

Minutes of the Operations Committee Meeting
Held virtually via Zoom on 25th June 2024 at 10am

Invitees	Role	Attendance
Sarah Bellingham (SB)	OLT Governance & Communications Officer	Present
Jodie Croft (JC)	Board Director and OLT CEO	Present
Carina Cuddington (CC)	CFO (Edufin)	Present
Beth Gorsuch (BG)	OLT Chief Operating Officer	Present
Alison Hill (AH)	Board Director	Present
Tyler Jeffs (TJ)	Board Director – <u>Chair</u>	<i>Absent</i>
Arjun Thiru (AT)	Board Director	<i>Absent</i>

Minutes

- 1. Welcome, identify AOB, & declare conflicts of interest relevant to the agenda or updates to the Register of Business Interests to include hospitality**
 - 1.1 JC agreed to act as interim Chair, in TJ's absence after he had sent apologies prior to the meeting.
 - 1.2 JC declared a related party transaction concerning a family member's business named Pro Dimensions, which had been engaged by TPA for the purpose of installing roof panels. The work would be done at cost.
 - 1.3 By way of AOB, JC would provide an update on the Trust's Investment Strategy.
 - 1.4 No-one declared any conflict of interest in relation to the agenda items or any updates for the Register of Business Interests.
 - 1.5 The meeting was not declared quorate (noting the requirement for at least three Board Directors). Therefore items requiring Director approval would be done in writing following the meeting or would be brought before the full Board at the scheduled meeting of 9th July 2024.
- 2. Receive and approve the previous committee minutes and discuss actions not on the agenda elsewhere**



- 2.1 The minutes of the 30th April 2024 Committee meeting would be approved at the following meeting in October 2024, given the lack of quoracy. **ACTION - SB**
- 2.2 In relation to the actions arising from the previous meeting, JC was pleased to confirm that the OCC had guaranteed an additional year of underwriting to fully fund 30 school places at SHPA.
- 2.3 Other actions arising had either been completed, were in progress, or were within the current agenda.

3. Review of school funding priorities within SDP

- 3.1 In readiness for the 2024-2025 academic year, a large piece of work had been carried out at each school to assess the life cycle of assets and equipment, helping to inform budget setting in future years. The money factored into the following year's budgets was mainly to cover any immediate defects identified, with forecasts being made for the timings and cost of maintenance and replacements further down the line. It was helpful to know the worst-case scenario in this respect at each school.
- 3.2 There were many immediate defects to address at each school. At Sires Hill these were ones already being closed out with the builders. At DPA many were still to be closed out from opening. TPA's building had originally been designed as an office block, meaning that it became dirty and damaged more often than a school building designed for purpose. The money required to resolve defects had been factored into project lists and budgets.
- 3.3 It was key to note that DPA was technically overstaffed with permanent staff members. The Trust had now put in place a freeze on any permanent appointments until the budget was back in balance. That situation also meant that a close eye was being kept on pay recommendations. The school had reserves and planned to spend these to avoid redundancies. However, the plan was also not to replace staff when they left, as far as possible.
- 3.4 A portion of the returns received from the Trust's ongoing investment strategy would be used to purchase coaching for senior school teams the following year.
- 3.5 The committee was asked if it had any questions, but none were raised.

4. Recommendation of approval for Academy Budgets and Scrutiny of Forecast Pupil Numbers

- 4.1 CC attended at 10.18 and the proposed budgets were brought up on screen.



4.2 The proposed 2024-2025 budgets had been set as modesty as possible, following circumspect analysis. They had accounted for the fact that core funding from the DfE for September 2024 had risen by 1.2%. BG identified what the proposed teacher and support staff salary increases had been set at, and noted that the Trust was keeping a close eye on the recent full and final offer from the teaching unions to the government on support staff pay increases. The budgets had also factored in historical pupil numbers data from the schools as well as birth rate and housing development data in each area. DPA was the school which could be differentiated in that respect as it had been full in each class since opening.

