

BOARD OF TRUSTEES

Minutes of the meeting held at 5.00pm on 20 December 2018

Present:

E D'Souza (Chair)	C Higgins (Vice Chair)
S Daley (Vice Chair)	S Clarke
A Maltpress	K Points
J Gazzard	J Wakelam
C Ridgeon	R Inman
N Savvas (CEO)	

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

1 Declaration of Interests

Trustees confirmed that they had no conflicts of interest to declare in relation to the items of the agenda.

2 Apologies for absence

Apologies for absence were received from S Howard, D Wildridge and S Healey Pearce. The Trust Board was informed that the Chair has received the resignation of T Hunt. Due to other commitments in his life at this time he has decided to step down.

3 Minutes of the meeting held on 3 July 2018

The minutes of the meeting (minute book pages B551-B561) were agreed as a correct record.

4 Matters arising from 3 July 2018

The matters arising from the meeting were summarised in the report (minute book pages B562-B563) and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

5 Membership

Trustees received and considered the report (minute book pages B564-B565).

Resignations and Trust Appointment to the LGB of One Sixth Form College
Membership of the Local Governing Body must comprise not less than 9 and not more than 15 Local Governors.

E D'Souza, Chair of SAT Trustees has stepped down as a Local Governor of One Sixth Form College at the end of the 2017/18 academic year. His appointment as Chair of SAT conflicted his interest as a Local Governor and Vice Chair on the LGB.

D Gartland, Principal of Abbeygate Sixth Form has also stepped down as a Local Parent Governor of One Sixth Form College as his appointment as Principal for Abbeygate Sixth Form College conflicted his interest as a Local Parent Governor.

R Bamford, Staff Governor has also left the membership of the LGB at the end of July 2018. He has been replaced on the Board by A Dee, Head of Curriculum for Humanities.

Action

Other resignations on the LGB include G Mellor and I Thom, both Trust appointed governors who have resigned due to work and personal commitments. K Hinton has been nominated and appointed by the LGB as Vice Chair.

The LGB therefore had a number of vacancies to fill on the Board and further to successful recruitment the composition of the Board now comprises 8 governors.

The SAT Trust Board was asked to approve the re-appointment of M Firth as Chair of the LGB and appoint G Hetherington as a Trust appointed Local Governor. The LGB continues to hold a vacancy and is making every effort to attract and recruit a suitable member to join the Board. The Trustees would like to see an educationalist such as an Ofsted Inspector who could take on the advisory role and specialism on outcomes for learners and quality improvement. The Board **approved** the appointments as recommended. **Proposed** by C Higgins and **seconded** by C Ridgeon.

6 2017/18 One Self-Assessment Report

Trustees received and considered the report (minute book pages B566-B581).

In summary One Sixth Form College has self-assessed overall effectiveness as Outstanding. The chapters for Leadership and Management, quality of teaching, learning and assessment, personal development, behaviour and welfare of students and outcomes for learners all graded outstanding.

The 2018/19 QIP has been produced to improve a number of curriculum and support service areas and details the success criteria and interventions needed to improve.

7 Financial Overview

Trustees received and considered the report (minute book pages B582-B585).

The Trust has made a good start in terms of financial data and is on course to achieve if not perform better than budget by the year end. There are no emerging issues of financial concern for the year, cash balances are healthy and investment in the premises and ICT infrastructure above budget started in the summer and has continued into the new financial year.

At the end of October the operational surplus was £55K which is £39K better than the budgeted surplus of £16K. The forecast for the year is a deficit of £130K compared to a surplus full year budget of £6K but this is misleading since £167K of unbudgeted non-pay costs are forecasted to be estates and IT related work that were approved from funds in the previous financial year that now reside in the reserves. The underlying operating position is therefore a forecast surplus of £36K which is better than the full year budget.

Trustees noted that the forecast position assumes full discharge of the contingency and implementation of all recommended pay awards.

Actual income is higher than budget by £105,438 (6.4%) at the end of month 2. Forecast income for the whole year is predicted to be £179,886 higher than budget. This early increase against budget is due to £88K of grant to fund the teachers' recommended pay award that applies from September 2018, £41K of extra SEN income that has become available following a needs assessment of SEN funding and lastly £51K consisting of three specific grant projects that are accompanied by corresponding spend.

Whilst it was noted that the position at period 2 is advantageous in relation to the budget, it was recognised that this was more to do with the timing of receipts than because of an improved position against budget.

