

MEETING OF TRUSTEES OF BOLTON IMPACT TRUST

MEETING HELD VIRTUALLY VIA ZOOM

TUESDAY 18 JULY 2023 AT 4.00 PM

Present: K Davies (KD) – Chair of Trustees, J Bennett (JB), S Hincks (SH), Paul Hodgkinson (PH) – Chief Executive Officer, D Luczka (DL), D McKeon (DMc), P Norton (PN), J Paradine (JP) and M Sidebottom (MS)

In Attendance: K Connolly (KC) – Chief Financial Officer, V Gavin (VG) – Director of Business Operations, R Leonard (RL) – Director of Academy Operations and E Stoddard (ES) – Clerk to the Trust

KEITH DAVIES IN THE CHAIR

1. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed Trustees to the meeting.

No apologies for absence had been received.

2. ELECTION OF VICE-CHAIR

A nomination was made for M Sidebottom to be appointed as Vice-Chair of the Trust Board. No further nominations were received.

Agreed: That M Sidebottom be appointed as Vice-Chair to serve until the summer term 2024

3. DECLARATION OF INTEREST

SH informed Trustees that she had joined the Board for UCS Bolton but did not expect this to cause a conflict of interest.

No further declarations of pecuniary interest or conflict of interest were made.

4. ANY OTHER URGENT BUSINESS

No items of Any Other Urgent Business were notified.

5. MINUTES OF PREVIOUS MEETINGS AND MATTERS ARISING

Trust Meeting held on Tuesday 28 March 2023.

The Chair asked for an update on school email addresses for Trustees. VG advised that she had liaised with Schools ICT regarding school email addresses for the Chair and all Trustees and she would keep Trustees updated.

Agreed: To approve as a correct record the minutes of the Trust Meeting held on Tuesday 28 March 2023.

6. COMMITTEE MEETING MINUTES AND MATTERS ARISING

Standards Committee

MS provided an overview of the items of discussion at the meeting held on Friday 9 June 2023. MS asked for an update on the admissions at the Forwards Centre and the progress on the SEF at Lever Park. PH explained that the team at the Forwards Centre had worked extremely hard and pupils had now settled down. RL reported that the Academy Lead had been working closely with the Local Authority (LA) regarding 8 very complex children and had requested one-to-one funding to further support these pupils. Some children had significant complexities and required special school provision.

PH stated that the SEF at Lever Park was much improved and now provided a more accurate reflection of the school. PH added that he would be analysing all SEFs over the summer.

Finance & Resources Committee

KD provided an update on the items of discussion at the meeting held on Friday 30 June 2023 and stated that the Initial Findings Report from the Chief Financial Officer had been very useful.

Risk & Audit Committee

JB provided an update on the items of discussion at the meeting held on Friday 30 June 2023.

Agreed: To approve as a correct record the minutes of the Standards Committee Meeting held on Friday 9 June 2023, the Finance & Resources Committee Meeting held on Friday 30 June 2023 and the Risk & Audit Committee Meeting held on Friday 30 June 2023

7. APPOINTMENT OF ASSOCIATE MEMBER AND LOCAL GOVERNORS

PH advised Trustees that Heather Carr, current Chair of the Local Governing Board at Lever Park, had stepped down with effect from 31 August 2023 as she was relocating, and Mr Hockenhall had been elected as Chair from September 2023. However, since the meeting Miss Carr had advised that she would not now be relocating for another 12 months. The Lever Park LGB was currently full, so Trustees were asked to consider appointing Miss Carr as an Associate Member to retain her skills and experience on the LGB.

Agreed: To appoint Heather Carr as an Associate Member on the Lever Park LGB with voting rights for a period of 12 months

PH reported that he had checked the Scheme of Delegation and Terms of Reference and there was nothing explicit contained within the documents as to how Local Governors should be appointed to the LGBs. Trustees were asked to decide whether Local Governors should be appointed by the Trust Board or whether this should be delegated to the Local Boards. The Chair stated that appointing Local Governors at Trust level would be a good way to establish relationships with new governors and create stronger links with the LGB. This could be reviewed in future to ensure the process was working well.

