**Meeting of the OLICAT Directors**

**20th September 2022**

**Minutes**

Attendees: Christopher Donnellan, Catherine Leong, Lucia Debertol, Bill Nelson, Joe Burns, Jo Brake-Oakes, Tony Bishop, Sue Robinson

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| Agenda item | Key information |
| 1. Declaration of pecuniary interest/conflict of interest arising from agenda
 | Forms distributed for annual completion and returned.  |
| 1. Financial Risk – report and recommendations
 | CD circulated the accountability matrix as background information/context.SR outlined the issues identified in the report:* The pay award factored in is the minimum proposed at the moment, and industrial action is likely. We do not anticipate the government will increase the offer. Budget shortfall on current staffing is estimated at 640k.
* 48% of reserves will go in two years, and if another pay award in this region next year the impact is compounded.
* Price fixing has eased and deferred the fuel cost increase, but it will affect us.
* A drop overall of 83 pupils effects revenue and topslice.

BN observed from experience when faced with this have to go in with good communications and hard constraints and then ease off, rather than increasing levels of constraint.CD noted we are fortunate to have reserves. We have to spend money to run a school. We cant get rid of staff. We can put a brake on recruitment, but there is a minimum required. Schools with smaller classes are inevitably going to have to increase. TB confirmed we are in a better position than many MATs. Its not what we want to spend reserves on and they will vanish quickly. LD queried what happens if we run out of money? SR confirmed we go to the ESFA, they remove our financial authority, monitor strictly and authorisation for any payments is through them. It is a situation to avoid.LD asked in terms of risk assessment, how likely is it we get into this situation. SR confirmed next year is likely to be the major impact with falling numbers, another pay award and assuming no government intervention.CD observed we won’t be critical this year, but other schools will be. TB noted without intervention some MATs will go under this year. Historically additional funding has been provided.CD asked for clarification on the overtime figure. SR confirmed this is not teaching staff, invigilators or lunchtime supervisors as these are budgeted for. JBO confirmed in house payroll has provided greater insight. CD observed this is a significant cost and needs to be addressed. SR observed supply also remains extremely high. BN queried if all non-essential costs are removed can we reach a fixed cost for the year? SR confirmed this is doable.LD observed we should give consideration to central procurement for economies of scale and quality control. SR noted there is no capacity within the finance team to move to this at this time.TB reported that heads on the whole do understand the financial challenge, but the pushback is they cannot deliver the curriculum without the staff they want. A couple think we should go bust to show those on high it doesn’t work. We need to challenge established thinking – for example our sixth forms are 20 miles apart. Are there solutions that allow shared resource curriculum. LD asked if they persist in inefficient practice what can we do to encourage/support/enforce? TB observed we have used the SRMA exercise in 2 schools – STMS and OLWEL – and now have definite figures to work from, and funding to do this with the other 10. Directors agreed:* Finance Director to meet each head monthly
* An increased focus on financial discipline – PO requirement, challenge on unnecessary spending, credit card limits, overtime frozen.
* No replacement posts without a business case (including impacts and alternatives) and approval

LD stated we also need ownership and active management of budgets that allows movement of money within those limits – if they want to spend money on x they can but y is then cut. Directors agreed LACs need to be involved and engaged with the process. LAC Chairs/representatives to be invited to at least one FD/Head meeting per term, and Finance to be addressed within the HT report/agenda. |
| 1. Industrial Action – considerations
 | Ballots close Oct/Nov. Probability is industrial action is likely but we will look at and brief closer to time.  |
| 1. Financial issue - confidential
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| 1. AOB
 | None raised. |