

Finance & Operations Committee

Monday 26th June 2023

Minutes

Present: Sugra Alibhai
Peter Green
Lucy Harrison
Adrian Marrocco (Chair)
James Marshall
Jeremy Ruff
Ellie Smith

1.	Governance
2.	Minutes of Previous Meeting
3.	Matters Arising
4.	Finance Report
5.	Personnel Report
6.	Any Other Business

In Attendance: Ian Hooper
Claire Mugridge
Beth Yap

Minute	Decision /Action	D/A/R
3.3.4	Claire Mugridge to provide benchmarking data relating to financial KPIs once published, which is expected to be next spring.	A
4.2	Claire Mugridge to circulate the design plans for the hub.	A
4.3	That £2.4m should be invested with Insignis in an instant saver and then moved into fixed term notice accounts in tranches every 3 months.	A
4.3	Claire Mugridge to present a summary of bank balances and interest rates at each meeting.	A
4.4	Sugra Alibhai and Claire Mugridge to investigate CCTV for the ICLMS temporary buildings and include in the budget.	A
4.4	To recommend the 2023-24 budget and 3-year plan to the Board of Trustees for approval, subject to the capital budget being increased by £100k and interest income being increased to £100k.	R
4.6	To appoint Everbright (cleaning) from 1 st September 2023.	D
4.6	To renew the contract with Caterlink (canteen) for a further two years.	D
6.	Clerk to ensure that all meetings of the Finance & Operations Committee commence at 5pm next year.	A
6.	Sugra Alibhai and Claire Mugridge to investigate whether any discretionary cost-of-living payment made to staff has to be pensionable.	A
6.	To recommend to the Board that each member of staff within Frontier Learning Trust receives a one-off cost-of-living payroll payment of £1000, spread over 2 months, pro-rated for part time staff.	R

1. Governance

1.1. Apologies

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

The minutes of the meeting of 6th March 2023 were reviewed and approved as an accurate record of the events that took place and would be electronically signed by the Chair. As part of item 4.3 was deemed to be confidential, this would be removed from the minutes prior to them being uploaded to the Trust website.

3. Matters Arising

- 3.4 Claire Mugridge explained that benchmarking data relating to financial KPIs was not yet available but confirmed that this would be shared with Trustees once published, which is expected to be next spring.
- 4.3 Claire Mugridge had shared the details of 'Education Banking Consultancy' with the Committee.
- 4.4 The Treasury Policy and Strategy had been agreed and approved electronically by the Board of Trustees.

Action

4. Finance Report

4.1 Management Accounts 2022-23

Claire Mugridge presented the Management Accounts to 30th April 2023, explaining that the Trust is projecting an operating surplus of £684k, due to increased income from lettings, as well as a number of cost savings, such as contributions to the pension scheme reducing.

Drawing attention to the staff budget, Claire informed the Committee that the Trust is often overly cautious in this area, planning for additional posts that do not always materialise. Therefore, next year's staffing budget will remain prudent but not as cautious.

In response to a question from Trustees, Claire explained that whilst the Trust is on a fixed contract for gas and electricity, only the price per unit is fixed but the usage may vary, which is why there has been a saving in this area due to lower usage.

Trustees questioned how the staff budget is being managed, given the recruitment that is currently taking place, and was informed that the budget assumes that all appointments will be made at the top of the pay scale. It was also noted that the Trust has not had to use recruitment agencies for any of its vacancies this year.

Finally, the Committee considered the balance sheet and cash flow, noting the lowest point of the year was March, with a balance of £4.4m, which is as a result of the payment of exam fees.

4.2 Premises & Capital Works

The Committee reviewed the premises and capital works for the academic year, noting that the Trust has spent £46k of the £80k IT budget so far, with 30 desktops and 40 laptops being received and more being ordered. **In response to a question from Trustees**, Claire confirmed that the Trust capitalises items purchased over £2.5k.

The Committee then considered the rolling programme, which includes a number of smaller projects, such as the installation of signage and painting of lines in the car park, which is now complete. There are also plans to decorate the Hub over the summer and install new furniture. **The Committee requested** that Claire circulate the design plans for the Hub.

Action

The Committee was pleased to note that the fire alarm project is now complete and all issues have been resolved. Claire confirmed that the Trust is now waiting for the final payment from the Condition Improvement Fund for this work.

The refurbishment of a number of toilets is due to take place this summer and Claire explained that, if the Trust is happy with the work, a rolling programme will begin to upgrade all toilets on campus.

The Trust will also be upgrading the LED lighting in the millennium building, along with the north wing and sports hall, as a result of the green energy grant. In addition to this, the flood lights will also be replaced during October half term.

Finally, Claire confirmed that a supplier has now been appointed to conduct a full survey of the estate which will inform the Trust's long term premises plan.

4.3 Treasury Policy and Investment Proposal

Following the approval of the Treasury Policy, the **Committee had requested** that the Trust produces a treasury summary at each meeting. The Committee noted that the Trust currently has cash reserves of £4.58m and agreed that £1m should remain with NatWest for day-to-day cash flow requirements and contingencies.

The Committee discussed how the remaining funds should be invested and, **in response to a question from Trustees**, Claire confirmed that the interest rate with Insignis was around 3.5%-4% but reminded Trustees that interest rates have risen recently.