Agreed: That Trustees appoint all Local Governors to the LGBs

Action: PH (update Scheme of Delegation and Terms of Reference)

8. **CHIEF EXECUTIVE OFFICER'S UPDATE TO TRUSTEES**

The Chief Executive Officer shared his spring term update. The main sections of the report included:

- Around the Trust
- Pupil Numbers and 2023-24 allocations
- Partnership Work and facing outwards
- Questions from Trustees

Around the Trust

PH reported that the Forwards Centre had completed a significant amount of work on the curriculum. The SEF was currently graded as 1 but some work was needed on curriculum provision.

The Academy Lead at Lever Park continued to lead the academy robustly and was developing strong community links. Work had taken place with the Academy Lead on the SEF, which now needed to be kept live.

Park School had had a difficult start to the year but there was now a strong leadership team in place and traded business was brisk.

PH stated that pupil numbers continued to be positive, and each Academy was in a strong position moving forward into 2023-24.

Pupil Numbers and 2023-24 allocations

Trustees were informed that all academies were already receiving referrals for September 2023 and that allocations for 2023-24 had stayed the same except +10 YCS and -10 Park School.

All of the academies continued to trade directly with schools and were now trading with a growing number of Local Authorities. Lever Park was to move into Barlow Park from September (18 students).

Partnership Work and Facing Outwards

PH reported that the Trust had continued to develop a growth strategy which comprised three distinct facets:

- School to School Support and sharing best/next practice.
- Networking to develop 'next practice'.
- Growing the number of Academies.

The final interview had taken place for the Wigan Free School bid (50-place opening) and the outcome would be received in the autumn term. The outward facing profile from September also included exploring new growth opportunities with the DfE relationship manager, invites to work more closely with the DfE and AP policy team and support for Outwood Grange, Minerva and the development of new partnerships.

Agreed: That the Chief Executive Officer's update be received and noted

9. FINANCIAL MONITORING REPORT 2022-23 / MONTHLY MANAGEMENT ACCOUNTS

Trustees were directed to the Monthly Management Accounts at 30 June 2023 and advised that the last forecast at March 2023 projected a surplus of £131k; however, the latest forecast was an expected deficit of £80k. The change in the forecast was due to the extrapolation of the year-to-date position, which was not clear at the end of March.

Budget and Variances

KC provided an update on the 2022-23 Budget Position and the main variances. Staff numbers had increased in-year causing a cost pressure on Employee-Related Spend; however, agency spend had not shown an equal reduction.

June 2023 Forecast

KC directed Trustees to the year-to-date and forecast outturn position by academy as follows:

- FCA – £113k change due to reduced income.
- PSA – £57k mainly due to the ESFA place funding, less reduced trading places.
- YCA – £135k additional income, offset by £103k supplies and services costs.
- LPA – £105k additional income, offset by £179k additional costs. The costs are across all categories, in particular on premises on maintenance, gas and water.
- CEN – aborted costs of circa £65k incurred for Dinnington. The £60k received from OGAT has been repaid to them and an invoice for School-to-School support of circa £18k has been raised. OGAT have committed to spending the £42k with the Trust in future years.

Trustees were advised that although there had been a focus on generating more income for the Trust, consideration also needed to be given to the cost elements of this, for example, Lever Park costs had exceeded the additional income. KC advised that she investigate transactions for any capital spend that may have been charged to revenue.

KC reported that she had not yet had chance to look at accruals and added that the Safeguarding tender would be presented at the autumn term meeting.

Reserves

The Trust reserves, excluding the Fixed Asset Reserve, were £465k, and this was shown in Table 4 of the report, and this also included the impact of the current forecast outturn. KC recommended that the CEN and FCA deficits were cleared by increasing the charge to PSA and YCA, once the outturn was known. Consideration also needed to be given to setting a target for Lever Park to generate sufficient surpluses in future years to clear the historical deficit position. The academy was able to trade effectively, with 88 pupils on roll in the May census, against funded places of 69. However, the academy was not delivering the level of bottom line surplus, as would be reasonably expected in an SEMH setting.

Balance Sheet

KC provided an update on the Balance Sheet. As reported at the Finance & Resources Committee, debts were now being chased with monies being received in July or confirmation of payment now being provided.

