

**MINUTES OF THE 29<sup>th</sup> ANNUAL TRUSTEES' MEETING  
HELD ON WEDNESDAY 18<sup>th</sup> NOVEMBER 2020  
AT 13:00 HRS – VIA ZOOM**

**Present:** Lord Ashcroft KCMG (Chair), Ms A E Entwistle, Mr S Harris, Mr P Gaze

**Officers in Attendance:** Dr R D B Whitcutt – Chairman of the Executive Board, Mr D G Mitchell – Principal  
Mr R J Perry – Vice-Principal & Clerk to the Trustees.

**Minutes:** Mr R J Perry

**Item 1 Election of Chairman and Vice Chairman**

The meeting opened with the election of the Chairman and Vice Chairman of the Trustees.

Lord Ashcroft KCMG was re-appointed as Chairman and Principal Sponsor and Lord Ashcroft KCMG appointed Angela Entwistle as Vice Chairman for the year.

In line with the Articles of Association for the Trust, upon expiration of the current term of office for the Vice-Chairman in December 2020, the Principal Sponsor confirmed the re-appointment of the Vice-Chairman as a Trustee for a further term of four years from the date of expiration of the current term. The fixed duration for the term of office does not apply in the case of the Principal Sponsor, during any period that the Principal Sponsor is a Trustee, but the DfE governance information relating to the Trust does need to be updated regularly.

**Item 2 Trustee Appointments & Resignations**

There had been no new appointments or resignations since the last Annual Trustees Meeting.

**Item 3 Declaration of Interests**

There were no declarations of interest requiring noting.

**Item 4 Apologies for Absence**

There were no apologies for absence.

**Item 5 Minutes of the Previous Meeting**

The Minutes of the meeting held on 19 February 2020 were agreed as a true and accurate record of proceedings and duly signed by the Chairman on behalf of the Trustees.

**Item 6 Matters arising**

There were no matters arising that were not covered later on the agenda.

## **Item 7 Governance**

The Trustees were provided with an update on the requirement to sign a new Academy Funding Agreement, necessary to secure the future funding income for the additional student numbers being admitted at 30 per year over a five-year period from September 2019 and the discussions held with the Regional Schools' Commissioners office linked to this.

Whilst this may require an additional Trustee and a review of those serving as Members for the Trust, the Trustees remained committed to retain the two-tier management structure that had worked very successfully since the first days of the Academy's predecessor school, ADT City Technology College, under any new revision to governing documents.

## **Item 8 Report of the Chairman of the Executive Board**

Dr Whitcutt had submitted a report in advance and gave a brief overview of the constitution and meeting cycles of both the Executive Board (EB) and the Finance and Resources Committee (FRC), including details of the serving members and their respective attendance over the last academic year. Latterly, the meetings were conducted as remote meetings, using Zoom, with almost full attendance at both EB and FRC meetings as a result.

In answer to a question from Lord Ashcroft KCMG, he explained that meetings continued to work well with much opportunity for members to contribute to both discussion and decision-making. This had also included a separate EB working party established to review the Academy's curriculum offer and implementation.

Dr Whitcutt also updated the Board on the continuing issue of pension provision relating to members of the associate staff and their membership of the Foundation Pension Plan (FPP). He reminded Trustees that a number had previously joined the Local Government Pension Scheme (LGPS) and had also sought to transfer their accrued pension rights from the FPP into the LGPS as it was seemingly beneficial for them to do so. However, it latterly became apparent that due to various actuarial requirements within the LGPS this would only have been possible with additional supplementary funding from the employer which was deemed unjustifiable in the circumstances and therefore decided that these could not progress even if this had potential for longer term savings many years into the future, depending upon the future course of the Plan. Richard Perry confirmed that there was one individual where such additional funding from the employer seemed not to be required to enable the transfer to proceed and transfer was still being explored for this individual.

Dr Whitcutt was thanked for his update.

## **Item 9 Report of the Principal**

Lord Ashcroft KCMG wished to record his gratitude for the superb work and leadership that Douglas Mitchell had demonstrated since becoming Principal in 2017 and that very high standards had both been set and improved and that he hoped this would continue. He added that appointing Mr Mitchell as Principal had absolutely been the right decision.

Douglas Mitchell thanked Lord Ashcroft KCMG and summarised the written report that had been issued to the Trustees by firstly expressing his disappointment at not being able to detail the summer results for both Year 11 and Year 13 as has become customary in the past. This had to be the case as students had not been able to sit summer examinations because of COVID-19, which had been a disappointment for both the Academy and for the students, as both year groups had been predicted to perform very well. Despite the fact that they left the Academy with excellent results, it had been a source of regret that students hadn't been able to undertake their exams.

