



Draft

Hanley and Upton Educational Trust

Annual General Meeting

Minutes of the Annual General Meeting of the HUET

25 January 2024 at 5.30 pm

Chair: Peter Saunders (PS) (HUET Chair Tim Sinden (TS) – absent)

Company Secretary: Michelle Snape (MSA)

Academy Trust Members Present: Marian Walters (MW), Barry Unwin (BU), Steven Price (SP) and Sir Nicholas Lechmere (NL).

Also Present: Mark Stow (MCS) – HCHS Headteacher/HUET Chief Executive Officer, Elaine Wilkins (EW) – HUET Chief Finance Officer, John Ellis (JE) – Staff ASC member HCHS, Gideon Hite (GW) – HCHS ASC Member, Sue Adeney (SA) – HUET Trustee, Adrian Pratley (AP) – Headteacher HSP, Paul Bundy (PB) – Deputy Headteacher – HSP, Bryony Baynes (BB) Headteacher – KPS, Peter Saunders (PS) – and Gail Black (GB) HUET Trustees and Derek Valentine (DW) WDAT Representative.

The meeting was quorate with 4 out of 5 Academy Trust Members present.

1. Welcome and Introduction

PS welcomed everyone to the meeting and explained that TS was unable to attend the meeting due to a pre-planned family commitment. He said he would be chairing the meeting in TS absence.

PS explained that the formal purpose of the meeting was to present the Trust's Annual Report and Financial Statements for the year ended 31st August 2023 to the Members of the Academy Trust, and for the Members to appoint the auditors for 2023/24.

2. Declarations of interest:

None were raised.

3. Apologies: Tim Sinden TS (HUET Chair), Nigel Morgan (NM) – ASC Member HCHS and Kate Taylor (KT) – Chair of ASC HCHS/HUET Trustee.

MSA pointed out that she had received confirmation that 1 HCHS parent would be attending the meeting. She confirmed that the parent was not in attendance, and she had not received any questions in advance of the meeting from the parent.

4. Minutes of the AGM held on 26 January 2023

4.1: Accuracy: PS and GB did not appear on the attendance list for the previous meeting. The minutes were proposed by SP and seconded BU. The draft minutes were approved subject to the amendments highlighted above.

ACTION:

MSA to add PS and GB to the attendee list on the minutes dated 26 January 2023.

4.2: No Actions carried over.

4.3: Matters arising: None

5. Chair of Academy Trust's Review including Hanley and Upton Educational Trust Annual Report and Financial Statements Year Ended 31 August 2023– (Appendix 1)

5.1 Overview (PS)

PS mentioned that it was very important to start with a reminder of the scope of the Board of Trustees' responsibilities as follows:



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Scope of Responsibility

PS explained that trustees acknowledge that they have overall responsibility for ensuring the Trust has an effective and appropriate system of control, financial and otherwise. He said that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

PS stated that the Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, and indeed via the CEO to the Chief Finance Officer for all finance related matters.

Governance

PS confirmed that the Board of Trustees has formally met 4 times during the year. (Attendance table illustrated on page 17 –Appendix 1)

PS explained that membership of the Board of Trustees has significantly changed throughout the year. He mentioned that the timetabled transition of AO/CEO role from L Cooke to M Stow was completed as planned. He added that JR is no longer a trustee, and he formally thanked him for giving up his time and providing invaluable support during his tenure.

PS commented that SF has also recently resigned as Diocesan appointed trustee and he formally recognised her invaluable contributions to the HUET over the years.

PS stated that despite the personnel changes the structures and processes in place had ensured that the Board of Trustees has continued to focus its activities on the three core governance functions:

- It has ensured that the clarity of vision, ethos and strategic direction as documented for the HUET underpin all its discussions and decision making.
- It has held executive leaders to account for the educational performance of the organisation and its pupils through detailed assessment of the high quality descriptive and data driven reports provided by the CEO and headteachers, and for the performance management of staff through the responsibilities delegated to the pay and performance committee; and
- Through review of the equally high-quality financial reports provided by the CFO, it has overseen the financial performance of the HUET and ensured, in extremely challenging financial times, that its funds have continued to be well spent.

Governance Review

PS mentioned the quality of governance remained a central part of the HUET SEF and in self-evaluation procedures using the Ofsted framework. He explained that the outcomes of this self-evaluation are also recorded in each academy's SEF. He confirmed that Welland Primary and Hanley Castle High School underwent Ofsted audits, and both had been assessed in the 'Good' category.

PS stated that the Trustees had continued to provide appropriate challenge and support regarding senior leadership, teaching and learning and outcomes. He said that the Trustees were assured that the Trust's financial position remained stable with contingency plans in place for the anticipated failure to increase income against unavoidable expenditure.

