

Minutes of the Operations Committee Meeting
Held via Zoom on 27th June 2023 at 10am

Attendees

Sarah Bellingham (SB)	OLT Governance & Communications Officer	Present
Jodie Croft (JC)	Board Director and OLT CEO	Present
Carina Cuddington (CC)	OLT CFO (Edufin)	Present
Beth Gorsuch (BG)	OLT Chief Operating Officer	Present
Silvia Holgado-Gomez (SHG)	Board Director	Present
Tyler Jeffs (TJ)	Board Director – <u>Chair</u>	Present
Arjun Thiru (AT)	Board Director	Present

Minutes

1. Welcome & items for AOB/Confidential

- 1.1 JC welcomed everyone and the meeting was declared quorate (noting the requirement for at least three Board Directors).

2. Declare conflicts of interest with agenda items or updates to OLT Business Interests Register, & declare receipt of any hospitality

- 2.1 No conflicts were declared with the agenda items. There were no updates or receipt of hospitality to declare for the Register of Business Interests.

3. Receive previous Committee minutes and discuss actions not on the agenda elsewhere

- 3.1 The Committee unanimously approved the Operations Committee minutes of 9th May 2023. SB would organise for the approved version to be signed by the Chair. **ACTION – SB**
- 3.2 The actions from the last meeting were either completed, in progress, or within the current agenda.

4. Review of school funding priorities for 23/24

WPA

4.1 JC confirmed that WPA had just received its Ofsted judgement of outstanding, meaning that there were no obvious financial priorities other than the matter of a SEN pupil for whom government funding had not yet been received. The school was currently paying for a part time 1-2-1 support at present. The child's needs were so severe that he was not likely to remain at the school for long, as it was not the right provision.

4.2 **Q:** Was the school likely to get backdated funding?

A: Possibly. However, even 1-2-1 support was not adequate. The support required was more a 2-2-1 provision and this was not something the school could afford.

4.3 JC also highlighted anticipated costs for the school in relation to staffing for September 2023, boiler repairs, and boiler replacement.

DPA

4.4 Oxford County Council were due to review its liability for repairing the leaking roof. This was unlikely to be a quick process.

4.5 JC spoke about writing outcomes at DPA and the extent to which the additional funds previously allocated to the school to support pupils with these had been spent or would be carried forward to the following academic year. JC described the monitoring and interventions which had recently been taking place.

4.6 Overall, DPA was financially healthy.

TPA

4.7 The insurers had confirmed that the cracks on the school roof were wear and tear and not their responsibility. Quotes for repairs had come in at around £38k. The state of the roof had also caused internal leaks which would also need fixing. The risk register had been updated as a result, to include the fire risk in case water affected electric wiring. Work would be carried out as quickly as possible, and the school was monitoring the extent of any leaks on a daily basis to ensure that classrooms or other areas of the building would be closed if needed for safety reasons. There was enough surplus in the school's budget to meet the cost of this work.

SHPA

4.8 The building was brand new, and the Trust was hopeful that there would be no issues with it upon starting and for some time thereafter.