At month 2 the actual staffing costs are below budget by £107K (8.9%), but when including the pay review bodies' recommended pay awards into the year-end forecast the position is predicted to be £149K more than budget by the year end. The £149K relates partly to teachers pay costs of £95K which are all fully funded by either government grant or SCITT income, with the remainder relating to the costs of support staff of £54K which assumes full implementation of the recommended pay award in both April of 2018 and April of 2019.

Year to date costs are favourable due to the absence of a pay award for both support staff and teachers, both of which allow for a 1% pay award in the budget plus the late filling of vacancies. Teaching supply costs are also below profiled budget.

Overall, staffing costs currently stand at 63% of income with a forecast of 74% by the year-end compared to the budgeted figure of 73%.

At month 2, actual non-pay costs are higher than profiled budget by £173,387 and forecast to be £167,064 higher than budget at the year end with property strategy and IT work funded from reserves included.

The principal reasons for the year to date expenditure being higher than profiled budget are twofold; firstly, as mentioned above, due to premises and IT related expenditure funded out of reserves from 2017/18 but also spend on transport and exam fees being ahead of profile. Spend on transport it was noted relates to the One Bus for which there is associated income.

At the end of the period the total bank balance stands at a total of £2,238,881 of which £1,238,881 is in the current account and £1m held on deposit. The academy no longer holds a petty cash account. The high balance remains due to the financial performance over the past three years, the level of creditors and agency and rates monies that have not yet been spent.

The ESFA's publication "The Academies Financial Handbook" is re-issued annually and the 2018/19 copy, issued in the summer) included new obligations that require changes to the way that financial data is provided to the Board. These new requirements were detailed in the report and the proposals put forward to ensure that financial management is frequently and appropriately reported were **approved** by the Board. In summary it was agreed that the sets of management accounts will be shared and distributed to the Trust Board Chair and Chair of the Finance Committee each month (when not circulated to the Finance Committee). The Finance Reports of the Finance Committee are also to be distributed to all Trustees and a termly financial performance paper (referencing the management accounts) also produced and circulated to invite discussion.

Confidential item under paragraph 125(c) of the Articles of Association

A Maltpress and S Daley left the meeting at 5.30pm

8 Financial Administration and Control Handbook

Trustees received and considered the amendments to the Handbook (minute book pages B586-B587).

A number of changes are proposed to the Financial Administration and Control (FAC) Handbook following routine review but also as a consequence of the intention to more closely align the operational practices of the Trust with West Suffolk College following the increased alignment of the boards. Other changes have had to be made following the composition of the board being modified with effect from 1 September 2018 and the implementation of a new software system for the finances which has different parameters.

The newly named Financial Regulations were **approved** by the Trust Board. **Proposed** by C Higgins and **seconded** by J Wakelam.

9 Service Level Agreement between SAT and WSC

Trustees received and considered the report (minute book pages B588-B593).

It was noted that the Principal/CEO, Vice Principal Finance and Resources and Clerk registered their interest in respect of this agenda item as all three hold positions at the College and for the Trust. It was noted that they are not beneficiaries under the terms of the agreement.

West Suffolk College supplies the Trust with the services of a CEO (Accounting Officer), CFO and Clerk/Company Secretary role at an approximate cost of £64K per annum via an SLA approved by the respective Boards in March 2018. The terms of this SLA are that it be subject to annual review although the SLA itself has no fixed termination date.

With increased focus on the preparation for the opening of Abbeygate Sixth Form College, West Suffolk College has been incurring further costs but these have not yet been formally recognised and approved by the SAT Trust Board and this is not possible at the moment due to the changes in the revised governance structure of the Trust and a refusal by the DfE to approve the changes made to the Trust articles intended to address conflicts and loyalties of interest. A proposal to address this is the subject of a separate paper (refer to agenda item 14 below) but essentially involves the appointment of three non-conflicted SAT Trustees.

In summary the need for a number of non-conflicted Trustees has arisen as over the summer the Academies Financial Handbook (AFH) has been updated and now requires all related party transactions (RPTs) greater than £20k or any RPT that brings RPTs in aggregate to greater than £20k to have the explicit prior approval of the ESFA. This has been in response to some cases where related parties have metaphorically plundered academy trusts. This approval process means that for the existing SLA (at some future point when it needs modification) and for any new RPTs with immediate effect, the prior explicit approval of the ESFA will be required. Unfortunately the process to secure such approval is not yet up and running and recent conversations with officials at the ESFA has confirmed that this process will not be in place until April 2019 which is when it should apply from.

Another issue is that in gaining such approval, all RPTs should have the approval of non-conflicted SAT Trustees in order to show objectivity and independence in the approval process. Proposed modifications to the articles to address this remain unapproved by the DfE for some months now and since the structural change to governance, there are no longer any non-conflicted Trustees in existence.

