

Minutes of the Operations Committee Meeting
Held via Zoom on 9th May 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>	Absent
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 21st February 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. Receive report on internal audit outcomes

Omnia Internal Scrutiny Report Spring Term 2023

- 4.1 UHY Ross Brooke were the internal auditors for this academic year. The first audit had taken place in the autumn term and had looked at HR and payroll. The report in the folder referred to this audit and the two minor action points arising from it had now been closed off.
- 4.2 The second internal audit had started this month. It would cover procurement and financial controls. A range of deliverables had been requested by UHY (RB) for investigation. These were being sent across this week. The Trust was anticipating a smooth process.
- 4.3 The Directors were asked if they had any questions.
- 4.4 **Q:** Were the auditors likely to comment about the invoicing errors discovered at TPA in recent months?
A: This was likely. The Trust was happy to inform the auditors of new measures in place aimed at preventing a recurrence of the situation. It was worth noting that the Trust had been through a number of internal and external audits during which these invoicing issues had not been picked up. They had been hard to identify. BG had since carried out spot checks at DPA and WPA and was comfortable that no such errors had been occurring.

5. Asset Management and Capacity Review

- 5.1 JC gave a verbal update about matters to include: school furniture and equipment purchases, annual caretaker reviews at each school covering furniture quality, forecasted spending on assets for inclusion in the following year's budgets, estate management at each school including mention of boiler maintenance at WPA, the works schedule at DPA, as well as leak and roofing repairs needed at TPA, as well as insurance cover, and school and Trust funding agreements with the DfE.
- 5.2 The Committee were asked if they had any questions.
- 5.3 **Q:** Was it worth speaking to the local M.P. if talks with the DfE about the roof repairs needed for TPA were not progressing as hoped?
A: That was a good idea and worth keeping in mind.

6. Review of EFA Capital Funding and Procurement

- 6.1 JC gave a verbal update to the Committee about the funding available for capital projects across the schools. This included mention of the schools' devolved formula capital fund, funding received to improve energy efficiencies and how this was being spent, findings from the Trust's research and cost-benefit analysis on rooftop solar panels at DPA and WPA, and the cost and progress of installing furniture and ICT equipment for new school SHPA, due to open in September 2023.
- 6.2 The Committee discussed the solar panel findings in detail and agreed that there was insufficient evidence of a cost benefit to the Trust and schools. It would be more prudent to wait for clarity from the DfE on potential future funding specifically to assist with the purchase and maintenance of these.
- 6.3 The Committee were asked if they had any questions.

6.4 Q: To what extent had the Trust needed to make an application for the recent funding received from the DfE for the Capital Energy Grant?

A: This had come in straight from the DfE without the need for the Trust to apply for it.

7. Receive Management Accounts dated March 2023

7.1 CC shared the Executive Summary on screen and referred to the key parts of this. Her summary included mention of the cashflow forecasts for the Trust and schools with reference to in-year surplus and deficit positions, carry forward balances, as well as to staffing and energy costs, the allocation of government grants, and receipt of income to include the healthy returns being realised from the Trust's investment strategy.

7.2 Q: Why was WPA showing £30k less in surplus funds? Had anything gone wrong in terms of forecasting?

A: It was correct that the school's surplus had reduced by £30k. In part it had resulted from £22k spent on agency staff to cover a staff member's maternity leave.

7.3 Q: How much did it typically cost when a staff member went on maternity leave?

A: In general, this was around £10k.

7.4 Q: Why had it cost WPA £22k on that occasion?

A: This was because the staff member taking maternity leave was a teaching assistant ('TA') working in the nursery provision, which had high staff to pupil ratios. TA costs per day were now very high at agencies, who were aware of the difficulty for schools recruiting for nursery roles in particular. Prices were currently more than double what the schools' paid for salaried staff in similar positions.

7.5 Q: Was there a way of linking up with other local nurseries to share staff in some way?

A: It was highly unlikely that another nursery would have staff to spare to provide cover for the high rate of turnover at nursery level. There were significant challenges recruiting, training and retaining teaching assistants in general.

7.6 Q: How much notice did staff need to give of their intention to take maternity leave?

A: CC understood that this was latest at 26 weeks' pregnant to give a minimum of 13 weeks' notice to the employer. However, many staff did not wait that long.

7.7 Q: Was the Trust's absence insurance covering the cost to the Trust of staff taking maternity leave?

A: The insurance policy provided a clearer benefit in respect of sickness absence, whereas it was harder to find the costs benefit to the Trust in respect of maternity leave costs. Even for sickness absence, pre-existing conditions were excluded, meaning that the benefit of the policy overall was not as much as had been hoped.

7.8 CC recommended that the Trust consider looking at the cost of taking out this insurance policy annually, to see how it compared with the actual cost of the staff cover required. It might be more costs effective just to pay the staff costs rather than paying insurance premiums on top of some agency fees.

