

Finance & Operations Committee

Monday 21st October 2024

Minutes

Present: Sugra Alibhai
Peter Green
Jose Morago (Chair)
Jeremy Ruff
Andrew Tebbutt

In Attendance: Beth Holmes
Ian Hooper
David Lee
Claire Mugridge

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

Minute	Decision /Action	D/A/R
2.	CM and BH to review and amend the minutes in relation to the treasury item.	A
3.3.4	CM to provide benchmarking data relating to financial KPIs once published.	A
4.1	IH to provide updates on the IT strategy at future meetings, under operations.	A
4.4	CM to confirm Insignis' due diligence practices regarding ethical considerations.	A
4.4	Due to increased payroll costs, to agree that £1.5m should be held in instant access accounts.	D
4.7	To approve the latest Reserves Policy.	D
6.	SA to explore the capacity project further with contractors, establishing a provisional budget of £3 million, with the possibility of extending to £5 million for a phased, two-stage project.	D
6.	SA to present a business case to Trustees, outlining a £3 million proposal with an initial allocation of £15-20k for planning costs.	A
7.	To agree that updates to bank signatories: the addition of Kevin Lawrence and Sally Casson, and the removal of Lubna Hussain.	D

1. Governance

1.1. Apologies

Adrian Marrocco and Ellie Peters.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

The minutes of the meeting held on 26 June 2024 were reviewed and approved as an accurate record, subject to an amendment regarding the funds placed with Emirates. CM and BH were asked to review and amend this section as appropriate. As no items were deemed confidential, the minutes will be uploaded to the Trust website in their entirety.

Action

3. Matters Arising

3.3.4 CM to provide benchmarking data relating to financial KPIs once published.

Action

4. Finance Report

4.1 Year End

CM presented the year-end accounts, informing the Committee that the external audit is taking place this week. The final surplus for the year is projected at approximately £1m, this will be reduced to £535k after a contribution is made for capital projects of £497k. The £535k net surplus consists of £410k from Woodhouse and £125k from ICLMS. This positive variance, against the latest forecast, is largely attributed to additional income from increased interest rates and lettings.

In response to a question from Trustees, SA confirmed that the ESFA had queried the Trust's high reserves but accepted the explanations provided, noting that FLT is a growing Trust with a clearly defined reserves policy.

Confidential minute.

In response to another question, CM confirmed that the Trust makes no profit on school trips, with any positive variances attributed solely to timing. Trustees were informed that students receiving bursaries are eligible for a 50% discount to widen participation.

The Committee reviewed last year's capital works, noting that all capital projects at ICLMS are reimbursed by the DfE. For Woodhouse, projects included redecoration of the front of the College, furniture for the Hub, further upgrades of toilets as well as replacement of IT equipment.

Confidential minute.

Trustees questioned whether the Trust had established a long-term IT investment strategy similar to the one for the strategy for campus, recognising the importance of forward planning in this area. It was noted that the Trust is currently consulting with an external IT consultant, Croft, to develop a strategic plan for technology that aligns with the Trust's goals.

The Committee acknowledged that while appointing a Head of Digital Development would have been a significant step toward advancing this strategy, the Trust was unfortunately unable to secure a suitable

candidate earlier in the term. **In response to a follow-up question**, it was confirmed that the Trust is still actively recruiting for this role, with the goal of securing an appointment for Easter 2025. The Committee agreed to receive regular updates on the progress of both the recruitment and the implementation of the IT strategy at upcoming meetings, under operations.

Action

It was noted that year-end cash flow stood at £5.2m, lower than expected partly due to expenditure timing on the fire door project.

4.2 **Financial Update 2024-25**

As the Trust is only in the second month of the financial year, the Committee reviewed a high-level report on the changes in funding and costs that will affect the Trust's financial position this year..

CM reminded the Committee that a 5.5% national pay award has been agreed, with full funding from the government. Since the Trust had budgeted for a 4% unfunded pay award, the projected end-of-year surplus has increased to £510k.