4.9 The Directors were asked if they had any further questions, but none were raised.

5. Recommendation for Board approval of 23/24 Academy Budgets and Scrutiny of Forecast Pupil Numbers

5.1 CC arrived 10.16.

- 5.2** BG provided a high-level overview of the draft school and Trust budgets and the budget parameters document which had been circulated before the meeting. The Committee was asked if it had any questions, before being asked to recommend the draft budgets for Board approval in July 2023.
- 5.3** **Q:** What rate had been included for a rise in teachers' salaries?
A: This had been set at a conservative 6.5% increase, but the actual percentage pay rise was not yet known.
- 5.4** **Q:** Would these pay rises need to be completely funded by the Trust/schools?
A: This was an unknown as yet. However, in the draft budgets BG had included a mid-way position, where 2.7% of the 6.5% increase was shown as funded by the DfE, and the remainder by the Trust.
- 5.5** The Committee members had a detailed discussion with CC about the information which was publicly available in relation to teacher pay rises, about what the DfE's decision might be, and what the position might be in the following three to five years.
- 5.6** BG carried out a calculation for each draft budget during this discussion, to demonstrate what the predicted bottom line would be if the schools were required to fund an additional 0.5%, for an analysis of affordability.
- 5.7** BG explained that 'worst case' scenario per school. CC explained her view that these scenarios were affordable based on the numbers provided and TJ agreed with that. The directors were invited to ask questions.
- 5.8** **Q:** What was the current assumption on the rate of inflation on income for the next three years?
A: The Trust was predicting 3% on government funding year on year.
- 5.9** **Q:** Was the government funding always a flat amount?
A: It was calculated on a per pupil basis but increased by a percentage each year. The amount received per school depended also on the application of an age-weighted pupil unit calculation as well as deprivation factors. CC said that the Trust had to make a prediction of its future pupil numbers and what its minimum level of funding would be. It used a flat rate as a basis, as it was too complex to do otherwise, and was predicting an increase to this by 3% year on year.
- 5.10** **Q:** Did the Trust have a minimum number of pupils it based its calculations on?
A: The Trust looked at the school's track record on pupil numbers and waiting lists to help with predicted pupil numbers. It also looked at local authority data, for example on birth rates and local housing projects.
- 5.11** **Q:** In TPA's budget, why were the catering costs lower for 2023-24?
A: The London mayor had confirmed that all pupils up to Year 6 would receive a free school meal for the 2023-204 academic year. This was for one year only. This had been factored into TPA's budget on a best estimate basis in terms of uptake.

- 5.12** The Committee had a discussion about the rationale for factoring in staff fixed term contract end dates for budget purposes. CC advised that the cost of staff contracts should be continued onwards year on year in the school and Trust budgets, without an end date, unless the fixed term contract related to a specific short-term project, such as pupil catch up support for a single school term. The DfE should be seeing what resources and funding were needed by the Trust and schools in the mid to longer term to deliver an outstanding curriculum. A narrative would normally be submitted where this resulted in a deficit position.
- 5.13** BG would update the budgets by taking out fixed term contract end dates and would adjust the numbers accordingly. **ACTION - BG**
- 5.14** **Q:** Did the Trust think that receipt of 2% funding from the DfE for teacher salary pay rises was a good assumption at this time? Or was it more likely that no funding would come through for this?
A: CC thought that some funding was more likely than not for 2023-2024, however that was unlikely to be the case the following year, when the same funding might be wrapped up in a different type of grant.
- 5.15** **Q:** Was there no SSG in the budgets for next year?
A: BG said not, as she had assumed SSG and MSAG would be part of NFF from next year.
- 5.16** **Q:** In terms of what was needed by each school, had the staff been able to get what they needed for their various projects each term?
A: JC confirmed that everything was there in terms of day-to-day resources. There were generous budgets in place per year per school. Equipment was refreshed when needed. There was also a planned asset management strategy, which monitored the quality and state of items such as furniture and sports equipment. It was a good picture.
- 5.17** **Q:** Please could the committee be shown the pupil forecast in WPA's budget?
A: This was towards the bottom of the sheet at row 195. Numbers were growing conservatively every year. There would be an increase of 15 pupils next year and 30 each year thereafter.
- 5.18** **Q:** Why 15 pupils next year?
A: LP asked for that, having wanted to be very cautious, however this did look a little low. JC would discuss this with LP again and would bring an updated budget to the July 2023 Board meeting for approval. **ACTION - JC**
- 5.19** **Q:** Linked with the minimum funding guarantee in place at SHPA from OCC, when did SHPA need to fill its classes to ensure receipt of sufficient income?
A: This would be in four years' time.
- 5.20** **Q:** Why was the number of SHPA nursery pupils set as 56. Should this say 30?
A: This number factored in the 30 from the minimum funding guarantee, and the 26 for whom separate funding would be received.
- 5.21** **Q:** Had BG carried out the calculation of the cost of an extra 0.5% in teacher pay rises within the SHPA budget as well as the others?
A: BG had done that, and it had reduced the in-year surplus by about £2k.