The main SLA requires annual review which must be completed by March of each year. To ensure that an opportunity to modify it is presented, the review takes place in December to allow for any time to modify it and bring back to the Boards for approval at the March meetings. There has been no change to the existing main SLA but there has been increased support to the Trust overall with the advent of Abbeygate and initial preparation for Common Services starting to happen. In essence the SLA arrangement is considered to be working well although in order to keep within cost, less time has been invested in the services provided specifically to Suffolk One. The Trust Board considered and accepted the review of the existing SLA, confirming that it is considered fit for purpose at this time.

10 2017/18 Audit Committee Annual Report

Trustees received and considered the budget and 3 year financial plan (minute book pages B594-B601).

The Audit Committee presented its annual report to the Board. It has been agreed by the Chair and the Committee. The report details the audit activities in the year.

The report details the reporting period, membership, meetings held in the year, terms of reference, a review of the work of the internal audit service, overview of recommendation tracking, risk management and assurance mapping, a review of the Financial Audit, Financial Management and Governance Statement (FMGS), Fraud, Irregularity and Whistle Blowing, Value for Money opinion and the Opinion of the Audit Committee; that an effective internal control framework has been in place for the year and that the framework is based upon effective risk management.

The Audit Committee recommended the report to the Board. The Board **approved** the report. **Proposed** by S Clarke and **seconded** by J Gazzard.

11 Audit Summary and Significant Findings Report

Trustees received and considered the report (minute book pages B602-B634).

The report has been considered and scrutinised by the Audit Committee ahead of the consideration of the Trust Board. It was noted that based on auditors conclusions they have not made any modifications to the audit report and will issue a clean, unqualified audit opinion. Furthermore there are no changes to their preliminary assessment of potential ethical threats to audit independence that they are required to communicate with the Trust.

In summary auditors found no irregularities and a clean unqualified audit opinion has been received.

The Board noted the four accounting systems and internal control observations, three of which are resolved and/or actioned satisfactorily, the remaining observation to be resolved under agenda item 14 below, concerning the appointment of 3 non-conflicted Trustees to undertake review and consideration of any existing and/or new related party transactions contracted in accordance with the requirements of the Academies Financial Handbook (as detailed above).

The Board expressed their thanks to the Chief Financial Officer, Finance Manager and the Finance Team for their hard work and effort to prepare and produce the year-end financial statements and accounts.

The Audit Summary and Significant Findings Report of the external auditors was accepted and **approved** by the Board. **Proposed** by S Clarke and **seconded** by J Wakelam.

12 Audited Accounts and Financial Statements for the period ended 31 August 2018

Trustees received and considered the accounts (minute book page B635).

The Board reviewed and **approved** the financial statements for the period ended 31 August 2018. The Chair of Trustees and Chief Accounting Officer are to sign the accounts and the letters of representation for the Financial Statements and Regularity Audits are to be signed for return to the ESFA by the deadline date of 31 December 2018. **Proposed** by C Higgins and **seconded** by C Ridgeon.

13 Principal's Briefing

Trustees received and considered the report (minute book pages B636-B637).

The Principal's Briefing was taken as read and the Board asked the CEO to provide an update report at future meetings to summarise the activities, achievements and performance of each of the Academies of the Trust; One Sixth Form College and Abbeygate Sixth Form College.

In summary the Principal's briefing reported improved results at 'A' Level and although there are still issues around the reliability of the quality assurance systems operated by the examination boards and the differences between reformed and unreformed qualifications, especially for the BTEC/Diploma courses the overall results for One Sixth For College were perhaps the best ever.

The prime focus this term is on student outcomes, but it is also pleasing to note the very healthy financial position with a good surplus at the end of the financial year (2017/18) which was inflated by the delay in delivery of some ICT equipment and the timing of works on the estate. This is all in hand but for accounting purposes sits in the next financial year and as a consequence reserves have gone up and all financial indicators are very positive.

The student intake in September, and in the October Census, was over 2,000 and the enrolment and induction went very smoothly. There will be a challenge to maintain high retention rates now that the norm is to study 3 A Levels rather than 4 but the mixed of offer should help with a range of different courses available to the students.

The CEO explained the frustrations of engaging with King Edwards to progress accommodation decisions as the new build for Abbeygate will no longer be ready for 1 September 2019 opening. Final accommodation plans have been made and all year 11 students will be accommodated in Suffolk House on the main campus of the College. All year 12 students (who are in the middle of their qualifications) will remain at King Edwards to complete and achieve their course. Currently recruitment is going well with just over 400 applications already in the pipeline for Abbeygate Sixth Form College.

