

**MINUTES OF THE 28th ANNUAL TRUSTEES' MEETING
HELD ON WEDNESDAY 19th FEBRUARY 2020
AT 11:00 HRS – AT THE DEVONSHIRE CLUB,
5 DEVONSHIRE SQUARE LONDON, EC2M 4YD**

Present: Lord Ashcroft KCMG (in the Chair), Ms A E Entwistle, Mr S Harris, Mr P Gaze (by phone link)

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 Lord Ashcroft KCMG appointed Angela Entwistle as Vice Chairman for the year.

Item 2 Trustee Appointments

The Trustees noted the appointment of Peter Gaze as a Trustee with effect from 6 January 2020. Peter Gaze was thanked by Lord Ashcroft for agreeing to become a Trustee and welcomed him to his first Annual Meeting. There had been no other new appointments or resignations since the last Annual Trustees Meeting.

Item 3 Declaration of Interests

There were no declarations of interest.

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 20th November 2018 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 updated on the potential future governance arrangements for the Trust which could be subject to some revision due to a requirement for amended funding terms with the Education and Skills Funding Agency (ESFA) in view of increased student numbers being admitted to Ashcroft Technology Academy.

The Trustees remained determined 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. The complement of the Executive Board with its more general oversight of day to day operation to that of the Trustees with their strategic overview and overall responsibility for the Trust works effectively, especially as two of the Trustees are members of the Executive Board.

Item 8 Report of the Chairman of the Executive Board

Dr Whitcutt gave an overview of the constitution and meeting cycles of both the Executive Board and the Finance and Resources Committee (FRC). He explained that meetings worked well with items for members to fully contribute to both from parental and non-parental perspective.

He expressed some frustration at the Academy having received several anonymous complaints in the past year from parents via either the Local Authority (LA) or through Ofsted, where complainants had sought to go (potentially advised to be the LA) and effectively by-passing the procedures in place at the Academy. He added that this could in part be down to being the successful school the Academy is, coupled with its focus on high behavioural expectations and often seemed to have referencing of special needs. Trustees were reassured that the Academy remains extremely well run and stated their irritation at the approach taken by others in not following clear systems.

Dr Whitcutt further added that the LA had expressed a keenness for schools to adopt an offensive weapons protocol that had been initiated by the LA. The protocol incorporated a degree of flexibility in approach that could be taken by schools, which took account of personal circumstances in deciding whether or not to exclude a student found carrying such a weapon. This was counter to the Academy's approach where exclusion would always result in such a situation and the Trustees remained vehemently behind this stance.

Angela Entwistle wished to record the Trustees gratitude to Dr Whitcutt for the role he continues to carry out on behalf of the Trustees and appreciated that there is much work he undertook in doing this. She further added that his loyalty was fully appreciated and this was endorsed by the other Trustees.

Item 9 Report of the Principal

Douglas Mitchell presented his report to the Trustees by firstly focussing on results and stating that the Academy was in the top 200 schools nationally in terms of progress made by students from the point of joining in Year 7 to their outcomes at GCSE. The Academy had been the highest performing co-educational state school for student success in gaining qualifications in all EBACC subjects, with only grammar and private schools achieving more highly, which was considered to be a superb achievement. This was also the case when looking at the results of those students deemed to be disadvantaged. Overall results had dipped a little from those achieved the prior year, but this had been fully expected based on data mapping their progress and performance. Results at sixth form level also remained strong and impressive.

Mr Mitchell added that the expectations on and behaviour of students remained excellent and exclusion rates were exceptionally low. The Inclusive Care and Support (ICAS) system worked extremely well and was headed up by an impressive and loyal member of staff. It remained the culture at the Academy that children who misbehave become isolated from others who do not wish to be associated with them, knowing that the Academy takes a hard line with such students and is consistent and unwavering in its approach to provide a well ordered and safe learning environment. He added that a government advisor had recently advocated that every school should have an isolation area for students not adhering to policy.