5.22 Q: Did the Committee need to review the effectiveness of DPA spending the remaining amount of the allocated additional money on support for writing outcomes, if this had so far not had the expected impact?

A: JC thought this was wise, but also that it was important to wait until the school's SATs results had come out on 11th July 2023.

5.23 The Committee agreed that this was a sensible approach, and that a further discussion should be had after that date.

5.24 The Committee were comfortable to recommend that the Board approve the budgets discussed for OLT, DPA, TPA, and SHPA, on the basis that BG would be making the agreed adjustments to take out fixed-term contract end dates and to reduce the DfE funding assumption for the expected teacher salary pay rises.

5.25 These adjustments would also be made to the WPA budget, but JC and BG would produce an updated version for the Board to review and approve, after further discussion with LP on predicted pupil numbers.

5.26 CC left at 11.15.

6. Receive Management Accounts dated May 2023

6.1 CC had circulated the following documents in advance of the meeting, for the Committee members to review:

- Executive Summary May 2023
- Balance Sheet Summary May 2023
- Cashflow May 2023
- DPA May 2023 Management Report
- TPA May 2023 Management Report
- WPA May 2023 Management Report
- Omnia May 2023 Management Report

6.2 CC shared the Executive Summary on screen. She provided a detailed summary of the information in this summary document and in the other reports, which included an explanation of the Trust's and each school's position in relation to cashflow forecasts, in-year surplus and deficit scenarios, carry forward balances, outgoings such as staffing and energy costs, and receipt of government grants and other income. Overall, there was an in-year surplus across the Trust and large carry forward reserves.

6.3 The Committee members were asked if they had any questions.

6.4 Q: How much had the Trust's costs and expenses suffered from the impact of inflation?

A: Staffing costs were the largest part of the budget, so there was a significant inflationary impact there. Energy and catering were the other significant costs, and were continually on the increase, with inflationary increases in the region of 5-6%. The difficulty for schools was that funding was not increasing in line with inflation.

6.5 JC added that the Trust and schools had entered into contracts with suppliers and providers which had fixed costs. However, when these next came up for renewal, prices were expected to rise more than usual.

6.6 BG explained that the internal auditors had asked for more detail in the minutes of these Committee meetings about the Committee's review of the management accounts. It was agreed that BG would ask the auditors whether they needed more detail about what had been supplied via Edufin's documents and/or more detail about the discussion and challenge by the Committee. BG would inform the Committee once she had found out more. **ACTION - BG**

7. Review of TPA roof and playground works

7.1 JC had already provided an update about the state of the roof at TPA, and the extent and cost of work anticipated to sort this out.

7.2 New refreshed playground equipment was needed for the school. The playground was small and needed investment in new equipment, especially climbing and similar equipment to help keep pupils active. A newer and more attractive outside area would also be attractive to new families.

7.3 JC explained that £30k had been ringfenced for investing into the playground and £38k for the roof works. This would be via an allocation of capital funding, which was separate from revenue or surplus. The DfE was permitting the school's use of left over ICT funding, and some funds were available in the premises budget. JC was confident this was the right thing to do for TPA.

7.4 JC confirmed that she could approve a spend of up to £50k, but there may be chunks which needed to come off the surplus, reducing the total carry forward amount. JC wanted to make the Committee aware of this.

7.5 **Q:** Could the current car park at TPA be converted into additional playground space?
A: Unfortunately not as the car park needed to be there due to a planning condition. JC would prefer this as playground space, but it was out of her hands. The council had taken the view that teachers' cars should not take up spaces on the road intended for residents. Parts of the car park were regularly cordoned off to allow pupils to play football.