4.3 JC had put together a pupil number forecast document given the concerns over falling birth rates, and she brought this up on screen. It showed data to include the number of places in Reception at each school and the number of births expected in that area corresponding to that year.

4.4 **Q:** Was 2027-2028 when it was predicted we would see an upwards swing in the birth rate?

A: Yes, but only slightly.

4.5 BG had set up a headline table for each of the schools to show predicted budgets for 2024-2025 and discussed each in turn.

DPA

4.6 An in-year deficit had been forecast. Steps were being taken in the planning for the coming year to reduce this as much as possible. These included the non-renewal of fixed-term contracts for support staff for the following three years, and the assumption that at least one but up to three permanent members of the teaching staff would move on to a new role elsewhere, without replacement. The school's office and finance manager had reviewed all the contracts and tenders, and had taken out systems where possible, such as cancelling non-essential subscriptions.

4.7 **Q:** Had CC seen the schools' proposed budgets?

A: Yes, she had. The potential change of government meant that schools did not know what was coming. Therefore, the proposals here were sensible and a good half-way house. It was important that natural wastage was a key part of the plan rather than changing too many systems at once, which often resulted in high up-front costs. It was possible that schools might receive more funding if the government changed.

4.8 **Q:** Why did the predicted deficit go up quite so much in 2028-2029?

A: It was important to be careful in predictions concerning receipt of EHCP funding. The budgets only showed confirmed EHCP funding, because the Trust did not know what would be received beyond the current pupils on roll up to the Year 6 group. Another mitigating strategy was that more stringent rules would be used to assess teachers' progression from main to upper pay scales. From September 2024 a more



unified approach would be in place for these assessments. JC had proposed an update to the Trust's Pay Policy in this respect, which would be brought to the Board for approval. **ACTION – JC** The onus would be on the school Principals to accurately determine and evidence their recommendations for teacher pay increases based on specific criteria.

4.9 Q: Whilst this approach to balancing budgets sounded sensible, what did JC and BG think the knock-on effects might be on the schools? What might need to feature in communications to the different stakeholders?

A: The main impact would be from the reduction in support staff, especially given the high numbers of pupils with special educational or additional needs and the resultant number of individualised pupil support plans in place. That would become harder to manage well. Also, it was still a huge challenge to fill vacancies with good quality staff. The stricter the Trust became on performance and pay, the less appealing it might be perceived as a workplace, worsening that issue. The Trust had started to offer visa sponsorship to encourage applicants from overseas.

4.10 Q: Had the Trust also considered encouraging later career teachers to return to work?

A: That could be an interesting strategy, although it would be important to budget carefully in that respect.

4.11 Q: Had the Trust considered its communications strategy on these topics, as it might be helpful that more difficult messages came from the Trust rather than individual school Principals?

A: That was certainly worth considering carefully, as there were likely to be some challenging situations coming up such as increased classroom disruption and concerns over pupils' behaviour. It would be important to let parents know that schools both locally and nationally were finding it hard to recruit good staff, and that this would have a big impact for those schools and for the Trust's schools.

SHPA

4.12 SHPA was also forecasting a deficit in-year. This was to do with the small number of pupils, but as the school grew and numbers increased, the situation would look more favourable. The Trust were grateful to the school's office and finance manager for keeping an extremely close eye on every line of the budget and managing costs very tightly.

4.13 Q: Was there a concern about the lack of carry forward?

A: Electricity costs had been higher than expected. The building contractors' view was that the electricity meter was not properly differentiating between the power generated by the solar panels and the total power being consumed by the school. The data was not accurate enough, but once the issue was resolved the building would not be as energy intensive as it appeared currently. Solar panels had been installed over the entire roof, so something was not right there. JC and BG would review the budget



again to ensure it balanced, before bringing this to the Board for approval in July 2024.

ACTION – JC/BG

4.14 Q: Was the budget prediction only for one year?

A: It looked three years ahead. .