Angela Entwistle and Peter Gaze had recently toured the Academy. They commented on the outstanding levels of behaviour and the work ethic along with the measures in place to underpin this. They further believed the ambience in place with the Academy gave a real feel for students wanting to learn.

Douglas Mitchell outlined the continued difficulties with recruitment in teaching. He cited the recent advertisement to appoint an Assistant Principal, which attracted some 22 applications, but only 4 were worthy of shortlisting for interview. In subjects such as Computer Science, Maths, Chemistry and Physics, applications are sparse and even subjects such as English are becoming far harder to recruit in. Dr Whitcutt added that recruitment into teacher training was currently poor and that PGCE training establishments were struggling to fill places. Kings College had 20 places available in Physics but could only fill 3 of these. The Academy provides an ideal calm and safe base for teachers to develop and train, but it is aware that larger Multi-Academy Trusts (MATs) are in a position to more readily cherry pick their staff and to offer higher pay and other allowances. He cited that the Academy previously operated its additional teaching allowance at £3,000 per annum which was dropped to £1,350 in 2008 and again cut to £1,000 in 2014.

Lord Ashcroft noted the comments made and asked Mr. Mitchell to look at what could reasonably be done within workable reserves to improve the recruitment and retention of teaching staff. This could be in the form of a blanket provision or more novel approaches within shortage subject areas top focus on retention where need be. Mr. Mitchell added that retention was not helped by virtue of the fact that teachers are trained incredibly well at the Academy.

Item 10 Report of the Vice-Principal

Much of Richard Perry's detailed report to Trustees covered later items on the agenda, but he used the report to provide greater detail on these aspects.

In terms areas of greatest expenditure since the previous meeting (aside from staffing costs), work to complete health and safety upgrades to the auditorium, were concluded at a cost of £29,000, while the main Library and Learning Resource Centre was overhauled and given a modern upgrade that also complemented the need for additional resource provision for students at the extremes of the day, which cost £143,000 to provide. The facility still operates as a library, but is more akin to that you would find within a higher education setting.

The proposed refurbishment works to accommodate the additional student population appear to have stalled with the main contractor appointed to facilitate all secondary expansion projects in the Borough having proven to be too expensive. The Academy project, being the most straightforward and not requiring any new build would potentially still operate under a smaller works package, but while discussions continued this was now unlikely to be concluded for the summer of 2020. The project cost remained in the order of £550,000, to be funded almost entirely by the local authority as the expansion would assist Wandsworth's need to meet increased demand on secondary school places. The Academy would find it problematical to operate a second increase in student numbers without building works to support it. The increase in student numbers by 30 students per year over a five-year period, will increase capacity from 1,300 to 1,450 by September 2023 and will bring a much needed level of additional funding of over £750,000 by 2024 (as the increased funding follows retrospectively each year).

Much discussion again centred on the level of Academy funding and this becoming insufficient to operate all the elements which is felt make the Academy the success it is. There remain key components including the operation of a longer school day, the focus on mentoring staff to effectively operate the Inclusive Care and Support (ICAS) facility, the remote sports ground provision at Openview and offering the International Baccalaureate at Key Stage 5. Richard Perry continued to forecast a deficit annual funding outcome for the foreseeable future, but with the retention of a healthy level of reserves, the Trustees again outlined their desire for the Academy to continue full provision going forward.

Richard Perry advised that in 2011, the Academy had received £9.5m of revenue grants from the DfE and that some eight years later this had dropped to £8.6m, despite inflationary increases (including wage inflation) over that time of 24%. He did indicate that increased annual funding should hopefully start filtering through in the coming years aside from that in respect of the additional student numbers, but that this alone was unlikely to plug the forecast annual deficits into the future.

The trading company had performed well in 2019 continuing its sale of student uniforms and the letting of sports facilities, which enabled a gift-aided donation back to the main Academy of £112,500 and provide a further source of funds to help plug the funding gap.

