

**MINUTES OF THE 27<sup>th</sup> ANNUAL TRUSTEES' MEETING  
HELD ON TUESDAY 20<sup>th</sup> NOVEMBER 2018  
AT 10:30 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

**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 Stewart Harris as a Trustee with effect from 25 February 2018, replacing David Hammond who had resigned with effect from the same date. Stewart Harris was welcomed to his first Annual Meeting. There had been 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 7<sup>th</sup> December 2017 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 Report of the Chairman of the Executive Board**

Dick Whitcutt reported that Ashcroft Technology Academy (ATA) has done exceptionally well in its first full year under the new management arrangement which also brought about an upward progression in school performance. He added that it was also pleasing to note that ATA did not rest on its laurels and continued to seek ways of improvement. Angela Entwistle endorsed these comments.

Dr. Whitcutt added that Douglas Mitchell had outline the successes in more detail within his report, but wanted to single out the Progress 8 score of the +1.0, which he explained meant that on average across their 8 best subjects, every student managed to obtain one extra grade higher per subject than the average student nationally, which he felt was a simply fantastic achievement.

He also commented on what he saw as successful teamwork leading the Academy, coping well with several difficult obstacles along the way.

The Executive Board and Finance & Resources Committee were both functioning well, with the former now a good balance of parent/staff/business inputs giving some friendly challenge and more active involvement than in recent years.

He informed the Trustees that there was one small downside in that parental complaints had been on the increase despite the Academy operating merely as it always has. It was deemed natural that some may struggle to accept consistently strong focus on behaviour, more so than in more flexible schools, but the Academy has never shied away from highlighting this area as a key component of its success before parents sign up.

Dick Whitcutt concluded by making reference to the Academy's running of its Autistic Resource Centre and that both provision and operation were designed for autistic children likely to be able to operate within the mainstream environment for much of their secondary education. There was some contention on this with the LA looking to place autistic students with the Academy who were not meeting this criterion. He added that there was a meeting with Wandsworth due to take place in January.

Lord Ashcroft KCMG thanked DW for his report and also congratulated him on behalf of the Trustees for continuing to perform his roles so well.

## **Item 8 Report of the Principal**

Douglas Mitchell presented his second report to the Trustees as Principal adding that his report continued in the summarised fashion of the previous year although with a little more narrative.

In first answering a question from Lord Ashcroft KCMG seeking an explanation of where the success of the Progress 8 score positioned the Academy in a national context, Douglas Mitchell added that this placed the Academy as the 49<sup>th</sup> best performing state-funded secondary school in the country. He reassured Trustees that parents were aware of how the relatively new progress measures work, but he conceded that more work needed to be done nationally so that the measures are more widely understood.

Safeguarding is of huge importance at the Academy with the whole staff trained in the matter each year with the correct protocols in place to protect all students, staff and visitors to the Academy.

Douglas Mitchell also commented on the successes at GCSE with a particular focus on those deemed to be disadvantaged students and the national gap that exists between the so-called 'haves' and 'have nots'. The gap in achievement and attainment continues to grow nationally, despite additional funding known as Pupil Premium funding provided to assist in reversing this picture. The Academy does exceptionally well in narrowing this gap for its own students and the structured learning environment plays a large part in securing this. He added that 9 out of 10 children leave the Academy having obtained good quality passes at English and Maths.

Sixth form success was equally impressive with the Academy once again the best in Wandsworth for outcomes at this level. The academy was increasing the number of passes at A\*, A and B grades and the vast majority of leavers gained places at their first choice of university.



When asking approximately how many students obtained places at Russell Group Universities, Angela Entwistle was advised that this was around some 40% of sixth form leavers at Year 13.

Douglas Mitchell pointed out that the biggest issues facing the Academy were those relating to funding and to staff recruitment, the latter being an area of operation that the Academy was finding increasingly difficult. A number of components impact this, ranging from the Academy's location within Inner London (with higher living costs and a more transient workforce), to the high marketability of staff from the Academy who are both trained and progress well within relatively short periods of time and also factoring in that fewer people are entering into the teaching profession, with many that do, not of sufficient quality to appoint to the Academy. As such the Academy was looking at innovative ways to improve this and had embarked on training up apprentice teachers (one currently exists within the English department and the Academy was hoping for two of its current Teaching Assistant's to follow suit next academic year. The Academy would also look to become a training school in its own right.

