



Draft

Hanley and Upton Educational Trust

Annual General Meeting

Minutes of the Annual General Meeting of the HUET

26 January 2023 at 5.30 pm

Chair of the Trust: Tim Sinden (TS)

Company Secretary: Michelle Snape (MSA)

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

Also Present: Mark Stow (MCS) – HCHS Headteacher/HUET Chief Executive Officer, Elaine Wilkins (EW) – HUET Chief Finance Officer, Kate Taylor (KT) – Chair of ASC HCHS/HUET Board, John Ellis (JE) – Staff ASC member HCHS, Natasha Jackson-Booth (NJB) – ASC member – HCHS, Adrian Pratley (AP) – Headteacher HSP, Paul Bundy (PB) – Deputy Headteacher – HSP, Bryony Baynes (BB) Headteacher KPS, Jeff Robinson (JR), Sue Fitzjohn (SFJ) – HUET Board Trustees, Richard Aston (RA) ASC member HSP, Derek Valentine (DW) WDAT Representative and Yan Gittings (YG) – Parent HCHS.

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

1. Welcome and Introduction

TS welcomed everyone to the meeting and explained the formal purpose of the meeting was to present the Trust's Annual Report and Financial Statements for the year ended 31st August 2022 to the Members of the Academy Trust, and for the Members to appoint the auditors for 2022/23.

He explained that he was elected to the position of Chair (previously HCHS ASC Chair) and has been fully supported by J Robinson as an experienced Vice Chair.

2. Declarations of interest:

None were raised

3. Apologies: Sir Nicholas Lechmere (NL) – HUET Member and Nigel Morgan (NM) – ASC member Hanley Castle High School.

4. Minutes of the AGM held on 27 January 2022

4.1: Accuracy: Proposed by DV and seconded by SF the minutes were approved.

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 2022– (Appendix 1)

5.1 Overview (TS)

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

Scope of Responsibility

TS 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



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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.

TS 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

TS confirmed that the Board of Trustees has formally met 6 times during the year (Attendance table illustrated on page 21 –Appendix 1)

TS explained that membership of the Board of Trustees has significantly changed throughout the year. He mentioned that NLand JS are no longer trustees, and he formally thanked them both for giving up their time and their contributions during their tenure.

TS commented that SP had resigned as Chair and he formally recognised his invaluable contributions, specifically in bringing additional rigour to the governance process. He added that PS has also joined the Board of Trustees (previously an experienced member of the HCHS ASC and Chair of the Audit Committee).

Finally, TS welcomed back GB who re-joined the Board of Trustees at the end of the academic year.

TS 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.

TS mentioned that the coronavirus pandemic had continued to impact all schools in 2021/22. He confirmed that the work of the Board of Trustees continued supporting HUET leadership in its work in guiding the trust and its academies through difficult times. He said that in the context of its own legal responsibilities regarding coronavirus related decisions, the Board has actively reviewed and challenged the individual academy Covid 19 risk assessments and through regular meetings between the heads and chairs of ASC's reported through the HUET Chair, monitored the ongoing situation in each academy. He added that during peak case rate periods the pandemic meetings have been held via the Teams platform.

Governance Review

TS 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



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this self-evaluation are also recorded in each academy's SEF. He confirmed that during the last 12 months significant progress has been made in further improving the quality of governance, although not through the route originally planned. He said that formal governance self-evaluation activity is normally undertaken by the Board of Trustees in the spring but in 2022 these plans continued to be disrupted by the pandemic.

TS stated that in January of 2022 Lindsey Cooke announced that she would be retiring from her position as HCHS from September 2022 headteacher by the end of the 2021/22 academic year and from her position as HUET CEO from the end of the 2022 calendar year. Consequently, the Board formed a committee to pursue the recruitment of a replacement headteacher and subsequently a separate committee to pursue the recruitment of a replacement CEO.

TS confirmed that following a detailed and rigorous process MCS was appointed to the role of headteacher of HCHS and to CEO of the Trust as from January 2023. He added that an extensive period of transition and integration has taken place to ensure a smooth handover of responsibilities from LC to MCS.