Richard Perry updated Trustees on new changes within the Academies Financial Handbook which again put much focus on the area of internal scrutiny and the need to submit the Academy's internal audit report (Responsible Officer report) along with the annual accounts and audit management letter in future and for this report to adopt a focus on the main Academy risks in future. It also requires monthly accounts to be submitted to Trustees where this does not happen at present as well as a continued focus on related party transactions and the area of executive pay.

Item 11 Adoption of Annual Report and Financial Statements to 31st August 2018

The accounts for the year to 31st August 2018 had been reviewed, formally adopted and signed off by Stewart Harris on behalf of the Trustees as well as Douglas Mitchell as the Academy's Accounting Officer. This item was included on the agenda as this set of accounts had not been previously signed off when the Trustees held their last Annual Meeting.

Item 12 Annual Report and Financial Statements to 31st August 2019

As with the previous item, the Trustees also formally adopted the Annual Report and Financial Statements for the year to 31st August 2019. Richard Perry confirmed that the Trustees had previously approved the financial statements in December 2019 after he had provided a detailed summary of the key outcomes. They had been signed off by Stewart Harris on behalf of the Trustees as well as Douglas Mitchell as the Academy's Accounting Officer on 18th December 2019.

Item 13 Responsible Officer Report

Stewart Harris continued to carry out the role of Responsible Officer (the internal audit function for the Trust). Stewart had attended the Academy on three separate occasions in this capacity as well as attending the Academy's FRC on four out of the five occasions the FRC met during the academic year in an observer capacity. The Trustees noted the report from the Responsible Officer and the range of checks associated with it and thanked him for continuing to fulfil this role.

Item 14 Review of Auditors

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 Management Letter including a range of ratio comparisons. Buzzacott allocated a new partner to oversee our account the two 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 15 Trustee Approvals & Authorisations

- **Annual Salary Reviews**

The Trustees noted the decisions made by the Remuneration Committee in establishing a ceiling of +1.0% above the estimated gross salary costs for the Academy for the 2019-2020 academic year for the FRC to work within when agreeing staff pay reviews for 2019-20 which required the endorsement of the FRC before implementation in line with the Staff Pay and Pensions Policy. The Remuneration Committee had separately review the performance and pay arrangements of both the Principal and the Vice-Principal as also stated within the above mentioned Policy.

As recommended at the previous Annual Meeting, it was agreed for the Staff Attendance Reward Scheme to continue at the Academy, but that a salary cap of £80,000 be placed on this provision. This was implemented for the end of the 2018/2019 academic year.

- **5-Year Budget Plan**

Richard Perry had produced a 5-year budget plan in place of the previously delivered 3-year version to provide a longer-term projection, although funding levels are difficult to assess with the changes in public sector funding and the fact that the government are not in a position to indicate funding levels beyond one year. The Academy has however been able to budget for the additional income the increase in student numbers will bring over the period and this has been factored in to the plan through until 2023/24. Trustees were reminded that the funding to support the additional 30 students per year came through retrospectively as funding levels were based on the previous year's autumn census returns.

Trustees noted 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 60% 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. In line with previous years, this had been reviewed and updated prior to the meeting with suggested additions and some recommendations to risk score amendments. The register was 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 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 the four suggested changes to the risk scores. The amendments to the register are listed below.

24. New operational risk identified: - more litigious society threat to Academy – This was a growing area of concern as stated earlier within the report of the Chair of the Executive Board. The Academy had experienced a very small but growing culture of people seeking to register complaints without doing so through the Academy and the LA could have been more helpful in this regard by simply redirecting individuals to use the Academy's Complaints Policy. The risk was given a likelihood score of 2 and an impact score of 2, providing an overall risk score of 4.