4.15 Q: Were any of the start-up funds left over?

A: No, these had been spent.

TPA

4.16 TPA was showing an in-year deficit as well, but had reserves for managing this. The deficit was due to staffing and maternity costs, and future years looked healthier.

4.17 Q: Was there a similar picture to DPA in 2028-2029?

A: Pupil premium and EHCP funding was shown as falling off in a similar way, which was why it had gone back to a deficit at that point. JC expressed how pleased she was to see that TPA was now emerging well from a turbulent previous year with poorly controlled spending and budgeting. Finances were now being much more tightly controlled, and the school was being very prudent. The expectation was for the school to achieve and maintain in-year viability, rather than accrue a surplus

4.18 Q: Had there been too much of a reduction in predicted costs for the teaching assistants the school needed?

A: JC agreed that some costs may need to be allocated for fixed term teaching assistants at WPA and TPA. She would review and update this with BG and the Principals as needed, especially since several of these assistants were training to be teachers, and this was a key recruitment pipeline for the schools. **ACTION – JC/BG**

WPA

4.19 WPA was showing a surplus, which was good news. A very prudent forecast had been set for the coming year and for future years' viability. There was a deficit shown in the future, but only as the EHCP and PP funding was shown to fall off. It was too risky to include unknown funding in the budgets in that respect.

4.20 Q: Why had SHPA not started with a surplus?

A: It was linked with the low pupil numbers on opening, compared with the other schools at the same point in time. OCC had guaranteed full funding for 30 places, but the schools' starting point was still much smaller than for the other schools. The school had been built on a housing estate which was very much in its infancy. DPA and WPA also started on a frugal journey.

OLT



4.21 Future years' budgets had been based on Surbiton opening. That was not guaranteed. If Surbiton did not open, the Trust would show a deficit in five years' time, but if that scenario emerged the Trust would review its budget to manage that and had reserves to spend to help with this. Two alternative budgets were being run currently, one showing Surbiton as opening and one showing not. The central team was very small and costs were being kept as modest as possible.

4.22 In summary, it was agreed that JC and BG would be updating the SHPA budgets to show adjustments for energy costs, and would be updating the TPA and WPA budgets to show adjusted teaching assistant costs for 2025-2026, before submitting all the budgets for Board approval.

4.23 Q: Did it give the wrong message to the DfE to show surpluses when submitting these budgets?

A: CC explained that the Trust should be showing deficits if that was the true picture of how much it cost to maintain an outstanding provision. The reality was that the schools needed more support staff than government funded allowed for, to maintain standards. Lots of schools were trying to share these resources in innovative ways, such as having teaching assistants work mornings only, or across classes. It was about getting the message across that this type of approach was not what the Trust was choosing to do, rather it was what it was having to do to balance the budget. CC understood that it was tricky getting the right balance between showing what was needed whilst not giving an impression of poor financial management.

4.24 Q: Should the schools be putting in their ideal staffing levels to show what that really cost?

A: It was perhaps worth reviewing this strategically, to show what was really needed, but was not a strategy to pursue this year as, doing this last year had made financial decision making unclear

Trust and Schools' Pay Recommendations for 2024-2025

4.25 Staff performance management was taking place at the moment. A very modest approach was being taken, noting that a formal pay band structure was in place to ensure ongoing affordability. JC flagged that the DfE would be scrapping the system of performance-related pay increases from September 2024.

4.26 It was agreed that a key approach going forward was to retain good staff knowing how hard, and potentially expensive it was, to replace them.

