

FINANCE AND OPERATIONS COMMITTEE OF THE CITY OF LONDON
ACADEMIES TRUST

THURSDAY, 24 FEBRUARY 2022

CONFIDENTIAL

By virtue of **paragraph 3** of Part I of Schedule 12A of the Local Government Act 1972.

1. **APOLOGIES**
2. **DECLARATIONS**
3. **REGISTER OF INTERESTS**
4. **MINUTES**
5. **QUESTIONS**
6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
7. **EXCLUSION OF THE PUBLIC**
8. **NON-PUBLIC MINUTES**
RESOLVED, that the non-public minutes of the meeting held on 9th December be approved as a correct record.
9. **OUTSTANDING ITEMS**
Trustees considered a report of the Town Clerk regarding outstanding actions arising from previous meetings.

The following points were made:

That presentations be given to LGBs on GDPR and that GDPR is included as a topic in LGB updates

Officers assured Members that progress was being made in this area and that schools were aware of their responsibilities with the respective Business Managers taking lead roles. In addition, a web portal was available to all. The

main challenge was finding availability in the calendar to carry out training sessions.

That the concerns of the Committee in respect of budgetary controls and the facilities management contract be included as items for discussion/presentation at the forthcoming Chair of Governors Forum and Headteachers Training Seminar and that a letter re budgetary control and financial management be circulated to all stakeholders

The Chairman informed the Trustees that, whilst he had received sight of the letter in draft form, the wording was currently not robust enough around the importance of financial discipline, and, consequently, officers were now working on a revised iteration which would express in starker terms the Committee's significant concern that the schools needed to focus on the importance of financial sustainability. The Trustee's welcomed the Chairman's comment and, whilst recognising that resources were limited, emphasised that it was vital that action was progressed in this area immediately, given that timetabling for the 2022/23 academic year (which would have significant implications for finances) would begin in earnest in March.

Noting the upcoming schools financial training session scheduled on 8th/9th March, Trustees asked the relevant officers to express these concerns in-person. In response to a query, officers confirmed that that session would be recorded and would be made available to those unable to attend.

10. **CHIEF FINANCIAL OFFICER'S UPDATE**

The Committee received a Report of the Chief Financial Officer concerning the key financial and operational issues across the ten academies.

During a discussion about Highbury Grove, officers made the following points:

- The number of pupils recorded on the October 2021 census is below that assumed in the 3-year budgets. This will mean a significant reduction in ESFA funding next year and, in response, the curriculum and staffing plans for 2022-23 need to be reviewed and updated to identify the savings required for next year. Initial applications data for September 2022 show first preferences and total preferences for the school are both up on 2021.
- There is a risk that the facilities management costs within the PFI charges will be significantly increased following a benchmarking exercise managed by LB Islington. We are seeking independent legal advice on how to take this forward as the proposed costs cannot be absorbed by the school.

Trustees expressed their serious concerns about Highbury Grove's financial outlook and stressed that the measures needed to mitigate these risks should be robust. Officers responded that the most expeditious solution would be to reduce the teacher headcount, by circa 10, by a) not replacing teaching staff as they left the employment of the school (usual turnover each year was circa 10) and b) ensuring that timetabling in future academic years was shaped by a

recognition that the finances were needed to be brought back on to a sustainable footing.

In response to a query, officers confirmed that the school was around half-way through its 25-year PFI contract and that buying out the remaining years was financially untenable.

The financial performance of the school had remained concerning for a significant amount of time and this needed to be resolved. Trustees emphasised that all options should be on the table, including the Trust assuming centralised control of the school. Trustees also highlighted the importance of moving swiftly; given that timetabling for the 2022/23 academic year will need to be considered over the coming weeks, Trustees were keen for a plan to be signed off by the end of March and to see that mitigating measures (including the potential for a full recruitment freeze) were put in place by the Easter holidays at the latest. An update would be provided to the Committee in March.