TS mentioned that the Chairs' Forum (HUET Chair together with ASC Chairs) have continued to meet on a regular basis to work closely together and then share and develop their work with both the Leadership Forum and Board of Trustees at each of their meetings and integrate feedback received to their ongoing work. He said that a major benefit of this format has been the development of closer relationships between the HUET and the ASCs via their chairs and the resultant improved embedding of the governance process across the HUET.

TS pointed out that the Chair's Forum has worked in four main areas:

- Coronavirus – regular review of individual academy actions and status with an added focus on COVID catch up fund plans, actions and outcomes.
- HUET risk register- the approach to regular reviews highlighting new risks, actions taken and the mitigation of risks. The Chair's forum recognised the importance of this process at each academy as the basis for the overall trust risk register.
- HUET Governance map – developed as a representation of the overall approach to governance across the trust.
Best practice – sharing between the ASC's specifically in relation to methods and processes for engagement with academy staff regarding curriculum and outcomes.
- Safeguarding - Chairs continued to work to ensure that the ownership and implementation of the Trust's safeguarding principles and policies continued to be embedded at ASC level as well as amongst Members and Trustees. The governance aspect of this work is led by the Board's Safeguarding Lead, Kate Taylor, who undertakes annual school safeguarding audits.

TS formally thanked KT for the invaluable work she does in this high priority area on behalf of the Board.

TS stated that the Trustees had continued to provide appropriate challenge and support



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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, including Covid related costs, in the short term.

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

TS formally thanked PS, the independent Chair of the Audit Committee, for all his work in this role on behalf of the HUET.

The Review of Value for Money

TS mentioned that as Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the HUET delivers good value 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.

TS 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.

TS confirmed that the Accounting Officer for the HUET has delivered improved value for money during the year by:

- Delivering an in-year surplus of £57k compared to a budgeted deficit of - £30k. All individual schools returned an in-year surplus for the year before transfer to capital
- No significant issues arising from external audit or internal audit work carried out during the year
- Maintaining strict control over staff costs. The number of staff has remained fairly static over the last five years whereas pupil numbers continue to rise. Staff costs per pupil are significantly lower than both the Worcestershire and national average and as a percentage of income were better than budget
- Maintaining reserves as at 31st August 2022 of £625k or 6.5% of income
- Conducting an annual benchmarking exercise which indicated that the Trust's costs are lower than most other similar trusts, whilst income is considerably lower than the national average due to the low funding of Worcestershire Local Authority
- Installation of LED lighting at HCHS funded from reserves with payback of 3.1 years.
- Expansion project at Welland completed in budget
- Funding was secured to replace windows at HCHS
- Maintaining tight control over financial position of trust during the year
- Continued investment in IT across the trust of £69k

The Purpose of the System of Internal Control

TS stated the system of internal control has been in place in Hanley and Upton Educational Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of



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the annual report and financial statements.

Capacity to Handle Risk

TS 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

Conclusion

TS said that he wished to pay tribute and give thanks to LC, 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 2021/22 on behalf of the HUET, and to MSA for her work as HUET Company Secretary. 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 the very difficult months of 2021/22.

TS 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)

TS asked Mark Stow (MCS) if he would highlight the achievements and events for 2021/22.

MCS thanked all for attending and formally thanked all those that had contributed to the HUET during 2021/22. He explained that he was in a slightly unusual position as he had been appointed as headteacher in September 2022 and as CEO on 1 January 2023. Therefore, he would be commenting on the work carried out by the school and trust prior to his appointment.

The aims of the HUET

MCS explained that the principal object and activity of the HUET remains unchanged - to advance, for the public benefit, education in the United Kingdom, in particular by further improving schools, offering a high-quality educational provision through a broad and balanced curriculum for all of its pupils and students, irrespective of ability and aptitude.

MCS highlighted the aims of the HUET during the year ended 31 August 2021 again remain unchanged as follows:

- **Belong** – all children and young people within the partnership will feel part of a happy, safe and caring community where the values of respect, honesty, friendship, kindness, responsibility and perseverance are promoted and celebrated.
- **Aspire** – all children and young people will be encouraged and supported to aim very high developing fully their unique gifts, talents and abilities through a relentless focus on maximising learning opportunities both within and beyond



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the curriculum.