After some discussion, it was agreed that £2.4m should be invested with Insignis in an instant access saver and then fed into fixed term savings but split in tranches every 3 months so as not to have multiple term end dates. Sugra Alibhai thanked Trustees for their support around the Treasury Policy and strategy, which will have an impact on the Trust's finances in the long term.

Decision

The Committee requested that a summary of balances and interest rates is presented at each meeting.

4.4 Budget and 3-Year Plan.

The Committee considered the 2023-24 budget, noting that this includes assumptions around staff pay awards and pension contributions.

Claire Mugridge explained that all departments have been asked about their requirements for the next year, particularly around ‘cultural capital’ which is one of the areas on the College Improvement Plan. Every bid for funds was discussed and eventually included in the budget, as these involved sending students on more expensive trips or inviting experts into College to present lectures. **In response to a question from Trustees**, Claire explained that the additional spend for cultural capital was around £15k and it was noted that departments are generally happy with their budgets. The Committee was also reminded that departments at the College do not have the same challenges as schools, as students are expected to bring their own books and equipment.

Claire reminded Trustees that this is the first Multi-Academy Trust budget, as ICLMS will open from September 2023. Claire went on to explain that ICLMS has been charged for staff who work across both institutions and calculations have also been made for ICLMS students who are taking a fourth A Level at Woodhouse College.

In response to a question from Trustees, Claire confirmed that the budget assumes a 5% rise in contract costs but has increased this to 10% for gas and electricity.

Trustees questioned whether there are any costs associated with the ICLMS temporary building. Claire confirmed that the budget includes £11k of utility costs, £10k of cleaning costs and £8k of premises costs and it was noted that these figures allow for some contingency.

Trustees requested that CCTV for the ICLMS temporary building is looked into and included in the budget.

Trustees questioned why there is only a moderate increase in lettings income (£315k vs £320k) and Claire explained that, despite the Trust planning to increase its prices, lets are currently at capacity and there is little room to grow this income further.

The Committee considered the staffing budget noting that, whilst there are no new posts, there is some change due to current staff varying their working hours.

The Committee also agreed the following financial KPIs for the year:

- Cash days should exceed 60 days
- Staff costs should not exceed 80% of total income

- In-year surplus (excluding ICLMS grants + costs) should be at least 3% of total income.

Under capital works, Claire explained that the budget includes £100k for IT and £200k for other projects, the latter will be reviewed after the survey of the site has been confirmed. However, the Committee agreed that the Trust should invest more in its campus this year, given the high surplus in 2022-23. Therefore, after some discussion, it was agreed that the capital budget for other projects be increased to £300k.

The Committee considered the Trust's 3-year plan noting a surplus of £319k in 2023-24, £26k in 2024-25 and £5k in 2025-26.

The Committee recommended the 2023-24 budget and 3-year plan to the Board of Trustees for approval, subject to the capital budget being increased by £100k and interest income being increased by £50k.

Recommendation

4.5 Trading Company

The Committee was pleased to note that the Trust is anticipating hitting its target of £315k for lettings income and Claire explained that this increase in income is as a result of the new Lettings Manager. However, the Committee was reminded that this figure excludes allocated staff costs of around £100k, which now includes a third Lettings Supervisor.

The Committee congratulated the Trust for its work around lettings.

4.6 Contract Review

Claire Mugridge updated the Committee on the status of the Trust's large contracts, explaining that, after a tendering process, the Trust has now reappointed Buzzacott as its external auditor. It was noted that only one tender was received, due to a general shortage of staff in this profession at present. The Committee was also informed that the Trust has requested to change its audit partner at Buzzacott.

A tender has also taken place for the Trust's cleaning contract, and this has been awarded to Everbright from 1st September 2023, which was approved by the Committee.

Decision

In addition to this, the Committee also agreed to renew its contract with Caterlink for a further two years, noting that this will be reviewed when the ICLMS permanent building is complete.

Decision

5. Personnel Report

Ian Hooper presented the personnel report, informing the Committee that this remains the busiest time of year for recruitment. It was noted that there is now only one vacancy outstanding, which is in Computer Science. There are also a number of additional responsibilities being advertised to all staff internally.

In response to a question from Trustees, Ian confirmed that only one leaver was moving to another job in state education, whilst others were retiring, emigrating or moving into private education.

The Committee reviewed the outcomes of the staff survey, noting the increase in positive feedback around Woodhouse College being well-led and managed (60% in 2022 to 67% in 2023) and **requested** that this is included in recruitment materials.

In response to a question from Trustees, Sugra Alibhai explained that the lower score around training and CPD was a result of the survey taking place shortly after a training session that was not of the quality that the College would expect. However, Sugra explained that there are no concerns around CPD, which was also discussed at the recent meeting of the Woodhouse Local Governing Body.

Finally, the Committee noted data around the gender pay gap and discussed the fact that the College has a workforce that is heavily female, agreeing that this is something that should be considered when recruiting.

6. AOB

It was agreed that all meetings of the Finance & Operations Committee will commence at 5pm next year.

Action

Noting that this was his last meeting, the Committee thanked James Marshall for his contribution to the Trust over the last six years.

Confidential minute.

The meeting concluded at 8:15pm