32. *New operational & financial risk identified: - non-compliance with the Academies Financial Handbook* – This was added as in prior years, the Academy had its Annual Report and Financial Statements qualified for not declaring the relevant salary bandings for its highest paid employees, but also as the levels of financial scrutiny has increased in recent years with additional requirements placed on Academy Trusts and Trustees agreed this should be added to the risk register. The risk was given a likelihood score of 1 and an impact score of 2, providing an overall risk score of 2.

27. *Industrial action by staff* – likelihood decreased from 2 to 1, revising the total risk score downwards from 2 to 1. The revision was believed to be a more accurate reflection on the likelihood of this happening.

33. *Significant reduction in government grants* – impact reduced from 4 to 3, leaving the total risk score at 9. The view was that funding levels are likely to be a little improved in the coming years, although probably not to levels that will remove the forecast deficits.

35. *Changes in pensions legislation* – impact increased from 2 to 3, leaving the total risk score at 15. The Trustees noted the increased costs in running occupational pensions schemes and the more recent increase in employer contribution levels to the Teachers' Pension Scheme. The Foundation Pension Plan was also expensive to maintain in view of its relative small number of members.

41. *Successful appeals against non-admission* – likelihood increased from 2 to 3, but impact reduced from 2 to 1, leaving the total risk score at 3. The Trustees noted that the Independent Appeals Panels constituted to hear appeals against non-admission, had become increasingly fastidious and more prepared to award the offer of a place to an appellant despite the Academy having fairly applied its admission procedures and in the previous year, penalised the Academy's support of the Local Authority by offering 5 additional places on initial offer, knowing these would adjust to funded number levels prior to the start of the year. This had been an issue with a number of schools across a number of boroughs and had been operated by the Academy for several years.

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

- **Reserves and Investment Policies**

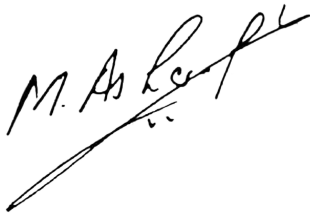
Taking account of the revised five-year budget estimates indicating that expenditure will outstrip income based on current projections and the Trustees wish for maintaining the current levels of service provision with the likelihood of future income levels from central government unlikely to alter this 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 also noted that the combination of restricted general fund and unrestricted fund reserve levels had dropped by over £250,000 in 2018/19 and as such, restricted reserve levels will be likely to drop in the future once restricted fund reserves have been depleted. The estimate was 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 investment of surplus reserves should remain in secure fixed interest arrangements, regardless of the low returns.

Item 16 Any Other Business

Dr Whitcutt updated Trustees on the changes within the pension arrangements for associate staff. He reminded them that a small number of the longer serving members had remained part of the Foundation Pension Plan (FPP) (which came into being as a broadly mirror version of the original ADT Pension Plan), but had made the decision to leave the FPP to join the Local Government Pension Scheme (LGPS) for future pension purposes. This took effect from September 2019 with those involved also seeking to transfer their pension rights from FPP to LGPS. Calculations undertaken in advance had suggested this was achievable and those looking to transfer were quoted estimated transfers that appeared to be beneficial to them. However, on then seeking to move forward with updated figures, this no longer was achievable without additionally requiring a deficit payment (approximately £200,000 in respect of the 12 transferees in total), which would have to be paid by the employer. This was considered inappropriate in few of the beneficial terms on offer and quite bizarrely the LGPS actuarial calculations work in a strange way that prevent them from simply adjusting the transfer terms for the individuals concerned so that the deficit sum in respect of them was removed.

He added that the Trust continued in discussion with both the LGPS and the FPP actuaries on these matters to find appropriate resolution, particularly as staff had in part made the move to the LGPS on the strength of believing a transfer of their built-up pension in the FPP would follow. Stewart Harris had now become involved to represent the Trust in on-going discussions.

A handwritten signature in black ink, appearing to read "M. Asker". The signature is written in a cursive style with a long, sweeping underline that extends to the left and then curves back under the name.