

**BOARD OF TRUSTEES**

**Minutes of the meeting held at 5.00pm on 29 September 2016**

**Present:** I Morgan (Chair) E D'Souza  
A Whatley C Gibson  
A Whittaker (Principal) N Savvas (Chief Executive)

**In Attendance:** S Jones, Chief Financial Officer  
J Bridges, Clerk

**Action**

The Clerk opened the meeting.

**1 Declaration of Interests**

Trustees have been issued with their registers of pecuniary interests to update. These will be published on the SAT website once completed. Trustees confirmed that they had no conflicts of interest to declare in relation to the items of the agenda.

**2 SAT Board of Trustees Election of Chair and Vice Chair**

Trustees nominated I Morgan to take the position as Chair. The nomination was **proposed** by N Savvas and **seconded** by E D'Souza.

The Clerk confirmed that the Trust had received the resignation of the Vice Chair, M Wagner. His resignation is with effect from 31 August 2016. Trustees nominated E D'Souza to take up the appointment as Vice Chair. His nomination was **proposed** by I Morgan and was **seconded** by A Whatley.

The Clerk passed the conduct of the meeting to the Chair.

**3 Apologies for Absence/Notice and Quorum Requirements**

Apologies for absence were received from H Lay, C Higgins and M Humphreys.

**4 Minutes of the meeting held on 11 July 2016**

The minutes of the meeting (minute book pages A771-A775) were agreed as a correct record.

**5 Matters Arising from the meeting held on 11 July 2016**

The matters arising from the meeting were summarised in the report (minute book page A776) and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

**6 Appointment of LGB Chair**

Trustees received and considered the proposal (minute book page A777).

The Vice Chair took the agenda item as the proposal to appoint I Morgan as the Chair of the Local Governing Body created a conflict of interest as he holds the post as Chair to the Trust.

The Board recognised that the conflict of holding both Chair positions for the Trust and the Academy Local Governing Body would be heightened at the point

that another entity joined the Trust. It was agreed that his appointment as Chair of the LGB would therefore cease at the point another entity joined and as this appointment would be subject to annual review it was unlikely in the 2016/17 academic year that the conflict would escalate. Upon this understanding the Board approved to appoint I Morgan as the Chair to the Local Governing Body of the Academy. **Proposed** by A Whittaker and **seconded** by N Savvas.

## **7 Appointment of LGB Clerk**

Trustees received and considered the proposal (minute book page A778) to appoint J Bridges to act as Clerk to the Local Governing Body of the Academy.

The Board approved the appointment. **Proposed** by I Morgan and **seconded** by A Whatley.

## **8 Terms of Reference/Scheme of Delegation**

Trustees received and considered the report (minute book pages A779-A802).

In accordance with clause 13 of the Terms of Reference for Local Governing Bodies these terms of reference are drafted and maintained by the Trust. This document is subject to annual review and approval at the first meeting of the Trustees in each academic year.

Annexed to the terms of reference is the Scheme of Delegation that sets out the level at which delegated decisions can be taken. An additional column has been added to the Scheme to identify the delegated decisions to the LGB of One in the context of a post 16 provider; the original column labelled LGB has been headed pre 16/compulsory provider to indicate the delegated decisions to the LGB of a school, in the event that a school may join the Trust.

The Chair noted the changes to the Scheme of Delegation and all confirmed that these were not significant. For clarity it was confirmed that delegated responsibilities of the Finance and Audit Committees did not mean both before the Trustee Board but meant and/or the appropriate Committee dependent upon relevance under that Committee's own terms of reference. The Clerk was also asked to add reference to compliance with the Academies Financial Handbook in respect of the delegated responsibility for determining dismissal payments/early retirement as there are specific rules around such payments that must be adhered to. Subject to these additional minor amendments the Board **approved** the Terms of Reference for Local Governing Bodies and the annexed Scheme of Delegation.

## **9 Principal's Briefing**

Trustees received and considered the report (minute book pages A803-A804).

The Principal of the Academy reported that the overall picture for student performance in 2015/16 has been positive with most indicators at or above benchmark. The sector is in the middle of a significant curriculum reform and curriculum teams at the Academy have been restructured; increasing class sizes and improving efficiency.

Standards are still very high with excellent value added scores however there has been a slight drop in performance in some areas and a detailed breakdown of the results has been analysed by a working party of the Local Governing Body. As a consequence Key Performance Indicators are being developed by the group that will also be produced for the Trust Board to monitor and review the performance of the Academy.