- **Achieve** – all children and young people will be encouraged and supported to achieve their full potential, leaving the care of the partnership with outstanding academic qualifications, and the skills and personal qualities required to succeed in a rapidly changing world.
- **All member schools** (founder and future) will remain non-selective and will be supported in maintaining any current religious affiliation.

5.3 Objectives, Strategies and Activities (LC)

MCS mentioned that broad themes were agreed for the HUET development plan for 2021-2022 (detailed on page 7 – Appendix 1). Priorities identified included:

- **The quality of education and outcomes**
- **Personal development and welfare** – to further improve the culture of
- **Governance**
- **Leadership and management**

MCS said that the HUET schools have also continued to develop the scope of their work in initial teacher training in partnerships which include the University of Worcester, and the Prince Henry's Teaching School Alliance.

He added that each school had its own individual development priorities for 2021-22 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 during the height of the pandemic and the recovery period.

MCS 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 confirmed that the cross HUET safeguarding policy has been updated and is now firmly embedded, improving practice and procedures across the MAT, including successful Trustee-led audits carried out at schools. She added that all four schools have adopted the CPOMS whole school safeguarding monitoring system.

MCS pointed out that the HUET schools have continued focus on reducing persistent absenteeism, particularly for those students with SEND or who are disadvantaged. He confirmed that the 'Prevent' strategy has been fully implemented and all staff are trained to be aware of their roles and responsibilities in supporting students who are vulnerable to extremism and radicalisation.



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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.

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

5.7 Accounts

EW mentioned that Bishop Fleming audited accounts early in October 2022 which went extremely well and no significant issues or unadjusted items were identified. She formally thanked the finance team for all of their hard work.

EW said that the accounts together with the management letter were presented by Bishop Fleming at the Audit Committee in November and at the HUET Board in December. She said 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 Bishop Fleming were very complimentary of the finance team and said we were a well-run trust.

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 34 – 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 35 – Appendix 1) - provides a snapshot of the HUETs financial position or worth at 31 Aug 22 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 2021 (P34)

EW explained that Restricted Funds are separated between General £9.4m and Fixed Asset Funds £0.1m. She said that Restricted General Funds represent income and expenditure which can only be spent for particular purposes and include General Annual Grant (GAG), pupil premium, teachers' pension grant, covid grants, pupil growth fund, universal infant free school meals, Yr. 7 catch up and high needs SEN funds (Note 4 p44 (Appendix 1- for more details).

EW mentioned that general funding for the financial year 21/22 is driven by pupil numbers from the school census in October 2020 (1661). 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 £212k for the year. She said that this included trips, lettings, music, sports partnership, mentor, breakfast club and catering income.

Total income in the year was £9.7m but included £0.1m fixed asset funds which related to the capital income for the window project at Hanley Castle and devolved formula capital for all schools.



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EW explained that the £105k includes the notional rental donation for Hanley Castle and Hanley Swan of £80k offset by a notional rent charge in expenditure. She said that this is because the assets are not owned by the trust, and it represents the value in use of the premises and is equivalent to the depreciation charge had those assets been owned by the trust.

EW stated 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 £432k.

5.10 Expenditure

EW explained that total expenditure in the year was £10.7m, £8.1m being staff costs. She said that staff costs are £0.4m higher than 2021 due to costs beyond the control of the trust, e.g., pension costs, national insurance, and incremental drift.

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 in line with previous years.

EW said the expenditure within fixed assets of £952k includes the annual depreciation charge of £361k and assets written off in the year at Hanley Castle and Hanley Swan of £591k as the land and buildings are not owned by the trust. She commented that the transfer from revenue to fixed asset funds of £220k was used to support IT investment, CIF projects and other capital projects across the HUET.

EW explained that the net movement in funds in the year was £2,256k, if the movement in the LGPS pension reserve of £2,852k (due to gain on financial assumptions) and the reduction in fixed asset funds of £653k is excluded, there is an in-year surplus of £57k which is in line with the management accounts above.