Cashflow

Trustees were advised that there was no cause for concern regarding the cashflow position and this would be updated over the summer.

Early Warnings

Trustees were directed to the early warnings in the written report, which were not yet included in the forecast. It was noted that the historical FSR102 adjustment for annual leave had been discussed at the Finance & Resources Committee and would be discussed with the external auditors to agree a position.

Pay Awards

KC reported that the Teachers' Pay Award had been announced at 6.5%, supported by 3.5% Government funding. The Support Staff Pay Award had not yet been agreed; however, five months at £1,925 had been included in the current year forecast and built into the 2023-24 budget. KC advised that the Support Staff Pay Award would have the most impact on the budget due to the weighting of support staff in the structure.

- Agreed:**
- i) To approve the proposal regarding the forecast reserves position for CEN and FCA
 - ii) To approve the proposal regarding a target for LPA to repay the historical deficit of £504k through in-year surpluses
 - iii) That the Monthly Management Accounts at 30 June 2023 be approved

10. BUDGET REPORT 2023/24

The Three-Year Budget Report 2023-24 had been uploaded to the Gateway. KC reported that there would be a monthly forecasting process in place for 2023-24, which would allow for more accurate detail on the in-year position.

KC advised that savings would be required over the three-year period, in the second and third year the level of these would become clearer once clarity on pay awards and LA trading were known. Staffing structures and supply cover would be reviewed in September and vacancies would not automatically be filled.

Dynamic Purchasing System (DPS)

Trustees were advised that the DPS bids had been submitted and had included a £8 increase on the 2022-23 prices on each pupil place. Trustees agreed that this was a realistic price.

Trading Prices

KC directed Trustees to the proposed three-year trading prices from September 2023. Prices had remained at £99 since 2016 and it was proposed that this increase to £120 per day in 2023-24.

Non-Pay Assumptions

KC recommended that non-pay budgets be moved to zero-based budgeting in future years. Trustees were informed that a contracts database was in the process of being produced, which would provide a level of detail on SLAs and contracts, and this would be developed further in 2023-24. The monthly forecasting process next year would scrutinise each budget line on a zero-based budgeting approach. It was noted that 5% inflation had been built into the 2023-24 budget.

Central Services and Internal Charge

Trustees were informed that a weighted factor had now been applied to the Central Services charging calculation for each academy to take account of affordability and to recognise the ability to trade, which differed per academy. The proposed charges and weighting were provided in Table 5. KC advised that in future years, development of corporate budgets and a cost sharing basis for allocating contributions from academies could be considered. This would support the development of central leaders being responsible for the delivery of operational services and the academy leads being responsible for curriculum.

Three-Year Budget 2023-24

The Three-Year Budget 2023-24 had been included in the report and was balanced for each of the years. However, there were still some key variables to note such as pay awards and DPS trading. Trustees were cautioned that in the short term, reserves may need to be used to balance the budget if this was significantly impacted by the pay awards.

Risks and Opportunities

KC directed Trustees to the identified risks and opportunities included within the report. One area of concern was the current staffing mix, which was weighted towards support staff. KC recommended that a benchmarking exercise be undertaken to review the staffing mix elsewhere in the AP and SEND sectors. Trustees were advised that the majority of staff worked 37 hours; however, it was more usual for educational support staff to work 32.5 hours, so this may be a consideration for future recruitment.

KC reported that the Trust had been successful in CIF bids, but a larger amount of matched-funding was required moving forward and a 5-year Estates Strategy was needed.

The Trust was currently reliant on Bolton Schools ICT for their IT infrastructure. SIMS was expensive and was not being fully utilised. KC stated that she did not feel that the Trust was receiving the full benefit of this as an AP provider. There would be opportunities to consider moving forward, which could include recruitment of an ICT Network Manager to reduce the Trust's reliance on external support.

Capital and Associated CIF Loans

Trustees were informed that capital funding and expenditure was based on current DFC allocations of circa £27k per annum. A plan would need to be drawn up for spend and would be presented in the autumn term. This would include the start of a five-year plan on Estates as well as vehicle replacement plan.

Reserves

The indicative reserves, excluding the Fixed Asset Reserve, were shown in Table 9. Trustees were informed that the reserves would change once the 2023-24 outturn was confirmed.