7.6 The Committee agreed it was important to invest the anticipated funds into these items at TPA. It would benefit the pupils and staff and would help the appeal of the school.

8. Receive COO Compliance Report dated June 2023

Report covering: IT/GDPR, financial audits, HR, H&S (external audits, WRA, FRA), Premises, Safeguarding (SCR audit & LADO audit), & Policies Review

8.1 BG spoke to the key parts of her report.

8.2 These included:

- The impact of updates to KCSinEd for September 2023 requiring web-filtering procedures in place at the schools, and the actions underway to comply with these;
- The Trust's receipt of a subject access request ('SAR') from a parent at one of its schools and the steps being taken to respond in line with legal requirements;
- The predicted impact of a new data protection bill currently going through parliament, which was designed to reduce the burden on schools in terms of data processing;
- The Trust's receipt of its summer term 2023 internal scrutiny report from auditors UHY (RB);
- The fact of all schools confirmed as compliant with applicable Health and Safety requirements; and
- The fact that the Trust had put in place a new payroll provider, 'Access' with effect from 1st September 2023, and the work being done to transfer data across to them in good time.

8.3 Q: Linked with the Trust's receipt of the recent SAR, and receipt of a similar one prior to that, was it worth taking legal advice on the scope of the search parameters, to ensure we were not doing more than required?

A: BG confirmed that the request had been limited to anything containing the pupil's full name or date of birth, which she was comfortable was a reasonable request.

8.4 Q: Did the earlier SAR ask for non-date of birth e-mails?

A: That parent had asked for items containing the child's full name. That was permitted. The item did not need to contain the date of birth to be disclosable.

9. Receipt of UHY (RB) Internal Scrutiny Report – Summer Term 2023

9.1 BG highlighted the key elements of the internal audit report, which she shared on screen, and which had been circulated before the meeting. These included the following items:

- Most points raised by the auditors were low risk.
- The Trust needed to review its bank reconciliations process and this review was in progress.
- The Trust and its schools needed to ensure compliance with the Trust's procurement processes in the finance manual: at least two quotes were required and a screen shot kept of the information gathered if a purchase was over £500k. BG and JC were due to discuss how best to enhance wording in the finance manual on the process in place for using preferred suppliers. **ACTION – JC & BG**
- The schools were advised to keep all delivery notes received. This was a recommendation for best practice rather than a requirement.
- The Trust's finance manual should be clearer about the due diligence needed in response to a supplier notifying of a change in bank details. BG would be adding wording into the finance manual to clarify this but was confident the office managers were clear on the process required. **ACTION - BG**
- The Trust and schools were asked to ensure that all invoices were signed per finance manual requirements. This practice was in place, but the sample reviewed by the auditor had come from a point in time when the previous TPA office manager had been in place. This manager was no longer in post.

- The finding of a duplicate payment of certain TPA invoices had been noted as low risk, due to the link with the previous TPA office manager. A document had since been shared with office managers on how to process invoices per the finance manual.
- More detail had been requested in Operations Committee minutes on its review of the management accounts each time, which had already been discussed and an action point agreed upon.

9.2 In summary the auditors had raised a total of 11 points. Mostly these were low risk and had related to a specific or one-off incident. No trends or patterns had been spotted. The Trust was grateful to have this oversight, which helped everyone do their jobs well.

9.3 **Q:** Did office managers need to sign every invoice, and was an electronic signature an option?

A: TJ thought that an auditor would always want evidence of approval but that this did not necessarily mean evidence in the form of a signature on paper.