Douglas Mitchell added that the focus had moved to the current Year 11 and 13 students and preparing them as fully as possible for next summer. Year 11 had dropped slightly from a Progress 8 prediction of +0.6 (in February) to +0.1 (in October). While this positive score is pleasing, we are not complacent, and nor are our students. As a result, opportunities are being provided for the students before, during and after the normal Academy day to enable them to access their full curriculum entitlement, to access additional curriculum support and to make the excellent progress. Many arrive from 7.30 in the morning and leave at 5.30 in the evening, while a number of local secondary schools' finish at times between 1.30 and 2.30 with an 8.30 start. It is clear that children in these schools will not receive the same level of support and that these students will experience boredom through having such an early departure. Rightly, the Academy's focus is on all year groups who have missed many months of direct teaching. This is especially so with the new Year 7 students and much work has been done already to identify and bridge gaps in learning.

Strategic and smart targets had been developed to ensure the curriculum took full account of the lost time and Douglas Mitchell commented that staff had been superb in their commitment to this, going above and beyond expectations. He added that students and parents had too, both during school closures and since returning. He commented further that support provided by all staff to all students had been significant - this extended to those with additional learning needs and the most vulnerable students.

In answering a question from Lord Ashcroft KCMG on what had been the most difficult issue to deal with through the COVID-19 situation for the Academy, Douglas Mitchell responded by saying it was maintaining a sense of community and keeping all the stakeholders focussed.

#### **Item 10 Report of the Vice-Principal**

Richard Perry advised the Board that the Annual Report and Financial Statements for the year to 31 August 2020 were in the process of being prepared and that a draft of these would be issued to Trustees within two weeks. These would still show a deficit for the year, although smaller than projected largely down to cost savings during the lockdown period.

Major works in the period had largely been centred on the refurbishment work, undertaken by Wandsworth and necessary to create additional teaching space to accommodate the increase in student numbers. This work had also enabled the Academy to better align subject areas. The cost for the refurbishment had been around £500,000, towards which the Academy was due to contribute some £26,000. However, the Academy had also incurred additional furnishing costs over and above this. The work took place between the end of May and end of August and was completed to a high standard.

Richard Perry added that the Academy estimated a funding deficit over the coming years of roughly £0.5m per year. This figure is predicated on the Academy's current levels of operation and added that he would bring a breakdown of costings for areas, which have brought the Academy success but which are costly in their operation, to the next annual meeting. He pointed out that the funding protection cushion, known as the Minimum Funding Guarantee, had totalled £1.6m nine years ago; however, now stood at £350k, reducing year on year until it reaches zero. This decline over time has had an impact on the relative costs to the Academy, namely staffing costs, which are at an increasingly higher percentage of annual expenditure (especially with the increase in employer pension costs from September 2019). Discussion took place on one area (Openview) and this would be looked at more closely in the coming months. The Academy had funding reserves in place to meet the projected deficit for a number of years, although these would likely be depleted by some two-thirds within five years.

Turning to the trading subsidiary, Richard Perry commented that this also had been affected by lockdown arrangements, with letting of sports facilities particularly hard hit since March. Whilst this remained the case at the main West Hill site, use of Openview sports ground recommenced when restrictions were eased. As a result, he was expecting turnover to be around 80% of the previous year.

Richard Perry updated Trustees on new changes within the Academies Financial Handbook which again put much focus on the area of internal scrutiny. Monthly accounts were now submitted to Stewart Harris on behalf of the Trustees as well as to Dr Whitcutt. He added that the ESFA continued a focus on related party transactions and the area of executive pay as well as confirming that the Trust remains a going concern.

Lord Ashcroft thanked Richard Perry for his contribution to the Trust both in support of Douglas Mitchell since becoming Principal and to the Trustees since the days of ADT College.

### **Item 11 Annual Report and Financial Statements to 31<sup>st</sup> August 2020**

This was covered within item 10 above.

### **Item 12 Responsible Officer Report**

The report from Stewart Harris had been circulated to Trustees with the rest of the meeting papers and was duly noted.

### **Item 13 Review of Auditors**

As with recent years, the Academy continues to be pleased with the service, knowledge and understanding of its auditors Buzzacott who fulfil this role for a large number of academies. This presence in the market also helps in the provision of a range of benchmarking material through an extended Post-Audit Management Letter including a range of ratio comparisons. Buzzacott allocated a new partner to oversee our account the four years ago and this transition went well. The Audit Partner with responsibility for the Trust's accounts continues to make herself available for a discussion with the Responsible Officer prior to sign off of the financial statements.

### **Item 14 Trustee Approvals & Authorisations**

- **Annual Salary Reviews**

The Trustees noted the decisions made by the Remuneration Committee in accepting the reasoning behind the considerable rise in projected staff costs for the year. They were also advised that the overall staffing numbers were not due to increase next year and then by approximately 1.5 full time teaching staff for the final two years of the increased intake numbers to Year 7. They further noted that in light of the increased staff costs, there had been no recommendations for enhanced progression or the allocation of TLR3 awards to teaching staff for undertaking one-off time limited projects for their own and general staff development. The Staff Pay and Pensions Policy had been updated for the year.