7.9 Q: How was it possible to operate within budget, given such variances on account of staff absence, which was hard to predict year on year?

A: BG explained that there were always deviations from budget predictions. The budgets were set annually in June but typically there were staffing changes right up to September, with further changes throughout the academic year. Data from the government on teacher and support staff salaries might also come in late. This required predictions, for example on inflationary increases, and predictions could turn out to be wrong. JC emphasised the detail and regularity with which BG and CC supported school office managers with budgeting across the schools.

7.10 Q: When had catering costs gone up at WPA?

A: The budget for WPA had not accounted for the increase in pupil numbers or the increase in pupils purchasing meals from Year 3 onwards. The catering company had also put up its costs in September of the previous year and had been late to communicate its changes. It was worth noting that there was likely to be a corresponding increase in catering income.

7.11 Q: Had expense per pupil been covered in CC's documentation?

A: CC confirmed that it had.

7.12 Q: Was there any external indication of where the Trust wanted to be with that figure?

A: JC said that Trust carried out benchmarking on this. As part of this it reviewed benchmarking data sent to it by the DfE annually in line with the submitted accounts. JC and CC explained that benchmarks were only of limited value as every school had its particular challenges to tackle. CC confirmed that as long as the Trust was coming in on budget or close to it, then it was sensible to be spending available funds on addressing such challenges.

7.13 CC explained that the current goal for staffing costs was approximately 70-75% of a school's budget. JC confirmed that the Trust was broadly in line with that and was constantly reviewing the long-term affordability of its staffing resource. CC reminded the Committee that it was fine to exceed that percentage, if there was good reason, for example supporting pupils to meet their learning targets. The Committee discussed this and agreed that it was important to maintain a balance between the sustainability of the schools and Trust and supporting every child to achieve his or her potential.

7.14 CC left the meeting at 11.11.

8. Review of spending linked with educational priorities

8.1 This had been covered to a great extent earlier in the meeting.

8.2 JC gave the Committee an update about the impact of funds allocated to DPA to improve pupils' writing outcomes.

8.3 JC also confirmed that in other respects at DPA, and in all respects at TPA and WPA, end of year targets was likely to be met.

9. Receive COO Compliance Report dated May 2023

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

- 9.1** BG spoke to the key parts of her report.
- 9.2** These included: GDPR and data protection, the progress and scope of the second internal audit round this year, the scope and purpose of the Trust's internal HR audit starting in late May 2023, payroll and pensions, the budget setting process for 2023-2024, staff absence management, the progress of each school's annual external safeguarding and health and safety audits as well as water and fire assessments, and the progress of capital projects at each school including energy efficiency initiatives.
- 9.3** **Q:** What kind of information had been requested of the two schools which had each received a subject access request ('SAR') from a parent?
A: The data requested related to the fact of the pupil either being on an EHCP, or the fact of an application for one having been made. The data was mainly to help support the parents' engagement with other external agencies. Some data could be provided by the schools, but not for example where it concerned the personal data of other pupils at the school and/or concerned the safeguarding of other pupils. The legislation was also clear about the circumstances in which requested data did or did not need to be provided.
- 9.4** **Q:** Why was the planned HR file audit being carried out internally?
A: This had previously been done by the Trust's external payroll and pensions firm 'Strictly Education'; however, the internal auditors had recommended a separation of process between payroll and HR file auditing.
- 9.5** **Q:** How would the sample of HR files be selected at each school?
A: This would be done by the school office manager in each case, with oversight from BG to include an instruction that the sample be different from the one provided the year before, to the extent possible. BG noted that WPA did not yet have more than 10 staff at the school.
- 9.6** The Committee discussed an update provided by JC about the Trust's current payroll and pension service provider. TJ was happy to e-mail JC and BG after the meeting with views on options for external payroll and pension service providers in the Education industry, noting that teacher pension scheme administration could be especially complex. **ACTION - TJ**
- 9.7** **Q:** Linked with budget setting for 2023-2024 and the current negotiations taking place between the government and teaching unions, what had the Trust budgeted for support staff costs?
A: A 10% increase, on a sliding scale. Any backdating of such an increase had been factored into the current year's budget.
- 9.8** **Q:** Did the Trust have any macro stats on the surplus and deficit positions of other multi-academy trusts currently? Might academy trusts be told to take a bigger hit on staff salary costs if they held high surpluses?
A: JC explained that there was a huge variation in the financial position of academy trusts nationally, not just connected with the extent of the differences in size and geographical reach. It was more useful to look at a trust's funding formula and staffing numbers. There

were already clawback mechanisms for large surpluses. JC said that the Trust had reviewed its surplus monies and had found that these were largely attributable to self-generated income, which could not be clawed back. It was only possible to have money clawed back from ring-fenced funds, such as those granted for pupil premium purposes.

9.9 Q: Noting that a change of government might occur at the next elections, what was the precedent in the past around the impact of this for the academy trust system? How different might things look?