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 free reserves of £57k are then added to the brought forward balance leaving reserves carried forward of £625k.

Total funds carried forward to 22/23 of	£5,196k:
General Reserves/ contingency	£ 625k
Pension deficit-	-£1,974k
Fixed Asset Funds	£6,545k

EW pointed out that these free reserves of £625k is equivalent to 6.5% of income which is above the reserves policy.

EW confirmed that the final reserves by academy are:

Hanley Castle High School	£327k	(5.2% of income)
Kempsey Primary	£200k	(11.3% of income)
Hanley Swan	£46k	(6.9% of income)
Welland	£53k	(7.2% of income)
HUET Top Slice	-£1k	



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5.11 Balance Sheet (Page 35)

EW explained that the Balance Sheet provides a snapshot of the HUET's financial position or worth at 31 August 22 showing the various assets and liabilities and reconciling these to the value of funds in the SOFA of £5,196k.

EW pointed out that Fixed Assets of £6,164k nbv now exclude Hanley Castle land and buildings – breakdown included in note 14.

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.
- £3.7m funded from LA S106 monies for expansion HCHS, KPS and WEL
- £1.7m funded from reserves – IT, furniture, staging etc.

EW highlighted the following points:

- Expenditure in the year of 0.4k was mainly on boilers, fire alarms and LED lighting, IT, and final works Welland expansion.
- Debtors of £520k include the CIF funding for Hanley Castle windows, boiler and fire alarm project not yet received as well as VAT debtor and prepayments – see note 16.
- Cash at year end of £1,616k.
- Creditors of -£1,068k includes purchase ledger creditors, payroll creditors and accruals – see note 17.
- The deficit on LGPS pension scheme of -£1,974k is significantly lower than 2021 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 accounts 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 23.

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 23 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 has already been completed.



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EW asked the HUET Members to formally accept and approve the 2021-22 HUET Annual Report and Financial statements.

DECISION: The Members of the Academy Trust unanimously approved the 2021-22 HUET Annual Report and Financial statements. Proposed by SP, Seconded by MW.

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

5.14 Update for 2022/23 to date

EW highlighted the following key developments:

- The announcement in the autumn statement of a £2.3bn increase in school funding sounds encouraging but we need to wait to see the detail behind this. This will not be known until our funding for 23/24 is confirmed in March 2023.
- EW spoke directly to Robin Walker at a recent meeting, and he was unable to explain if this was in addition to the 2% increase which is already promised (and included in our budget) and he also couldn't confirm whether the increase was from April / September 2023.
- The teachers' pay award and the proposed support staff pay award will increase staff costs beyond those included in the budget by potentially an additional £171k in 22/23.

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

6. HUET Developments 2021/22

MCS highlighted the following points:

MCS explained that each school have their own individual development plans which follow the structure of the new Ofsted framework.

Full details of all plans for the future are provided in the HUET Development Plan, which is available on the website or from the Company Secretary.

7. Appointment/Retirement of Members/Directors

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

8. Appointment of Auditors

TS 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. He explained that the recommendation is made by the Chair of the Audit Committee who is currently PS and invited PS to comment.

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 one year 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.



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PS confirmed that he had recommended to the HUET Board that Bishop Fleming are re-appointed as the HUET Auditors for a further 3 years with a possible 2-year extension at the end of the 3-year period.

PS confirmed that these recommendations were approved by the Trust Board at its December meeting.

TS asked the HUET Members to formally approve the appointment of Bishop Fleming as its auditors for 2022-23.

DECISION: The Academy Trust unanimously approved the appointment of Bishop Fleming as its auditors for 2022-23. Proposed by MW seconded by PS.

9. AOB

No further items were raised.

Appendices

Appendix 1: Annual Report and financial statements to 31 August 2022



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SUMMARY OF DECISIONS

<u>Item</u>	<u>Decision</u>
5	The Members of the Academy Trust unanimously approved the 2021-22 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 2022-23.

SUMMARY OF ACTIONS

<u>Item</u>	<u>Action</u>	<u>Responsibility</u>
	No actions	

Next meeting – TBC – January 2024