9.4 The Committee discussed various options for evidencing approval of invoices. It was agreed that JC and BG would look at the possibility for purchasing a 'DocuSign' system for the Trust to enable electronic signing of invoices and other documents, which would avoid the need for printing and scanning items. They would also look at what electronic signing system Access might have in place. **ACTION – JC & BG**

10. Policies requiring Committee approval

OLT Sickness Absence Management, OLT Sick Pay, & OLT Probation

10.1 BG explained that these documents had received minor updates to respond to the advice of new payroll provider, Access, that about the requirements for paying statutory sick pay whilst on (the Trust's six months') probation period. Access had flagged that staff were entitled to full pay after four months' service, and the policies now reflected that. They were compliant with the Green Book and Burgundy Book.

10.2 The Committee approved the updates to the three policies.

10.3 SB would upload these versions to Parago, and the shared drive. **ACTION – SB**

11. Policies requiring review and recommendation for Board Approval

11.1 There were none requiring review at this time.

12. Review of Trust Risk Register

12.1 JC had updated this with all the risks noted today.

13. Approve Trust responses in Kreston Reeves IT Controls Questionnaire

13.1 BG shared the report on screen and explained that this was part of a set of new external audit requirements.

- 13.2** Kreston Reeves had asked that this Committee were comfortable with the Trust's responses to the IT Controls Questionnaire before submitting it back to them.
- 13.3** BG ran through the Trust's responses and asked if there were any questions.
- 13.4** **Q:** When the Trust had put a 'no' in the response area, did it mean that it was supposed to have put something in place but had not?
A: TJ confirmed that this was not the case. The questionnaire was about an assessment of risk per a new auditing standard.
- 13.5** **Q:** Might it be the case the Trust's IT consultant was already doing some of the testing referenced in the questionnaire?
A: The consultant had helped BG fill out the form, so his views had been accounted for. JC added that she did not think that external penetration testing was being done across all schools routinely.
- 13.6** **Q:** What was the financial statement areas point?
A: This was about what financial areas might be impacted by the systems in place.
- 13.7** **Q:** For that point, did the Trust need to reference every IT application it used?
A: TJ advised that this should be limited to the major ones, which had anything to do with finance.
- 13.8** BG confirmed that she had referenced Parago, MIS, Parent Mail, and Parent Pay. The Committee agreed that this sounded sensible.
- 13.9** BG would check with the IT consultant and the auditors about whether the Trust's current 'no' response on the external penetration point was correct. **ACTION - BG**
- 13.10** The Committee members confirmed that they were comfortable with the Trust's responses, noting BG's action point.

14. Agree confidential status of the meeting's documents: ATH 2021 Ref: 2.51 at page 32

- 14.1** 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: 11.52

Date of next meeting: Tuesday 10th October 2023 – 10am

Action list of 27th June 2023 Operations Committee Meeting

Action Number:	For Whom:	Reference:	Action:
1	SB/TJ	Minute 3.1	Arrange for the previous meeting's approved minutes to be signed by the Chair. [REQUESTED]

2	BG	Minute 5.13	Update all of the draft budgets for 23-24 by removing staff fixed term contract end dates and adjusting the numbers (costs) accordingly, before the July Board meeting.
3	JC	Minute 5.18	Speak with LP about the WPA budget in relation to the assumption on pupil numbers and update as needed before the July Board meeting.
4	BG	Minute 6.6	Ask the internal auditors what additional detail was required in the minutes on the Committee's review of the management accounts, and why.
5	JC&BG	Minute 9.1	Agree on enhanced wording for the finance manual on the process for using preferred suppliers and update the manual.
6	BG	Minute 9.1	Update the finance manual on the process for due diligence when notified of a supplier's change of bank details.
7	JC&BG	Minute 9.4	Explore what system would be suitable for putting in place for staff to electronically sign documents, to avoid unnecessary printing and storing or hard copy invoices (or other documents).
8	SB	Minute 10.3	Upload all approved policies to Parago and to the shared policies drive. [DONE]
9	BG	Minute 13.8	Speak to Kreston Reeves and the IT consultant about what response was required in the IT Controls questionnaire on the testing of IT systems