Lord Ashcroft thanked Douglas Mitchell for his report and for the achievements continuing to be made by the Academy under him as Principal.

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

Picking up on Douglas Mitchell's concerns over funding levels, Richard Perry confirmed that funding had dropped by 4% over the past two years and with inflationary pressures in the other direction, this effectively meant a cut of around 8%. The provision for Minimum Funding Guarantee (protected funding subject to gradual reduction), had dropped by over £700k in four years and now sits at just £450k. However, this element will eventually drop to zero and as such the Academy needs to be looking at operating without this, and one that year on year makes balancing the books increasingly harder to achieve. This will also be subject to increased pressure with the funding support for special educational needs and the financial support provision of the Autistic Resource Centre. Local Authority funding of these areas is being hit and this will undoubtedly have an adverse impact for ATA.

One key positive in this is that the Academy will be looking to increase its student numbers from September 2019 by 30 students per year over a five-year period, meaning that student funding capacity will increase from a total of 1,300 to 1,450 by September 2023. This will give rise to additional funding of over £750,000 by 2024 (as the increased funding follows retrospectively each year). There will clearly be the need for additional staffing and resources costs, but it is hoped that some economies of scale will exist such that some of the increase in funds can support existing provision.

In order to accommodate the additional student population, the Academy will be subject to some building modifications in a number of existing areas. This will cost in the order of £550,000, but is to be funded almost entirely by the local authority as the key reason for the expansion is in support of Wandsworth's need to meet increased demand on secondary school places that will be coming through the education system over the next few years. It is hoped that this work will be undertaken across the next two summers.

Aside from the above, investment in fixed assets through the use of revenue funds continues to be relatively low key, in part a reflection of lower income levels, but also aided by the emphasis put on maintaining the buildings and systems to a high level on a continuous basis. This pattern would be likely to continue going forward in attempt to soften the impact of reduced funding, alongside seeking efficiencies where possible elsewhere.



Discussion again took place outlining a number of key provisions in place at the Academy, which are relatively expensive to operate, but which continue to be key to the success and reputation of the Academy. These areas included the operation of a longer school day, a significant 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 reminded Trustees that whilst forecasting annual overspends in the foreseeable future, the Academy does still retain a healthy level of reserves. The Trustees signalled their wish for the Academy to continue all such provisions going forward.

Richard Perry referred to the updated three-year plan (covering 2018/19 to 2020/21) and whilst again predicting a lower deficit across three years than had been estimated the year before, this was still calculated to be at around £1 million across the 3-year period and would utilise around two thirds of its restricted funds balance. Trustees noted this and that this was not likely to impact its unrestricted reserves over the medium term.

The trading subsidiary continued its main provisions with the sale of uniforms and the letting of sports facilities, this has enabled a gift-aided donation back to the main Academy of around £90,000 once more, subject to audit sign off.

Richard Perry ended by outlining some of the changes to the Academies Financial Handbook that Trustees needed to be aware of including that referring to related party transactions, which from April 2019 will require the submission of an online form to the Education and Skills Funding Agency (ESFA) for each such transaction and their prior approval on any such arrangement valued at more than £20,000 in any one year.

The Trustees thanked Richard Perry for his detailed report.

#### **Item 10 Adoption of Annual Report and Financial Statements to 31<sup>st</sup> August 2017**

The accounts for the year to 31<sup>st</sup> August 2017 had been reviewed, formally adopted and signed off by David Hammond on behalf of the Trustees as well as Douglas Mitchell as the Academy's Accounting Officer.

#### **Item 11 Annual Report and Financial Statements to 31<sup>st</sup> August 2018**

The audit processes for the year end to 31<sup>st</sup> August 2018 had commenced the day before the Trustees meeting and should be concluded within two weeks. The draft annual report and accounts will be circulated to Trustees for approval as well as the Finance and Resources Committee (FRC) for comment prior to sign off. Richard Perry stated that subject to final audit confirmation, he was anticipating a small deficit for the year (excluding depreciation and pension reserve adjustments). The Annual Report and Financial Statements will need to be signed off and submitted to the DfE prior to the end of December.

Stewart Harris agreed to have a conversation with the Academy's audit partner as part of the sign off process.