14 Non- Conflicted Governance

Trustees received and considered the report (minute book pages B638-B639).

On 1 September 2018 the ESFA released its updated copy of the Academies Financial Handbook (AFG). Most notably the ESFA now require all related party transactions (of which our strategy for Common Services is such) that have a contract value in excess of £20,000 or are considered novel,

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contentious and repercussive should have the **prior** approval of the ESFA for all contracts that start after 1 April 2019.

Given that the Board of Trustees of Suffolk Academies Trust (SAT) and the Corporation of West Suffolk College (WSC) decided to unite its governance arrangements prior to this update we now find that we are not able to satisfy this new requirement of the Academies Financial Handbook because all of our Trustees are conflicted because they are also a governor of WSC (i.e. common to each other).

The related party transaction currently in existence between SAT and WSC (under a Service Level Agreement SLA, covered in agenda item 9 above) sets out the terms of the service delivery from WSC to SAT; namely the provision of a CEO (incorporating accounting officer role), CFO and clerking role. The services provided to SAT by WSC are “at cost”; as required by the Academies Financial Handbook (related party transactions). This SLA is subject to annual review and Board approval but as the value of the contract is greater than £20K we will need consent of the ESFA to procure these services now and in the future.

SAT has sought to introduce a number of changes to its Articles in recent months, including building into the Articles appropriate wording to authorise conflicts and loyalties of interests between the two entities. The DfE is yet to approve the wording, and SAT is pursuing approval with the DfE.

Due to the decision, pre 1 September 2018 to bring the boards of SAT and WSC together, there are now no un-conflicted Trustees within SAT to monitor and approve the SLA or any new ones, and to ensure that SAT is receiving value for money, a requirement of the Academies Financial Handbook (and ultimately its funding agreement). In order to remedy the situation, it is important for the Board of Trustees of SAT to comprise a number of non-conflicted Trustees and the best practice recommendation is for there to be at least three un-conflicted Trustees on the board of SAT to take a designated independent role, one which is not involved in the operations or governance of WSC or the Teckal (once/if established) to ensure that decisions can be properly, transparently and independently made concerning the SLA, and/or any service flow between SAT and the Teckal company.

The Trust Board felt that despite the proposal going against the grain of uniting the boards of both WSC and SAT it recognised the independent function that needed to be fulfilled here and therefore it was proposed that SAT Trustees; R Inman, S Healey Pearce and C Ridgeon agreed in principle to step down as a governor of WSC and continue solely as a SAT Trustee and take on this non-conflicted designated role. The resignations of the WSC governors, once received by the Clerk of WSC, will be filed and recorded as appropriate.

15 Committee Chair’s Summary Reports

Trustees received and considered the report (minute book pages B640-B641).

Finance Committee

This Committee met on 7 November and subsequent to the report met again on 13 December 2018. There were no further items to discuss in addition to the report received by Trustees.

Audit Committee

There has been one meeting held on 27 November 2018 since the last meeting of the Board. There were no further items to discuss in addition to the report received by Trustees.

16 **2017/18 Safeguarding Report**

Trustees received and considered the report (minute book page B642).

The report shows an increasing number (201) of safeguarding incidents/concerns raised in the 2017/18 academic year compared to the year before (85). Predominantly the increase is a result of mental health issues, home issues, eating disorders, drug abuse and online safety concerns.

A total number of 8 multi agency referral forms have been submitted in the year compared to 10 in 2016/17. The Board asked to be informed of any reports to the LADO made in the year. The Trust Secretary will ask the author of the report to detail this in future reports to the Board.

JBridges

17 **2017/18 Health and Safety Annual Report**

Trustees received and considered the report (minute book pages B643-B653).

With an ever-improving focus on safety practice, One Sixth Form College is taking greater strides each year to ensure its operations remain fully compliant. The culture to provide a healthy and safe working and study environment is upheld and enjoyed by all. Staff training and empowerment continue to be the main focus for driving forward the improving ethos and culture at One. Line managers are key to this in demonstrating best practice and through regular health and safety bulletins, on a range of topics their knowledge is growing, and they feel better placed to instigate changes as needed.

Significant investment has been made to replace statutory fire safety and evacuation hardware this year. Demonstrating control over safety aspects for specific pieces of equipment has been another important message for staff, when developing risk assessments or safe systems of work within their service area or directorates; for example, the use of Overhead doors, Printing and Sorting equipment and Local Exhaust Ventilation (LEV) systems has all been improved this year.