A: The academy trust system had not seen a labour government, so if Labour won the next general election, there might be some shift of the landscape. However, legally it would be difficult to unpick the funding agreements in place between the government and the many Trusts making up the current academy framework nationally.

9.10 Q: Linked with the Committee's discussion on staff absence management, was the Trust concerned that if a staff member had a high rate of absence, he or she could be unhappy at work?

A: The Trust was keen to offer support to any staff member who was facing challenges at work. That was why this point was something asked about specifically in absence management conversations, led by BG on behalf of the school leaders. Support might come from colleagues at the school, from the central Trust team or from the Trust's occupational health provider. JC added that staff were also given the opportunity to respond to questions on this in the annual staff survey.

10. Policies requiring Committee approval

10.1 The policies listed here required Committee approval to suggested updates made by external advisers 'Diverse Matters', which JC and BG had reviewed.

- OLT Disability and Reasonable Adjustments
- OLT Disciplinary
- Sick pay
- Sickness absence management
- Performance, development and appraisal
- Whistleblowing
- Capability
- Flexible working
- Probation

10.2 BG provided a verbal update on the recommendation made, which were minor overall. These were designed to enhance inclusivity, minimise any potential adverse effects of applying the policies, and to ensure suitable training for line managers to help avoid unconscious bias.

10.3 All staff training of this type had since been completed. This would help with the transparency and fairness of performance and absence management processes, to include policy application and line managers' use of discretion in limited circumstances.

10.4 Q: Was training on unconscious bias mandatory for all line managers and if so, at what intervals?

A: So far, this had been mandatory in the Trust for all existing line managers and would also be expected of those new to the role in the future. BG was considering introducing a requirement that the training be refreshed every three years.

10.5 The Committee unanimously approved the content of each of the nine policies referred to above.

10.6 Two further policies required Committee approval, which were coming up within the Trust's normal policy review cycle: OLT Freedom of Information and Charging Policy, and OLT Staff Finder Reward Scheme.

10.7 Details were provided about the updates made and the Committee were asked if they had any questions.

10.8 Q: How many staff finder rewards had been paid since the policy had been introduced?

A: This had been four at most. If anyone had not received it, it would mostly have been because the applicant recommended had not been successful at interview.

10.9 Q: Had the trust considered increasing the amount to encourage recommendations from staff on applicants for vacancies?

A: The Trust still needed to pay for advertising online when vacancies arose, because it could not just rely on word of mouth via staff. It was not a reliable enough source of candidates.

10.10 The Committee agreed that it would be hard to justify an increase to the reward if the Trust still needed to pay certain recruitment costs. JC would keep this under review.

10.11 The Committee unanimously approved both policies.

10.12 SB would ensure all approved policies were uploaded to the Trust's Parago system.

ACTION - SB

11. Policies requiring review and recommendation for Board Approval

OLT Pay Policy – reviewed by diverse matters

11.1 The main update was around discretions. This meant that if there had been a recommendation that a member of staff did not qualify for pay progression having not met performance targets, discussion at Board level would be required before any decision was made. This would enhance the transparency and fairness of pay award procedures across the Trust.

11.2 Q: Would this discussion be better at full Board, or better delegated by the Board to the Operations Committee?

A: BG explained that the timing of the annual discussions required on staff performance and pay were at the start of each academic year. JC confirmed that the discussion would fit with the existing process in place compliant with the Trust's policies, i.e., delegated to the Operations Committee unless it concerned CEO performance appraisal and pay.

11.3 The Committee unanimously agreed to recommend the policy for Board approval.

12. Review of Trust Risk Register

12.1 JC and BG confirmed that the pensions issue already discussed had been entered into the register.

12.2 Another recent risk entered concerned the number of pupils enrolling at WPA. The Trust had previously considered applying to the local authority to reduce the PAN of 60 pupils per year (requiring two class teachers) to 30 pupils (one class teacher required). Noting that school income was granted on a per pupil basis, this would help avoid the cost of two class teachers where the number of Reception pupils was not likely to be much higher than 30. One reasons for the lower pupil numbers was that the local housing development had not brought as many families into the local area as quickly as had been hoped.

12.3 Despite this, 47 pupils had applied for places in Reception this September 2023. Therefore, the situation was being kept under review with the school Principal and with the local authority. It might yet be something applied for relevant to the 2024-2025 academic year.

12.4 AT left at 12.02.

12.5 JC confirmed that the roof repair issue at TPA might require entry on the register, but she would wait for confirmation from the insurance assessor about the level of risk, after he had made his planned visit this term.

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

13.1 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: 12.06

Date of next meeting: Tuesday 27th June 2023 – 10am

Action list of 9th May 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.
2	TJ	Minute 9.6	Provide his professional view to JC and BG on a range of external payroll and pension service providers, specialising in the education industry.
3	SB	Minute 10.12	Upload all approved policies to Parago and to the shared policies drive.