

**Minutes of the Operations Committee Meeting
Held via Zoom on 21st February 2023 at 10am**

Attendees

Sarah Bellingham (SB)	OLT Governance & Communications Officer	Present
Lawrence Brooks (LB)	Senior Consultant at Edufin	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. No apologies had been received in advance.

1.2 The meeting was declared quorate (noting the requirement for at least three Board Directors).

1.3 By way of AOB, BG would bring the latest school Charging and Remissions Policies to the Committee for its approval, at the policy agenda item.

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

2.1 SHG explained that she would e-mail SB with the details of a recent appointment to a government advisory board on a volunteer basis, although she did not expect conflicts of interest to arise with her role as a Board Director. SB would update the register of interests.
ACTION – SHG & SB

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

3.1 The Committee unanimously approved the Operations Committee minutes of 29th November 2022. 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 and make a recommendation to the Board on the appointment of the external auditors, and review and approve the appointment of the internal auditors

4.1 JC confirmed that so far the Trust was pleased with the performance of external auditors Kreston Reeves and was making a recommendation to the Committee that the appointment remain in place for a further year.

4.2 **Q:** How long had Kreston Reeves been in place?

A: The firm was in its second year of working with the Trust.

4.3 SHG noted that it was unusual for external firms of auditors to be removed before the three year mark, unless there were exceptional circumstances. JC reminded the Committee that the previous external auditors had been in place for only one year, had been removed due to circumstances already discussed with the Committee and Board, and that Kreston Reeves had been appointed after a re-tendering process.

4.4 The Committee agreed to make a recommendation to the Board about the continuation of the external auditors' appointment for a further year.

4.5 The internal auditors (UHY) had produced their first report for the current academic year in the autumn term. The Trust was pleased with the timely and smooth process. It was recommending to the Committee that this appointment continue.

4.6 The Committee approved the continuation of the appointment of the internal firm of auditors for a further year.

5. Receive Management Accounts dated January 2023

5.1 LB shared the Executive Summary on screen and referred to the key parts of this. His summary included mention of the cashflow forecasts for the Trust and schools for the following 12 months with reference to surplus and deficit positions as well as to staffing and energy costs, the Trust's investment of funds into a treasury account, year to date balances, the allocation of government grants and receipt of income, and the expectation of new additional government funding in June/July 2023 which would bring in a total of £61k for the Trust as a whole.

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

5.3 **Q:** Was the treasury deposit account producing around a 3% annual rate of interest on the Trust's funds?

A: It was. To date, £800k had been invested and the following month a total sum of £806k would be taken back. The £6k interest made would be fed into the Trust's new CPD Grant scheme for school and Trust staff. An investment schedule had been devised such that the initial monies would be regularly reinvested to generate more income.

5.4 Q: Had the January 2023 accounts already factored in receipt of the expected additional grant of £61k?

A: Yes, and it could be found in the 'other government grants' section. The amounts per school were shown. DPA had the highest amount coming in.

5.5 Q: Looking at WPA's bottom line, the previous prediction had been of a £38k surplus, whereas there was now a deficit predicted of £16k. What was the main reason?

A: The sharp rise in electricity costs was the main reason. The deficit would come down when more information was known. There had also been an increase in the building maintenance costs forecast. £8.5k had been spent to date against a predicted £6k spend.

5.6 Q: Why had the more been spent on these maintenance costs at WPA?

A: There had been issues with the school's heating system and more. The school was now out of warranty and had a service contract in place. There had also been placement fees, and the cost of an apprentice TA under and agency arrangement, although that apprentice was no longer working there.

5.7 Q: Was the additional government funding for catering costs included as an income stream in the January management accounts for the schools?

A: BG would check for this point and confirm. **ACTION – BG**

5.8 Q: Did government funding cover the full cost to the Trust's schools for their provision of free school meals?

A: Typically, each school made a loss. About 87% of the amount spent was funded by the UIFSM grant.

5.9 Q: The Mayor of London had suggested that free school meals might be provided to all primary school children. Did the Trust know more about this?

A: JC did not have any more information at this stage. y kids. Currently, the schools were providing free meals to Reception, Year 1 and Year 2 pupils, but not from Year 3 to Year 6. Those free meals were funded to approximately 80% of the total cost to the school. If free school meals were offered all the way through, then catering staff costs would also need to increase. Therefore it would be interesting to see what funding was proposed. to keep eye on it.