PS explained that the HUET Audit Committee is a sub-committee of the main Board of



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Trustees, and its purpose is to assist the Board of Trustees in fulfilling its responsibilities with financial reporting, internal control, risk management and external audit.

The Review of Value for Money

PS mentioned that as Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the HUET delivers good value for money in the use of public resources. He said that the Accounting Officer understands that value for money refers to the educational and wider societal outcomes in return for the taxpayer resources received.

PS stated that the Accounting Officer considers how the HUET's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

PS confirmed that the external auditors have been very complimentary about the financial management of the trust.

The Purpose of the System of Internal Control

PS stated the system of internal control has been in place in Hanley and Upton Educational Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

PS said that the members should be assured from the internal and external auditors' findings. He reiterated that the HUET are operating at a high level in an effective way.

Capacity to Handle Risk

PS explained that the Board of Trustees have reviewed the key risks to which the HUET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. He said that the Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating, and managing the HUET's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

PS confirmed that these recommendations were indeed approved by the Board.

Conclusion

PS said that he wished to pay tribute and give thanks to MCS and EW. He said that they provided good leadership of the Trust. He also added his thanks to the Headteachers for their remarkable work in 2022/23 on behalf of the HUET. He added that he wanted to pay special thanks to all staff in the HUET and asked MCS to ensure that they receive grateful thanks from the Board for the extraordinary commitment they made to the HUET and its pupils throughout 2022/23.

PS asked if there were any questions relating to the information presented in his report.

No questions were received.

5.2 HUET Achievements and Performance (MCS)

PS asked Mark Stow (MCS) if he would highlight the achievements and events for 2022/23.

MCS thanked all for attending and formally thanked all those that had contributed to the HUET during 2022/23.



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5.3 Objectives, Strategies and Activities (MCS)

MCS mentioned that broad themes were agreed for the HUET development plan for 2022-2023 (detailed on page 7 – Appendix 1). Priorities identified included:

- **The quality of education and outcomes**
- **Personal development and welfare**
- **Governance**
- **Leadership and management**

He added that each school had its own individual development priorities for 2022-23 details of which are available from each school.

5.4 Achievements and Performance (MCS)

MCS referred to pages 9, 10 and 11 – Appendix 1 and listed the achievements highlighted. He commented that this has been a very successful year for the pupils across the HUET Schools which demonstrates that high standards were maintained in all schools.

MCS formally recognised MS for the improvements that have been made at WPS. He also formally congratulated the Headteachers, staff and ASC members of all schools for their success.

5.5 Personal development, behaviour and attitudes (MCS)

MCS commented that safeguarding is an overarching priority for the HUET and all four of its schools. He said that regular training for Members, Trustees, ASC members and staff is compulsory, and the pace of change in this area has made training sessions and follow up essential to ensure that knowledge is kept up to date through accredited sessions.

MCS pointed out that the HUET attendance levels at the schools continue to be above average. He commented that The HUET attendance and safeguarding officer has engaged with the new DfE Attendance Hubs to continue to support attendance of all students, but particularly those who are persistently absent from school.

5.6 Leadership and Management (MCS)

MCS confirmed that the benefits of the HUET remain obvious, with collaboration and good practice being shared at both senior and middle leadership level.

PS summarised by stating that the HUET has demonstrated that it remains educationally strong and has good financial management.

At this point PS invited EW (Chief Finance Officer) to report on the financial position. EW presented as follows:

5.7 Accounts

EW said that the draft accounts for the HUET for the year ended 31st August 2023 were prepared in September then shared with all ASCs and HUET Board before external audit by BF which took place in October 23.

EW explained that the final accounts together with the management letter were presented by Bishop Fleming at the Audit Committee in November and then to the HUET Board in December.



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EW stated that the management letter confirmed a clean and unmodified audit report and there were no significant matters to report on either audit materiality or internal financial controls. She added that BF were very complimentary of the finance team and said we were a well-run trust.

EW confirmed that the accounts have been published on the HUET website and submitted to the ESFA by 31 December 2023.

5.8 Annual Report and Financial Statements

EW explained that the financial statements highlight the financial position and performance of the HUET and the 2 key documents are:

- The SOFA (page 30 – Appendix 1) - is a record of income and expenditure split between restricted and unrestricted funds and shows amounts b/fwd. from previous year, income and exp in year and amounts c/fwd to the next year.
- The Balance Sheet (page 31 – Appendix 1) - provides a snapshot of the HUET's financial position or worth at 31 Aug 23 showing the various assets and liabilities and reconciling these to the value of funds in the SOFA.

EW said that these primary financial statements are then followed by the notes to the financial statements which provide information on financially significant issues to aid the readers understanding of the accounts.