Financial KPI's

KC advised that the proposed KPI's were shown in Appendix 4 with proposed targets for discussion.

A Trustee asked if there was an industry standard for reserves. KC advised that many LAs had 5% but this could vary. KC added that she did not feel the Trust had excessive reserves; however, she recommended that the Trust look at a Reserves Policy. KC advised that the National Audit Office had viewed substantial reserves of over 20% as a matter of concern and added that it would be prudent to designate some reserves moving forward rather than allowing these to build up. The Chair concurred that this would be a sensible idea.

The Chair stated that the Three-Year Budget provided a detailed picture of the Trust's position and recommended that the Business Strategy be reviewed in line with this. The Trust needed to manage income and expenditure carefully to ensure that any growth was generating the surpluses that were required. A Trustee stated that 2025-26 would be a challenging year and suggested that aspects such as resources needed to be reviewed. PH stated that historically the Trust had been generous in their staffing investment and there had always been one teacher and two Learning Mentors in each class; however, this may need to be reviewed moving forward.

The Chair stated that consideration needed to be given to paying credits as this could create a reputational risk. KC advised that the Trust was currently paying invoices upon receipt, but the LA provided 30-day payment terms, and it would be prudent for the Trust to take advantage of these payment terms.

- Agreed:**
- i) To note the contents of the report
 - ii) To approve the Trust's Three-Year Budget for 2023-24 – 2025-26
 - iii) To approve the Budget Forecast Return 3-Year (BFR3) Submission

11. FINANCIAL SCHEME OF DELEGATION

The Financial Scheme of Delegation had been uploaded to the Gateway. KC reported that the Trust now had a new finance system, and the Trust would be moving to a Multi-Pay Credit Card with Lloyds Bank.

KC highlighted the limits within the Financial Scheme of Delegation. The authorisation limit for Academy Leads was £2,500 and the monthly limits for credit cards had been set quite low. There would also be a review of the spend on the credit cards to ensure that this was appropriate. KC advised that the Procurement Policy would be presented to Trustees once finalised.

- Agreed:** To approve the Financial Scheme of Delegation

12. FINANCE DOCUMENTS

A copy of the DOA letter and the Academy Trust Handbook had been uploaded to the Gateway for Trustees' information. KC advised on the key updates within the DOA letter, which included a doubling of the threshold beyond which ESFA approval was required for related party transactions from £20k to £40k from 1 September 2023.

It was also noted that the requirement to provide explanations in annual accounts when holding fewer than 6 board meetings per year had been removed.

Agreed: To receive and note the DOA letter and Academy Trust Handbook

13. **STRATEGIC RISK REGISTER**

PH reported that the Risk Register had been updated following the Risk & Audit meeting and a copy had been provided for Trustees' information.

Agreed: To receive and note the Strategic Risk Register

14. **INTERNAL AUDIT REPORT**

The Single Central Record (SCR) and Absence Management Internal Audit Reports had been uploaded to the Gateway.

VG provided an overview of the SCR Internal Audit Report, which had been positive, and explained that this had been discussed at the Risk & Audit Committee meeting. It was noted that One Education had also conducted an audit of the SCR, with positive feedback.

VG provided an overview of the Absence Management Internal Audit Report. The report had been positive with 4 medium and 1 low recommendation to note. In response to questions VG reported that there was a lot of emphasis on supply staff in the report. VG advised that the recommendations within the report would be actioned; however, the Absence Management Policy and Leave of Absence Policy would be kept as two separate policies.

Agreed: i) To receive and note the Single Central Record and Absence Management Internal Audit Reports

ii) That the Absence Management Policy and Leave of Absence Policy be kept as two separate policies.

15. **DEVELOPING THE ROLE OF TRUSTEES AND MEMBERS**

PH explained that the External Review of Governance had highlighted the formal communication process between the Trust and Local Governing Boards (LGBs). Trustees were informed that there were now 5 members, 3 of whom were non-Trustees, and all were very keen to be involved rather than just attending one AGM per year. PH stated that it was paramount that this support be strategic, but he was keen for Members and Trustees to be more involved in the Trust and explore avenues in which this could happen. PH added that he was aware of work commitments and therefore would like a system whereby Trustees and Members could do as much or as little as they wanted, depending on their capacity.