Richard Perry would also circulate the accounts for the trading subsidiary for the Trustees information.

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

Richard Perry thanked Stewart Harris for again carrying out this internal audit function for the Trust. Stewart had attended the Academy on two separate occasions in this capacity as well as attending the Academy's FRC on three out of the four 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.



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

The Academy remains pleased with the service, knowledge and understanding of its auditors Buzzacott which aside from assisting in completing statutory requirements, continues to provide additional information in an extended Management Letter to include ratio analysis and Academy sector developments as it has a large number of academies that it provides services for. Buzzacott allocated a new partner to oversee our account the two years ago and this transition went well. As mentioned above, Stewart Harris would again conduct a conversation with the partner as part of the clearance process.

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

- **Annual Salary Reviews**

The Trustees noted the decisions made by the Remuneration Committee in establishing a ceiling of +1.5% above the gross salary costs for the Academy for the 2018-2019 academic year for the FRC to work within when agreeing staff pay reviews for 2018-19 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.

Dick Whitcutt added that whilst the annual attendance bonus arrangements would continue at the Academy, it was felt that a salary cap of £80,000 be placed on this provision. Trustees agreed with this.

- **3 Year Budget Plan**

The budget profile covering the 2017-2018 through to the 2019-2020 academic years was discussed under item 9 and accepted by the Trustees.

- **Risk Register Update**

The Trustees had been presented with the current risk register as part of the paperwork for the meeting, which had been reviewed and updated prior to the meeting with suggested additions and some recommendations to risk score amendments. The Trustees noted the actions that had taken place since the previous meeting and were also in agreement with the suggested new inclusions to the register as well as in-year actions to existing risks where further action was required or on-going. There were two new risks included on the register and four suggested change to risk scores stated below.

19. *New operational risk identified: - unsafe use of social media* – This was a growing area of concern nationally, but a particular safeguarding issue within schools. Trustees noted this and the arrangements in place at the Academy aimed to control the risk. The risk was given a likelihood score of 3 and an impact score of 2, providing an overall risk score of 6.

27. *New operational risk identified: - load testing of sound and lighting rig* – This was added as the previous rig in the auditorium had been replaced as it was deemed insufficient to support the load required. The Academy would now seek to have the rigs in the auditorium and in the drama studio annually checked as a result. The risk was given a likelihood score of 1 and an impact score of 5, providing an overall risk score of 5.



8. *Loss of charitable status* – impact 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.

20. *Loss of a key supplier* – likelihood decreased from 2 to 1, revising the total risk score down from 2 to 1. The revision was believed to be a more accurate reflection on the likelihood of this happening with few suppliers regarded as key and options available.

31. *Significant reduction in government grants* – likelihood reduced from 4 to 3, but impact increased from 3 to 4, leaving the total risk score at 12. The view was that whilst funding levels had continued to reduce over recent years, it was deemed less likely for this to continue at the same level. However, in view of the reductions over the past few years, the impact was deemed to be more concerning

41. *Failure of the Autistic Resource Centre* – likelihood reduced from 3 to 2 as the provision has now operated for over the initial 10-year period (which could have resulted in pay back of some initial capital investment). Revenue funding may cause an issue going forward so this should be kept a close eye on.

No risks were removed from the register.

- **Reserves and Investment Policies**


Once again, in view of the revised three-year budget estimates indicating that expenditure will outstrip income based on current projections and maintaining current service provision and the likelihood of future income levels from central government unlikely to change this situation in the medium term, the Trustees reviewed existing policy and again agreed 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 expenditure. Trustees noted that the level of such reserves continued above the threshold of this, although these 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 five 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 15 Any Other Business**

The Trustees were updated on potential changes within the pension arrangements for associate staff. A number of the longer serving members remained part of the Foundation Pension Plan (FPP) (which came into being as a broadly mirror version of the original ADT Pension Plan). The Plan was becoming increasingly expensive to operate and at its last three-year valuation, it was deemed that either the level of contributions (employee and/or employer) would require increase or the Plan benefits altered going forward. The latter was the only real alternative meaning that members would accrue less pension going forward.

Richard Perry added that it may be some of the FPP members look to become members of the Local Government Pension Scheme in the future (this Scheme is where associate staff members have joined since the school became an Academy) and this may impact further on the future of the FPP.

  
M. Ashcraft  
19.02.2020