5.10 Q: What sort of projects was the Trust looking at following receipt of the government grant to help with energy costs and efficiencies?

A: JC confirmed that the Trust had received a capital grant to help with energy efficiency projects and was looking into the provision of solar panels at DPA and WPA and LED lighting at TPA. Nothing had been set in stone yet.

5.11 Q: When the summary of the cashflow forecasts was given just now, it seemed that deficits were being reported mostly, as compared to the surplus positions predicted. Why was this?

A: Although in-year budgets were showing a deficit, the actual position was that the Trust and schools were in surplus. The Trust was keen that the schools were able to spend their reserves to pupils' benefit. That said, a close eye would be kept on the ongoing affordability of staff over the years. The Trust wanted to avoid the potential for DfE reclaiming grants made to the schools where these had not been spent in full. Whilst this could not occur if money was self-generated, it was important that the pupils benefitted as much as possible from the money available.

5.12 It was discussed and agreed that the Trust should always have a proper understanding of the reason behind any deficit, to check for any worrying trends. JC explained that Trust was always looking for a comfortable balance between income received from the government and its spending obligations, namely sustaining its staffing costs and fixed overheads. It was the spending of reserves money which was under discussion here.

5.13 CC added that it had been a strategic decision to overspend this year, mainly on staffing, to provide an uplift to both the curriculum provision and to the outcomes of the children. TPA and DPA currently had the higher needs, and the Trust was confident it was spending the money on the right things.

6. Internal audit report outcomes

6.1 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. A range of deliverables had been sent to UHY for investigation. The report had now come out, identifying two small and low risk management points for the Trust's attention.

6.2 One was that it was no longer appropriate for the Trust's external HR provider, Strictly Education, to carry out the Trust's HR file audits given the potential for conflict with the other activities it carried out for the Trust. These would now be carried out internally, from May 2023.

6.3 The other action point concerned a discrepancy with the date of a staff member's resignation. The date had not been recorded for payroll purposes in time to avoid a salary payment to the staff member after her date of leaving. A process had now been put in place to ensure that this did not happen again. Both low risk points had been closed off. Overall the process had been smooth and the Trust was pleased. The next internal audit would take place in April 2023 and would cover purchasing and financial controls.

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

6.5 Q: Was the Trust sufficiently trained and ready to deal with potential cyber-attacks?

A: BG confirmed that the staff members at each school had undergone additional recent training on cyber-crime. This was one of the requirements of the insurers who provided the cover for this type of risk. All such instructions had been complied with. The risk to schools was assessed termly with the IT support manager from an external company, who had a good deal of academy trust experience. This included looking at different styles of crime to help understand what to be aware of. Tight financial controls were also in place. In the event of a cyber-attack, all IT systems were backed up to limit data loss to no more than a few hours. Business time would be lost but only until systems were able to be reset.

6.6 LB left the meeting at 11.37.

7. Review of spending linked with educational priorities

7.1 This had already been covered by the previous agenda items to a great extent.

7.2 The current Director of Education had been appointed on a consultancy basis for the current academic year. It was proving hard to make a permanent appointment because the Trust was only able to budget for two days per week for this role. Therefore in the following academic year, the Trust would be trialling a 'Director of Education Networks', with the Head of WPA taking the lead on this initially. Support would be offered via the network in relation to specific needs at each school. The network would hold regular meetings and produce tailored development plans. This would start in September 2023.

7.3 Additionally, the Trust would be putting in place a professional mentor/coach for each school Head and JC. This would help bring everyone on professionally. This would be reviewed after one academic year to assess the effectiveness of the support provided.

7.4 **Q:** Did the Trust know when Ofsted was expected to visit the schools next?

A: WPA was due to be inspected this academic year. TPA's next inspection could be this year as well, and DPA was expected to be the following academic year. The Trust's consultant had done in depth inspections of each school, to help with identifying specific areas for attention.

8. Receive COO Compliance Report dated 31.01.2023

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 cyber-security, internal audit action points, staff absence, external health and safety as well as safeguarding audits at the schools, fire risk assessments and action points, water risk assessments, school caretaker processes, outstanding DPA building points, energy efficiency projects, the SCR audit and HR file review cycle for the remainder of the academic year, and the recently updated Trust finance manual.