5.9 Overview of the SOFA for 2022/2023 (P30)

EW explained that Restricted Funds are separated between General £10.2m and Fixed Asset Funds £0.3m. She said that Restricted General Funds represent income and expenditure which can only be spent for particular purposes and include General Annual Grant (GAG), 16-19 funding, supplementary grant, pupil premium, teachers' pension grant, pupil growth fund, universal infant free school meals, Yr. 7 catch up and high needs SEN funds (see Note 4 on p40 for more details).

EW mentioned that general funding for the financial year 22/23 is driven by pupil numbers from the school census in October 2021 (1707). She said that Unrestricted Funds can be spent on any purpose at the discretion of the trustees within the objects of the academy and were £356k for the year. This included trips, lettings, music, sports partnership, mentor, breakfast club and catering income. Please note trips are run to breakeven and the income in unrestricted funds of £214k is offset by trip costs of the same in expenditure.

EW said that the total income in the year was £10.8m but included £0.3m fixed asset funds which related to the capital income for the bathroom management area at HCHS, annual DFC and additional funding to improve energy efficiency. (A further breakdown of income in the year is provided in notes 3-6 in the accounts).

EW confirmed that the income of each school is top sliced by 5.3% to provide for Insurance, legal, HR/ payroll/finance costs, Audit fees/ Sims / IBS costs etc. Total top slice in the year £469k (see note 11 on p47).

5.10 Expenditure

EW explained that total expenditure in the year was £11.0m, £8.6m being staff costs and further detail is available in notes 7-10 in the accounts (p42-p46). Staff costs are £0.4m higher than 2022 due to costs beyond the control of the trust, e.g., pay awards 22/23, national insurance increases, and incremental drift.



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EW mentioned that non-payroll costs of £2.4m includes premises costs, depreciation, catering costs, trip costs, insurance, exam fees, IT costs, educational equipment etc. and are broadly in line with previous years.

EW said the expenditure within fixed assets of £600k includes the annual depreciation charge of £259k and assets written off in the year at Hanley Castle and Hanley Swan of £341k as the land and therefore buildings are not owned by the trust. The transfer from revenue to fixed asset funds of £153k was used to support IT investment and other capital projects across the trust.

EW explained that the net movement in funds in the year was £1,044k, if we exclude the movement in the LGPS pension reserve of £1,198k (due to gain on financial assumptions) and reduction in fixed asset funds of -£123k, this leaves an in-year deficit of -£31k which was significantly better than budget of - £160k.

EW confirmed that all schools reported an in-year surplus, and all schools ended the year with results better than both budget and forecast.

EW mentioned that the reserves movement of 331k is then added to the brought forward balance leaving reserves carried forward of £594k.

Total funds carried forward to 23/24 of	£6,240k:
General Reserves/ contingency	£ 594k
Pension deficit-	-£ 776k
Fixed Asset Funds	£6,422k

EW pointed out that these free reserves of £594k is equivalent to 5.5% of income which is slightly above the reserves policy.

EW confirmed that the final reserves by academy are:

Hanley Castle High School	£312k	(4.6% of income)
Kempsey Primary	£145k	(7.4% of income)
Hanley Swan	£57k	(7.7% of income)
Welland	£58k	(7.2% of income)
HUET Top Slice	£21k	

5.11 Balance Sheet (Page 31)

EW explained that the Balance Sheet provides a snapshot of the HUET's financial position or worth at 31 August 23 showing the various assets and liabilities and reconciling these to the value of funds in the SOFA of £6,240k.

EW pointed out that Fixed Assets of £6,142k nbv relate to land and buildings at Welland and Kempsey, vehicles and IT equipment at all schools – see note 14 on p48.

EW said that since academy conversion the trust has invested a significant of money in capital as follows:

- £3.6m funded from CIF bids – Science, new 6th form, sports hall, new roof, windows, IT infrastructure boiler work and fire alarm improvements.
- £3.8m funded from LA S106 monies for expansion HCHS, KPS and WPS and also BMA at HCHS
- £1.9m funded from reserves – LED lighting, IT, furniture etc at all schools and improvement in EY area at KPS



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Debtors of £519k include invoices to WCC for BMA not paid as at year end, VAT and prepayments – see note 16 p 49.

Cash at year end of £1,480k.

Creditors of -£1,074k includes purchase ledger creditors, payroll creditors and accruals – see note 17.

The deficit on LGPS pension scheme of -£776k is significantly lower than 2022 due to a gain on financial assumptions related to increase in discount rate assumption.

5.12 Going concern

EW explained that as part of the account's preparation trustees are required to prepare an assessment to include in the accounts as to whether the academy trust is a going concern. She mentioned that the term, 'going concern' is a view as to whether the trust will have sufficient funds to pay its obligations, such as payroll, trade creditors, and so on, as they fall due, over at least the next 12 months from the date of approval of the financial statements i.e., until December 24.