5. Receive Management Accounts for May 2024

5.1 The following documents had been circulated in advance of the meeting, dated May 2024, for the Committee members to review:

- Executive Summary



- Balance Sheet Summary
- Cashflow
- DPA Management Report
- SHPA Management Report
- TPA Management Report
- WPA Management Report
- Omnia Management Report

Executive Summary

- 5.2** CC shared the Executive Summary on screen. She explained the key information included in this summary document and in the management reports she had circulated, which included an explanation of the Trust's and each school's position in relation to in year surplus or deficit positions, reserves, carry forward balances, capital budgets, outgoings such as costs incurred in relation to staffing, premises works and contracts for services such as cleaning and catering, as well as receipt of government grants and other income.
- 5.3** A copy of the table of information within the Executive Summary would be pasted into a confidential annex to these minutes for the Committee's reference, per audit requirements.
- 5.4** **Q:** The figures were lower for SHPA; was the lack of brought forward reserves concerning?
A: The reserves at the other schools had been built up over time. SHPA was not here yet. The point to watch out for with SHPA was in four years' time, when OCC's funding guarantee fell away, leaving the school dependant on income per pupil on roll. The strategy in place was that no permanent appointments would be made until more was known about pupil numbers in future years.
- 5.5** **Q:** In terms of the Trust's annual investment strategy, would it be prudent to invest the same level of cash in the bank in 2024-2025, based on current cashflow and budget forecasts? Would the Trust have a similar amount available to invest?
A: CC said that looking at the lowest anticipated point in 2024-2025 based on the cashflow forecasts in the documents, then investing the same amount as had been put away this academic year would be a good option and would still leave a prudent amount in the Trust bank account in case required. Even if interest rates fell by 1%, the Trust was likely to make sufficient returns to cover the predicted cost of staff school lunches that year.
- 5.6** The Committee discussed what level of commitment from the Trust could be given to staff before the summer about a repeated offer to fund school lunches during the next academic year, as well as options for adjusting the investment strategy based on better knowledge of interest rates in due course. It was also noted that the take up by staff of the school lunches, and therefore the cost to the Trust in providing these,



tended to be less in the summer term, when the warmer weather meant that hot meals were less popular.

5.7 JC said she would review this after the meeting, and aim for a message to be included in the summer bulletin. **ACTION – JC** Potentially the offer would be communicated as being reviewed on a term-by-term basis, with a firm commitment given only for the autumn term initially. CC added that JC would know by end of November if the investment returns were enough to pay for autumn term staff lunch costs. If not, then the offer of the funded lunches could be rescinded in respect of the spring and possibly summer term, and returns received later in the academic year could still be used to pay for the lunch costs incurred.

5.8 **Q:** Were the bank rates offered for new fixed term investments for periods up to one year, different from last year?

A: The rate was something like 4.89% for the year, but then the rates for the investments with shorter cycles went down. Overall, it was probably down to 4.5% for the year. JC would receive the latest rates from Barclays but would not be investing the main portion of the Trust monies until later in the calendar year. That was the key amount, and maturity would not occur until autumn 2025.

5.9 There were no further questions and the accounts were confirmed as received.

5.10 CC left at 11am.

6. Review of spending linked with educational priorities

6.1 There was nothing to raise for this agenda item.

7. Receipt of Internal Audit Report (Summer Term 2024 – Governance Focus)

7.1 The second internal audit report had come back, having had a governance theme. It was extremely positive. There were only four management points, three of which were low risk and one of which was medium. Low risk issues were as minor as typos or a question over the meaning of the word 'bi-annual'.

7.2 All of the points had either been addressed or were in hand.

8. Receive COO Compliance Report

Covering: IT/GDPR, financial audits, HR, H&S (external audits, WRA, FRA), staff absence, premises, safeguarding (SCR audit & LADO audit), & policies review

8.1 BG highlighted the key items from her report. These included confirmation that:

- All external compliance requirements at the schools had been completed or were due to be completed in the next two weeks;