4.3 **Premises & Capital Works**

The Committee reviewed planned premises and capital works for this academic year. The Trust is scheduling works and obtaining quotes for projects, including floor replacements in the Millennium Building, new canteen ovens, and staff room refurbishments.

In response to a question, CM confirmed that refurbishments of the staff toilets are currently under consideration. The Committee suggested that, to demonstrate commitment to staff wellbeing, priority could be given to the staff toilet refurbishment if suitable contractors are available. Additionally, the Committee recommended exploring the possibility of combining projects to maximise efficiency and generate potential cost savings.

4.4 **Treasury Update**

The Committee reviewed current bank balances and approved the annual treasury strategy, as a result of the year-end position.

CM reminded the Board that the Trust previously agreed to hold at least £1m in instant access accounts. Due to increased payroll costs, this was agreed to be raised to £1.5m. The Board also noted the Trust's additional holdings of £1.3m in a 30-day NatWest account and £2.5m with Insignis.

Decision

In response to a question, CM confirmed that Insignis manages placements across a pool of lenders and, **at the request** of Trustees, would inquire into Insignis' due diligence practices regarding ethical considerations.

Action

4.5 **Trading Company**

The Committee noted a successful year for the Trading Company, which generated £353k in income, with £20k of expenses. The net

profit was donated to the Trust. CM highlighted that the Trust aims to have a period during the year free from lettings to allow for a thorough site deep clean.

In response to a question, CM acknowledged that lettings has reached maximum capacity, with parking challenges now requiring some to be turned away. The Committee discussed the lettings provision, recognising capacity constraints. Trustees agreed to support any necessary reduction in lettings and acknowledged the need for regular benchmarking to maintain competitive, consistent fees.

4.6 **CIF Proposal**

CM reminded the Board of the successful fire door bid last year, with the Trust donating £69k towards this and work is already underway.

However, the Trust's heating bid was unsuccessful, even upon appeal. The contractor plans to resubmit the heating bid with feedback from the appeal. With an estimated cost of £2.6m, the Trust intends to contribute 5%.

Surveyors have identified an additional bid for this year, specifically targeting upgrades to the electrical boards, which will require no financial contribution from the Trust. **The Committee questioned** the urgency of this work, and CM clarified that temperature fluctuations in the north wing are impacting teaching and learning quality.

It was noted that this bid must be submitted by December 2024. Trustee approval will be required prior to submission, along with consideration of a potential donation to support the project.

4.7 **Reserves Policy**

The Committee reviewed and approved the latest reserves policy, noting that as of 31 August 2024, the Trust held £4.6m in reserves, comprising £3.6m in unrestricted funds and £1m in restricted General Annual Grant reserves.

Decision

5. **Personnel Report**

IH presented the personnel report, noting that recruitment for a maths teacher and Head of Digital has been unsuccessful, although other roles have been filled.

It was agreed to remove casual staff, such as invigilators, from the report, as they heavily distort overall figures.

In response to a question, SA confirmed that diversity data for staff and students is included in the CEO's report to the Board.

6. **Operations**

SA updated the Trustees on operations, noting the need for additional student study spaces outside lessons, as well as dining areas and quiet areas for prayer

and reflection. There is also demand from science staff for additional labs to enhance learning experiences and accommodate growing subject demand. SA highlighted that increasing capacity is essential, as feedback from students indicates this as a pressing issue.

The Trust has consulted with contractors and will finalise project specifications while exploring potential funding options.

The Committee discussed this in detail, agreeing that the project should be further explored with a proposed budget of £3 million but should pose the question of what could be achieved with an increased budget of £5 million.

In response to a question, it was clarified that the project will support current student numbers, not expand them.

The Committee agreed that SA should explore this project further with contractors, establishing a provisional budget of £3 million, with the possibility of extending to £5 million for a phased, two-stage project. It was agreed that SA would present a comprehensive business case, outlining a £3 million proposal with an initial allocation of £15-20k for planning costs.

Decision

7. AOB

Updates to bank signatories were agreed, with Kevin Lawrence and Sally Casson joining the Senior Leadership Team and Lubna Hussain leaving.