It was noted that the Chair of Trustees would start to attend some LGB meetings to develop stronger relationships with the Academy staff and Local Governors. Members would also be invited to Trust meetings as observers (with no voting rights) so they

could gain a first-hand insight of the work of the Trust Board. If a Member had a particular area of interest i.e., Standards / Finance they could also be invited to those committee meetings.

The Chair suggested that Trustees email PH with any particular areas of interest that could be developed further.

Agreed: That Members be invited to Trust meetings as observers

Action: Trustees (email PH with any areas of interest)

Clerk (invite Members to full Trust Board meetings)

16. TRUST PRIORITIES 2023/24

PH reported that the Central Team had met to agree the priorities for the forthcoming year. The priorities would be built into the Trust Development Plan for 2023/24 and once completed would be shared with Trustees.

Agreed: To receive and note the Trust Priorities for 2023/24

17. TRUST QA CALENDAR

A copy of the Trust QA calendar had been uploaded to the Gateway for Trustees to note. PH stated that this provided a good overview of the scrutiny that took place within the Trust.

Agreed: To receive and note the Trust QA Calendar for 2023/24

18. ANNUAL IMPACT STATEMENT FOR TRUSTEES

The Annual Impact Statement for Trustees had been uploaded to the Gateway.

Agreed: That the Annual Impact Statement for Trustees be approved

19. SEND AND ALTERNATIVE PROVISION IMPROVEMENT PLAN

In response to the SEND Review Green Paper Consultation, the Government had published its SEND and Alternative Provision (AP) Improvement Plan: Right support, right place, right time. The SEND and AP Improvement Plan outlined the first steps that the government would take in addressing issues raised. The plan set out a roadmap to transform the SEND and AP system which had been detailed on the accompanying agenda note and uploaded to Gateway.

PH provided an update and stated that whilst there were positive aspects to the plan a lot of money would need to be invested to make this work.

Agreed: That the Trust Board note the report.

20. COLLECTION AND PUBLICATION OF BOARD DIVERSITY DATA

The DfE (Department for Education) has updated guidance on what maintained schools and academy trusts must or should publish online. In order to help boards be reflective of the communities they serve, the DfE was encouraging schools and trusts to publish diversity data on their website.

RL explained that the Trust planned to collect and publish diversity data as part of their Equality Objectives. VG would email an electronic form to Trustees, Members and Local Governors for completion.

A Trustee asked if the website was now 100% compliant. VG explained that there were a couple of areas to finalise.

Agreed: That the Trust Board collect and share their diversity data on the website, ensuring that individuals cannot be identified.

Action: VG (email form)

21. DATES OF NEXT MEETING

Agreed: That the meeting dates for 2023/24 be confirmed as:

Trust

Tuesday 3 October 2023 at 4.00pm

Tuesday 12 December 2023 at 4.00pm (joint Trust & Members meeting)

Tuesday 26 March 2024 at 4.00pm

Tuesday 16 July 2024 at 4.00pm

Standards Committee & Finance Committee

Friday 10 November 2023 at 11.00am / 12.00pm

Friday 1 March 2024 at 11.00am / 12.00pm

Friday 7 June 2024 at 11.00am / 12.00pm

Risk & Audit Committee

Friday 24 November 2023 at 11.00am

Friday 15 March 2024 at 11.00am

Friday 28 June 2024 at 11.00am

Pay & Appraisal Committee

Friday 24 November 2023 at 10.00am

All meetings to be held virtually via Zoom.

22. CONSENT TO ABSENCE

All Trustees were present.

23. ANY OTHER URGENT BUSINESS

There were no items of Any Other Urgent Business.

24. CONFIDENTIALITY

Agreed: That none of the matters discussed 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 5.35 pm

Signed as a correct record: _____

Date: _____

(Chair of Trust Board)

ACTIONS

Minute Number	Person Responsible	Action Required
7	PH	Update Scheme of Delegation and LGB Terms of Reference
15	Trustees	Email PH with any areas of interest
15	ES	Invite Members to Trust meetings
20	VG	Email diversity form