- There had been a successful clawback of the sum of money fraudulently obtained from one of the schools (flagged at the previous meeting), with the outcome that staff had attended cyber security training and policies had been updated as needed;
- Two internal audits had been completed, the external audit was due to start imminently, and the ongoing teachers' pension audit was going well;
 - BG and JC expressed their thanks to Director TJ who had been generous with his time in providing the Trust assistance with the pensions audit process;
- All of the schools had moved or were due to move school meals provider for September 2024. TPA's new caterer appeared very professional, competitive on price, able to supply much improved food quality, and showed robust processes in place for managing allergens.
 - JC explained that TPA's outgoing caterer, Edwards and Ward, had seriously let the school community down by not following best practice in terms of managing allergens, food serving practices, and paperwork. The Managing Director had stepped in to improve the service in the lead up to the end of the academic year, but this should have been done much sooner. The school worked hard to tender the catering contract and select a new provider. The school, pupils, and parents had been extremely disappointed with the provision. It was hoped that after a re-inspection from Richmond Environmental Health in September, the school kitchen's hygiene rating would rise back up to a five, having fallen to a four.
- A new staff policy area would be set up to allow staff easier access to key Trust and school policies, to supplement the Parago system which could be tricky to navigate;
- Short term staff absence figures had come down by a total of 30 days, per the latest analysis.
- Health and safety, fire, and water assessments were all in hand, as well as the LADO requirements.
- The commissioned Cambridge surveys had come back, and had been extremely comprehensive and useful. They showed clear life cycles and replacement costs for each schools' assets and equipment, together with defects needing urgent attention in the following budget year.
- Policies were being updated per the Trust's review schedule, with several due to discussion later in the meeting. The E-safety policies had been updated to reflect the latest web-filtering and monitoring systems in place. The Trust's privacy policy for pupils had been updated to align with that as well.

8.2 There were no questions on these items.

9. Review and Approve Policies in line with OLT Policy Scheme of Delegation

OLT LGPS Discretions Policy & OLT TPS Discretions Policy

9.1 These would be brought to the Board for approval given the lack of quoracy. **ACTION - SB**

OLT Sickness Absence Management Policy and Procedure

9.2 The policy had been reviewed by the external HR advisors as well as by JC and BG. AH and JC both confirmed that they were happy to approve the policy in its current form. Directors TJ and AT would be asked to review and approve this in writing after the meeting. **ACTION - SB**

10. Review of Trust Risk Register 2023-2024

10.1 JC confirmed that no significant updates had been made, however she would look at adding in the SHPA budget for 2024-2025 if needed following further review. AH added that staffing might be an area to raise in future, given the budget and recruitment issues the schools were facing. JC would take that on board.

11. Agree confidential status of the meeting's documents: ATH 2023 Ref: 1.45

11.1 It was agreed by the committee that other than the agenda, the approved minutes from the previous meeting and any approved final versions of policies, the remaining documents reviewed for this meeting were confidential to the Trust.

Meeting Closed: 11.15

Dates of meetings in the 2024-2025 academic year

All meetings are held on a Tuesday

- **8th October 2024:** 10am to 11.30am
- **26 November 2024** (Audit and Risk): 10am to 11am
- **11 February 2025:** 10am to 11.30am
- **1 April 2025:** 10am to 11.30am
- **24 June 2025:** 10am to 11.30am

Action list of 25th June 2024 Operations Committee Meeting

Action Number:	For Whom:	Reference:	Action:
1	SB	Minute 2.1	Organise for previous meeting's minutes to be brought to the next meeting for approval, and attendance and minutes/agenda to be uploaded on the website DONE
2	SB & JC	Minutes 4.8 & 9.1	Bring updated OLT Pay Policy and OLT LGPS/TPS Discretions Policies to the July 2024 Board meeting for approval DONE



3	JC & BG	Minutes 4.13, 4.18 & 4.24	Review and update the SHPA & TPA 2024-2025 budget proposals to bring to the July 2024 Board meeting for approval DONE
4	JC & SB	Minute 5.7	Include a message to staff in the July bulletin about plans to fund staff school lunches in 2024-2025 DONE
5	SB	Minute 9.2	Ask AT and TJ to review and approve the updated OLT Sickness Absence Management Policy DONE