EW said that this assessment has been carried out and reviewed by the auditors and she confirmed that the trust has adequate resources to continue in operational existence for the foreseeable future.

EW said that the trustees are aware of the burden placed by both increased energy costs and unfunded pay awards and that this will mean future financial management remains challenging for all schools unless funding increases.

5.13 Next steps

EW confirmed that once approved the accounts will be filed at Companies House by May 24 and the accounts have been sent to the ESFA and published on the HUET website. EW added that there is also a requirement to complete another return for the ESFA, the Annual Accounts Return (AAR) which was completed before 31 December 2023.

EW asked the HUET Members to formally accept and approve the 2022-23 HUET Annual Report and Financial statements.

DECISION: The Members of the Academy Trust unanimously approved the 2022-23 HUET Annual Report and Financial statements. Proposed by SP, Seconded by MW.

PS formally thanked EW for providing the detailed finance information and for explaining the information clearly in order for all to understand. Also, PS formally thanked EW and the finance team for their work.

No questions were raised in relation to the financial information provided.

6. HUET Developments 2023/24

MCS explained that the HUET continues to improve and develop educationally and financially.

MCS referred to the Schools White Paper issued in March 2022 which detailed that all schools should be in a 'strong trust' of at least 10 schools by 2030. He said that although this political position has caused issues in the sector it remains a government ambition.

MCS confirmed that he has been in discussion with some other school leaders to investigate potential options for growth for the HUET.



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MCS explained that a meeting was held with all HUET school leaders in April 2023 to begin working on the HUET Strategic Development Plan including the vision, mission and values. He said that the meeting was very productive and produced a valuable piece of work. He mentioned that further discussions regarding the HUET vision, mission and values were held during a strategy meeting with HUET Trustees and ASC Chairs in January 2024.

MCS said that a working group has now been set up to finalise the vision / mission/values piece of work which involves representatives from all schools in the HUET and consists of CEO, 2 trustees, 1 headteacher, 1 ASC Chair and 1 deputy headteacher. He said that the working group will take part in a few more sessions between now and the March Board meeting to identify the key strategic priorities. He said that he hopes to be able to finalise the 5 Year strategic plan in July 2024. He added that this will include a clear strategy for potential future growth.

MCS pointed out that the following have already been introduced throughout the HUET.

- Change to the number of PDD days.
- Westfield Health employee benefit
- Deputies forum
- SEN Reviews
- Review of Technology across the trust

MCS commented that he is delighted to have joined the team of fantastic leaders at the trust and looked forward to working with them to further develop and grow the HUET in the future.

7. **Appointment/Retirement of Members/Directors**

The appointments / resignations are noted on page 1 – Appendix 1

8. **Appointment of Auditors**

PS informed those present that under company law it is necessary to formally appoint an auditor each year once the accounts have been signed and audited.

PS mentioned that Bishop Fleming LLP had been the auditors of both Hanley Castle High School and HUET for 10 years. He explained that he and EW carried out a tender exercise two years ago where Bishop Fleming scored most favourable. He said that he and EW were satisfied that they had tested the market and were reassured to find that Bishop Fleming were offering a very competitive service.

PS confirmed that he had recommended to the HUET Board that Bishop Fleming are re-appointed as the HUET Auditors for a 3-year period with a possible 2-year extension at the end of the 3-year period. He confirmed that a discussion will take place at the next audit committee meeting in June regarding a possible extension to the 3 year period.

ACTION

PS/EW to discuss the reappointment of Bishop Fleming as external auditors for a 2-year extension following the initial 3 year period.

PS asked the HUET Members to formally approve the appointment of Bishop Fleming as its auditors for 2023-24.

DECISION: The Academy Trust unanimously approved the appointment of Bishop Fleming as its auditors for 2023-24. Proposed by MW seconded by PS.



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9. AOB

No further items were raised.

Appendices

Appendix 1: Annual Report and financial statements to 31 August 2023

SUMMARY OF DECISIONS

<u>Item</u>	<u>Decision</u>
5	The Members of the Academy Trust unanimously approved the 2022-23 HUET Annual Report and Financial statements. Proposed by MW, Seconded by SP.
8	The Academy Trust has approved the appointment of Bishop Fleming as its auditors for 2023-24.

SUMMARY OF ACTIONS

<u>Item</u>	<u>Action</u>	<u>Responsibility</u>
1. 4. 25-01-2024	MSA to add PS and GB to the attendee list on the minutes dated 26 January 2023.	MSA
2. 8. 25-01-2024	PS/EW to discuss the reappointment of Bishop Fleming as external auditors for a 2-year extension following the initial 3 year period	PS/EW

Next meeting – TBC – January 2025