JBridges

In addition to the report the Principal invited the Board to consider being involved in the next wave of the Area Based Review. The fifth wave (Norfolk and Suffolk) starts early December 2016 for the FE Sector and Post 19 Skills and post 16 provision in Schools and Colleges can be brought into scope. It is proposed that the Academy (One) engages in the process to encourage greater participation and widen the scope of provision and opportunities for collaborative working.

The Board recognised that any outcome proposed of the Area Review cannot be enforced and so Trustees questioned whether the benefits of participating would outweigh the effort. It was agreed that the CEO of the Trust and the Principal of the Academy attend the initial Area Review meetings this and next week to gauge and balance the benefits versus the effort and ascertain the level of involvement required before committing any resource to it.

NSavvas  
AWhittaker

## 10 **Free School Update**

Trustees received and considered the report (minute book pages A805-A832).

The official confirmation from the DfE has been received that the Secretary of State for Education has decided that the application to open a new 16-19 A Level Sixth Form in Bury St Edmunds should proceed to the pre-opening phase. A five phase pre-opening approach is to be undertaken and each element of the timeline is to be met.

The key aspects to address as first steps are;

- Capacity and capability of our group and the governance structure to undertake all the tasks required;
- Project planning and management – the DfE requires a named person responsible for managing the project;
- Governance structure – Trustee roles and lines of accountability to be very clear and responsibilities unimpeded by conflicts of interest; and
- Marketing and stakeholder engagement – pupils, parents, the community and key stakeholders kept up to date on the progress of the project.

The DfE along the journey will require constant assurance that the pre-opening phases and the deadlines can be met. A lead contact will be assigned to the project from the DfE to keep the Free School Project Group to task. The Group will need to provide the reassurance to the DfE Regional Schools Commissioner that the elements of each phase are being kept to task and are being completed.

A project 'Kick Off' meeting has been arranged for 17 October 2016. The lead contact will give feedback on the assessment of our application and cover any specific conditions that will need to be met in order for the project to progress successfully. Our Project Group will be asked to update the DfE Lead Contact on the plans for; developing our admissions arrangements; commissioning any necessary DBS checks; spending the £250K Project Development Grant (PDG) appropriately; recruiting a Principal Designate; submitting our Memorandum and Articles of Association for approval; and our governance arrangements and the appointment of the Chair of Governors.

It is also the intention to submit the compelling evidence that the new Free School can attract 1700 students by 2022. Work has already started with the Local Authority; identifying the housing plans in/around the area and we have the support of the Local Authority that our predicted numbers can be met. This critical justification has to be submitted by 31 October 2016 but the advice will be sought from the DfE Lead Contact at the Kick Off meeting as to whether

further justification would be required so that there is time to gather the evidence and meet the 31 October 2016 deadline.

A detailed project plan, RAG rated, breaking down the specific component activities, with deadlines, will be maintained and reported back to the Board of Trustees at each meeting of the Trust.

The Project Development Grant (PDG) of £250K is intended to cover all revenue costs up to the opening of the sixth form. Capital costs to secure and develop the site, furniture and ICT to support the curriculum, are provided by the EFA. Typically the revenue funding is used to pay for; project management, educational services, staff recruitment (including the Principal Designate), salary costs, marketing costs, consultation costs and open evening costs, pre-opening office costs, administration and admission and Trustee training and support.

A Post Opening Grant (POG) is used for the purchase of books and other curriculum materials in the month before opening, using an advance of the materials component of the POG.

There will be two main Project Boards; Build Design and Curriculum. Representation will be drawn from Local Authorities, Schools, SAT and other key stakeholders. The Curriculum Project Board will require representation from Suffolk One, King Edwards VI School, Stour Valley, Sybil Andrews, Newmarket Academy and WSC. All key stakeholders need to be represented and included to ensure that there is buy in into the project.

Trustees sought assurance that the project is carefully thought about and managed. They asked that the Board be included within any decision making and recognised that as a Board they were accountable for the success of the project. Undoubtedly the determined number of Trustees would need to increase and there may be occasion when the Board may be called for additional meetings than those already planned for the academic year or delegated authority permitted to the CEO for example to progress particular project deadlines. All of this detail is yet to be worked through but would be the focus of the Executive Team.