Trustees were pleased to note that 100% of staff continued to agree that they understood the requirements of employees under the Health & Safety at Work Act, 98% believed they had sufficient knowledge to apply appropriate health and safety practice to their roles (a drop of 1%) and 98% felt that they knew how to report incidents, accidents and near misses (an increase of 1%).

There was one RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) report submitted over this period. A student broke their foot while stepping down off a raised grass section at the front of the building. The student was seen swiftly by the first aid teams and their access and egress arrangements were facilitated on their return to College.

The incident and accident data shows a pleasing decrease in the number of incidents resulting in injury in the year compared to previous years. The majority of incidents are due to ill health conditions brought into the College, and not a result of work-related activities.

A number of other initiatives and considerations around eye tests, evacuation teams, equipment servicing, health surveillance, staff welfare, student welfare, critical/terror incident training and stress.

18 **Equality Objectives**

Trustees received and considered the report (minute book pages B654-B660).

At One Sixth Form College they celebrate the diversity of their students, staff and all stakeholders accessing their services and aim to provide a safe and supportive environment in which everyone is able to study and work to the best of their abilities without the fear of discrimination.

The College recognises and proactively works towards its responsibilities in respect of the Equality Act 2010 and in doing so has identified key equality objectives to take forward over the next three years.

The College's equality objectives help to ensure that Equality and Diversity is continuously placed at the heart of College policies and procedures and is considered integral to the decision-making process. The objectives focus efforts on some of the important equality issues facing the College and those that will have the greatest positive impact on students, staff and external stakeholders. By meeting these objectives and the actions associated with each, the College aims to ensure that they remove any barriers that students, staff or stakeholders may face while being proactive in promoting good practice. The Board asked to receive the detail of the progress made against the objectives, how this has been embedded and whether the 'measurables' have been achieved. The Trust Secretary will ask the author of this report to include this in the annual update received by the Board. The Board **approved** the objectives. **Proposed** by S Clarke and **seconded** by R Inman.

JBridges

19 **Risk Management Update**

Trustees received and considered the report (minute book pages B661-B665).

The risk register of the Trust has been reviewed to identify the key risks to the Trust in the academic year. The register uses a 3 x 12 matrix and measures the level of Financial, Operational, Reputational and Compliance risk to determine the level of risk impact. Likelihood is measured on a level of 1 to 3. Overall risk rates scored 24 or higher are RAG rated Red and require immediate implementation of the controls to manage them. Amber rates are score between 18 and 22, yellow 11 to 16 and scores less than 10 are residual rates, indicated green, and have a low impact and are less likely to occur. It is typical that green rated risks remain at this level of the register and just require regular monitoring.

K Points left the meeting at 6.10pm

The register currently identifies one red, one amber, five yellow and six green status risks.

20 **GDPR Update**

Trustees received and considered the report (minute book page B666).

The Academy, One Sixth Form College, has experienced two data breaches via the GDPRIS software package.

Driving for work documents were lost but then found within a file and after investigation the folder was destroyed as it held other out of date documentation.

The second breach involved payslips being issued unsealed. This has been investigated and closed and the internal process reviewed to ensure that payslips are handled securely and in a timely manner from now on.

21 **Governance**

Trustees received and considered the report (minute book pages B667-B670).

i. Register of Interest

The Register of Interests has been updated. In accordance with the Articles of Association all Trustees are required to complete the register to confirm their continued eligibility to serve on the Board. The register is available for public inspection on request and a similar Register of Interests for Senior Staff and Budget Holders has also been completed and updated. The necessary filings have also been made with Companies House and Get Information about Schools database.

ii. Strategic Conference

The Strategic Conference this year will be held at West Suffolk College on Thursday 24 January 2019. The format of the day is currently being planned and more details once finalised will be shared with the Board. We will be welcoming Beej Kaczmarczyk back to facilitate the conference again this year.

iii. Eileen Milner Compliance Assessment

In September 2018 Eileen Milner, Chief Executive of the ESFA wrote to the Chief Executives in Multi Academy Trust and Principals in Single Academy Trust (copied to Chairs of Trustees) outlining her expectations of Trusts and their responsibilities for ensuring that public money is managed appropriately, fairly and wisely.

To this end, a compliance and evidence assessment has been completed against the expected performance outlined in Eileen Milner's letter for the Trust Board to consider.

The Trust Board concluded a fair assessment has been carried out and this will be held as a public record if required.

22 Any other Business

None.

23 Date of next meeting

Friday 29 March 2019 at 2.00pm. West Suffolk College TG1.16

The meeting closed at 6.15pm