In response to a query, officers confirmed that there was no knock-on impact from these measure for the Highbury Grove Sixth Form College.

In response to a query, officers informed Trustees that there was a lack of financial expertise that the school could draw upon; the availability of finance professionals in the wider employment market was currently limited. As a potential solution, Anne Bamford had been in contact with Alderman Sir Peter Estin, Master of the Chartered Accountants' Company to see if any of the Company's Members were available to lend their expertise on a pro-bono basis.

Trustees queried whether the finance functions across the academies could potentially be centralised to harness greater economies of scale. Officers responded that whilst the short-term issues needed to be focused on first, centralisation was a potential longer-term solution to avoid these issues re-emerging.

In response to a query, officers expressed caution about the viability of the private sector (in this case KPMG) being part of a permanent solution. Where interest had been expressed previously, it had tended to be around offering resources for time-limited project work.

Finally, the Chairman asked that a more in-depth discussion take place at the next meeting of the Committee about the longer-term outlook and trends for pupil numbers and the impact these were having on finances.

RESOLVED – that the Committee noted the Report.

11. **2021/22 SCHOOL CONDITION ALLOCATION**

The Committee considered a Report of the Chief Financial Officer concerning the 2021-22 School Condition Allocation for COLAT.

Officers highlighted that the Trust is having to invest large sums in the Galleywall site for Priority 1 projects, even though the building was only recently refurbished and handed over to the Trust in late 2019. Significant investment may also be required for the perimeter wall; this is currently held up by metal props surrounded by a wooden hoarding and this arrangement eats into the playground space, creating pressures as the school fills up. No bid has been submitted for this project in 2021-22 and assistance from the centre may be required if the submission is not forthcoming soon.

It was noted that because of Storm Eunice, debris from neighbouring roofs had fallen into the school estate. This was being dealt with. The humanities building at Newham Collegiate Sixth Form (NCS) had also suffered storm damage and officers were currently liaising with the insurers.

RESOLVED – that the Committee approved:

- The use of the 2021-22 SCA funding and remaining 2020-21 SCA funding to support the projects listed below, totalling £1,369,377; and,
- Retaining the remaining £24,270 of SCA funding until 31 August 2022 for any emergency works that might occur in one of the Trust schools before then.

12. ESTATES AND FACILITIES MANAGEMENT UPDATE

The Committee received a Report of the Director of Estates & Facilities Management concerning Estates and Facilities Management across the Academies.

RESOLVED – that the Committee noted the Report.

13. ICT UPDATE

The Committee received a Report of the Director of Information Technology concerning IT operations across the City of London Academies Trust.

Officers informed Trustees that the IT team would be departing Guildhall soon and would be based at COLPAI going forward.

RESOLVED – that the Committee noted the Report.

14. NON-PUBLIC QUESTIONS

There were no non-public questions.

15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND THE COMMITTEE AGREES CAN BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was no other business.

16. CONFIDENTIAL MINUTES

RESOLVED, that the confidential minutes of the meeting held on 9th December be approved as a correct record.

17. HUMAN RESOURCES AND STAFFING UPDATE

The Committee received a Report of the Director of Human Resources concerning HR and staffing matters.

The Director informed Trustees that the central HR team was currently picking up a lot of work from individual academies; this was due in part to Covid absences, but it was also indicative of the current wider shortage of available HR professionals in the jobs market.

Concerns were raised about premises arrangements at Shoreditch Park and the impact this was having with the relationship with LB Hackney. Officers would take this offline and come back to Members in due course.

Trustees noted that Mouhssin Ismail will be leaving NCS at the end of the 2022 Summer Term. Due to budget and staffing constraints an internal advert for an Acting Principal for 12 months is live, ring fenced to NCS Senior Leadership Team with a selection date planned for Friday 11 March 2022.

RESOLVED – that the Committee noted the Report.

The meeting ended at 10.00 am

Chairman

Contact Officer: Jayne Moore
jayne.moore@cityoflondon.gov.uk