- **5-Year Budget Plan**

This had been largely covered in earlier discussion, but the Trustees noted the further comments from Richard Perry who had produced the updated 5-year budget plan that a deficit was forecast for each of the 5 years, which, if accurate, would reduce the current level of reserves brought forward by some 65% by the end of that period.

- **Risk Register Update**

Richard Perry had issued the current risk register to Trustees as part of the paperwork for the meeting along with a copy of the latest update to the risk assessment for the full return to the Academy in response to the COVID-19 situation.

As has formed part of the Annual Meeting for many years, Richard Perry had proposed some new additions and some recommendations to risk score amendments for the main register. The register continued to be split into a number of different categories and identified the controls in place to minimise each risk; the additional measures required to further reduce the risk and any action undertaken in respect of that risk since the previous review.

Trustees noted the actions that had taken place since the previous meeting in February and were also in agreement with the two recommended inclusions to the register as well as in-year actions to existing risks where further action was required or on-going. Aside from the two new risks included on the register, the Trustees also agreed with suggested changes to the risk scores. The amendments to the register are listed below.

38. *New financial risk added: - Related Party Transactions not properly authorised* – This was a growing area of focus for the ESFA and specific additional requirements had now been placed on academies to ensure correct authorisations were in place for any such transactions. The Academy had only one such arrangement currently in place and fully complied with due requirements, despite this arrangement having been in place for many years. The risk was given a likelihood score of 1 and an impact score of 2, providing an overall risk score of 2 for any non-compliance.

39. *New financial risk identified: - Academy not considered to be a going concern* – This was added in light of its focussed inclusion within the Academies Financial Handbook and the fact that reference to this is included within the Annual Report and Financial Statements. Trustees considered the Trust to continue to be well placed as a going concern in view of its current level of reserves and future financial projections. The risk was given a likelihood score of 1 and an impact score of 5, providing an overall risk score of 5.

1. *Arson attack or other fire exposure*– likelihood decreased from 3 to 2, revising the total risk score downwards from 9 to 6. The revision was believed to be a more accurate reflection on the likelihood of this happening in view of the fire protection arrangements in place.

11. *Loss of key sponsors/supporters* – likelihood increased from 1 to 2 revising the total risk score to 8. The view was that whilst remaining unlikely to happen this could not be discounted in view of the management structure and the need to maintain this in line with current arrangements.

15. *Total failure of computer network* – impact increased from 1 to 2 revising the total risk score to 4. The view was that a scoring of 1 had perhaps been too low in the past.

20. *Loss of a key supplier* – likelihood increased from 2 to 3, leaving the total risk score at 3. The Trustees noted that this a more likely occurrence due to the impact of the coronavirus pandemic, but remained of the view that a replacement would still be found.

33. *Significant reduction in government grants* – likelihood reduced from 3 to 2, leaving the total risk score at 6. The Trustees noted that whilst this could be a fallout from the impact of the coronavirus pandemic, they felt this was now less likely after signs of this recovering following many years of limited or no growth.

37. *Inappropriate investment planning* – impact reduced from 3 to 2, leaving the total risk score at 2. The Trustees noted that with investment returns currently poor and unlikely to see much improvement in the medium term, incorrect investment planning was less crucial.

40. *Outbreak of life-threatening communicable disease* – likelihood increased from 2 to 5, leaving the total risk score at 15. The unfortunate events of the last eight months had given rise to the change of this becoming increasingly likely. Even post coronavirus, there remains widely held views that such a situation could become a more regular occurrence.

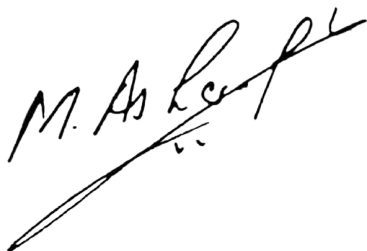
Once again, there were no risks removed from the register.

- **Reserves and Investment Policies**

Taking account of the revised five-year budget estimates continuing to indicate that expenditure will outstrip income based on current projections and the Trustees wish for maintaining the current levels of service provision with the likelihood of future income levels from central government unlikely to alter this situation in the medium term, the Trustees reviewed existing policy and once again believed it was justified to keep to the same arrangements with the aim of maintaining unrestricted reserves at a level sufficient to at least cover 3 months' worth of Trust expenditure.

Trustees noted that the level of such reserves continued above the threshold of this, but that taking account of financial projections, this would be likely to alter in the medium term. The estimates continued to show that this would be the case within three years.

Investment returns continued to be poor at present. Despite this, the Trustees remained of the firm view that any investment of surplus reserves should remain in secure fixed interest arrangements, but should take account of any upward move on current returns which were pitifully low.

A handwritten signature in black ink, appearing to read 'M. Ashcroft', with a long, sweeping underline that extends to the left and then curves back under the name.

LORD ASHCROFT KCMG PC