The Board asked for clarity about how the project would be resourced and how the Trust affords the associated costs. Concern was raised as to how much and exactly what resource will be needed to see the project through. Trustees stated the importance of preventing management stretch as existing outstanding provision of those invested in the project must be safeguarded. It was proposed that a resources plan is developed. The Principal confirmed that some development plans have already been identified by the Executive Team of the Academy to identify where resource could be drawn from and some initial thoughts and resources have been found. The Trustee Board asked that a detailed plan be drawn and an additional meeting of the Board called so that the plan can be shared, agreed and approved by the Trustees.

## 11 **Financial Overview**

Trustees received and considered the report (minute book pages A833-A835).

The report appraised the Board of the financial position of the Trust for the eleven months ended July 2016 which is the most recently available data at the time of the report. By the time the Finance Committee next meet formally, the draft accounts for the year ending 31 August 2016 will be available.

AWhatley

JBridges

As at month eleven the management accounts show a surplus of income over expenditure of £958K but this as yet does not reflect the level of expenditure anticipated at the year-end so the forecast outturn is a lower amount at a surplus of £638K, after repayment of the first tranche of EFA debt.

Subject to any major changes in the forecast, which are not anticipated, this will be a very strong performance for the Trust in its first year and will generate reserves that will be essential in providing depth and stability to the organisation. Reserves will need to continue to build in order to be able in time to invest back into the building and others assets within the Trust.

The 2016/17 budget is not as affluent as the forecast outturn for the 2015/16 academic year so it will be important not to be complacent and assume that because in year one an improvement on forecast surplus was achieved that this will be the case for this academic year. Staffing costs are at 70% which is a challenging target to sustain and there are pockets where stretch is evident as the Academy works leaner than in previous years. The loss of the ESG funding of £300K over the next four years has been budgeted for and this will disappear year on year at a rate of 25%.

On a positive note 2016/17 student recruitment has been good and as a consequence of delaying some staffing appointments savings can be made and an allowance provided for within the budget on a worst case basis to accommodate paying advanced progression awards.

In summary it can be seen that there is a substantial positive balance of £638K to carry forward into reserves for the next financial year however, following a meeting with the auditors it has been recommended that the Academy's unrestricted reserves aspiration should be in the region of one month's expenditure which is approximately £800K, so as can be seen the surplus and hence reserves is not yet at this figure.

The Board were pleased to learn that the organisation has now placed monies on deposit over 3, 6, and 12 month terms at varying interest rates and sums detailed in the report. The interest receivable from these deposits alone will exceed the budget set for 2016/17 and further deposits will be made during the year.

## 12 **Financial Administration and Control Handbook**

Trustees received and considered the Handbook (minute book pages A836-A917).

Modifications have been made to the Financial Administration and Control Handbook since the last review approved in March 2016 in order to keep it up to date and compliant. The main changes relate to; inclusion of a PCS DSS Policy as recommended by internal audit; modification of the Reserves Policy to specify a practical limit to the level of free reserves; tightening of process concerned with the disposal of assets; and clarification of expenditure limits and associated authority in appendix 1. It was also noted that on page 3 of the document Appendix J refers to a Policy contained between pages 66 to 70 inclusive and this policy is that of Procurement. Subject to this amendment being made the Board **approved** the revisions of the Financial Administration and Control Handbook by a show of hands.

SJones

**13 Key Performance Indicators**

As reported previously under item 9 above Key Performance Indicators are being developed by the Working Group of the Local Governing Body that will also be produced for the Trust Board to monitor and review the performance of the Academy.

**14 Appointment of Internal and External Auditors for 2016/17**

Trustees received and considered the appointments (minute book page A918).

Under the Scheme of Delegation the Board of Trustees is responsible to appoint auditors. It is proposed that the Internal Audit Service is delivered by Schools Choice for the 2016/17 academic year and the External Audit Service awarded to Larking Gowen, to audit the financial statements and accounts for the year ending 31 August 2016. The Board **approved** both appointments by a show of hands subject to satisfaction of the renewal terms of the External Audit Service by the Chair of the Finance Committee and the Chief Financial Officer.

ED'Souza  
SJones

**15 Any other business**

None.

**16 Date of next meeting**

Tuesday 13 December 2016 at 5.00pm Suffolk One Board Room

The meeting closed at 6.40pm