8.3 BG would check following the meeting if the school cyber-response plans needed approval by this Committee or by the school Principal in each case. **ACTION – BG**

8.4 JC also flagged that all of the Trust's HR policies had gone to an external Diversity and Inclusion company for a review of language and recommendations for improvements. JC had received a report back and would likely be adopting all recommended changes. Several new policies were also being introduced, after being brought to the Board as needed. These had also been included in the external diversity and inclusion policy review.

9. Policies requiring Committee approval

OLT Directors' Expenses Policy & Charging and Remissions Policy (DPA, TPA, and WPA)

- 9.1** The Directors' Expenses Policy concerned the process for Board Directors to claim back expenses incurred as part of his or her role. This had been reviewed by BG, JC and CC, but no changes had been required.
- 9.2** Each school had a Charging and Remissions Policy, setting out what it could charge for school trips, and similar items. These followed the DfE model policy, and no changes had been required.
- 9.3** SHG and JC were comfortable to provide their approval for these latest policy versions in each case. SB would e-mail the Committee members after the meeting to request unanimous written approval for these policies from all four Board Directors on the Committee, given the lack of quoracy at this point in the meeting. **ACTION - SB**

10. Policies requiring review and recommendation for Board Approval

- 10.1** This had been dealt with at the previous Committee meeting and no further policies required review at this time.

11. Review of Trust Risk Register

- 11.1** JC had updated this earlier the same day with the confidential TPA issues already discussed in the meeting. This included mention of financial controls and the actions needed to mitigate risk. There had been no further updates.
- 11.2 Q:** On the register entry concerning risk around inflationary increases to salary, had anything changed here? The comment appeared to show serious concern.
A: JC confirmed that the Trust had received an additional government grant since the date of that entry, which had provided some comfort. JC also confirmed that the Trust followed government's national pay scales for its staff. It paid what it was expected to in salaries and found the money to manage inflationary increases to those salaries.

12. Sires Hill Primary Academy – Update

- 12.1** Sires Hill was the new Didcot school, which was at week 30 of a 50-week build. The builders were 2.5 weeks behind schedule due to the weather and other reasons. JC was hoping for an August handover, meaning that the Trust could move in on 4th August 2023. If the 2.5 week delay slipped further, it was hoped that this would be made clear sufficiently far in advance to plan for moving in with the builders still there.
- 12.2** Overall, JC was very pleased with the progress of the project. JC confirmed that she would be able to make 12 offers for nursery places starting in the autumn term of 2023, making the recruitment of the nursery teacher affordable.
- 12.3** So far, JC had been informed of 16 first choice applications for the school's Reception class out of an available 30 places. This number might increase if the children of families who had put the school as a second choice, did not get their first choice school. JC was waiting to hear from the local authority for confirmation of the numbers.

- 12.4** JC also explained that the local authority had underwritten funding for the first three years, for 30 places. This would help with staffing costs and dis-economies of scale during that time.
- 12.5** JC added that the Trust had appointed a new Executive Vice Principal to support Alison Ashcroft (soon to be Executive Principal) oversee SHPA and DPA. More detail would follow on this.
- 12.6** JC mentioned lastly that the Trust was in the process of signing the funding agreement with DfE for SHPA. Once that had been done, the funding was guaranteed. There were various legal requirements to be met, which were currently under review by the Trust's lawyers. Once signed by both the Trust and the Secretary of State, the Trust could start entering into contracts with suppliers.

13. Surbiton Primary Academy – Update

- 13.1** The failed DfE procurement process and the delay arising from that had already been discussed with the Committee. Since then the DfE had re-tendered and had found a building firm interested to take on the project at the original price. The current predicted opening date was still set for September 2025 however.

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: 11.31

Date of next meeting: Tuesday 9th May 2023 – 10am

Action list of 21st February 2023 Operations Committee Meeting

Action Number:	For Whom:	Reference:	Action:
1	SHG & SB	Minute 2.1	Update the register of interests with SHG's newly declared information
2	SB	Minute 3.1	Arrange for the previous meeting's approved minutes to be signed by the Chair.
3	BG	Minute 5.7	Check if the latest government funding towards catering costs had been included in the January 2023 management accounts.
4	BG	Minute 8.3	Check whether the school cyber response plans needed approval by the Ops Committee or by the school Principal in each case
5	SB	Minute 9.3	E-mail all the Committee Board Directors to ask for written approval of the two policies requiring this.

