticipated to yield £195,000 in the 2020/21 financial / academic year rising to £265,000 ongoing.

Discussions had already taken place with academy leads to ask that they consider options for significant cost reductions.

A proposal was outlined to issue a communication to all staff to outline a potential voluntary severance programme. The basis of the proposal would be to ask if any member of staff would want to request voluntary severance if they would receive four months pay (elements of which being non taxable dependent upon statutory notice periods). It was made clear that requests received would be considered on an individual basis and would only be recommended for approval if beneficial to the Trust.

A discussion was held by Trustees on the benefits of a severance trawl and it was agreed that Trust leadership be mandated by Trustees to prepare a communication to staff to this effect and shared with the Trust's HR advisors for approval. The communication to then be shared with staff with a view to a closing date of 2nd November 2020.

Discussions also focussed upon the requirement for additional detailed proposals. Trustees requested that Trust Leadership develop detailed proposals to reduce expenditure to address the financial pressures that had arisen due to the Covid pandemic.

It was agreed that detailed proposals, potential timeline and a consultation process be developed by the Trust's leadership (incorporating the outcome of any requests for severance) for consideration at a meeting of the Trust Board on **Tuesday the 10th November.**

It was recognised that the proposals would form the basis of a request for interim funding from the ESFA to bridge the in-year financial gap (to substantiate the initial request that had already been made).

The meeting concluded with a discussion on the need to continue raising the profile of the huge financial impact that coronavirus has placed upon the Trust and it was agreed that the Chair of Trustees would write to the Secretary of State to highlight the issue and request that consideration be given to extending the summer guidance into the autumn term and beyond.

The meeting closed at 7.30pm