



Final

Hanley and Upton Educational Trust

Annual General Meeting

Minutes of the Annual General Meeting of the HUET

21 January 2021 at 5.30 pm

Chair of the Trust: Steven Price (SP)

Company Secretary: Michelle Snape (MSA)

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

Also Present: Lindsey Cooke (LC) – HCHS Headteacher/HUET Chief Executive Officer, Elaine Wilkins (EW) – HUET Chief Finance Officer, Kate Taylor (KT) – Chair of Governors HCHS/HUET Board, John Ellis (JE) - Staff Governor HCHS, Adrian Pratley (AP) – Headteacher HSP, Paul Bundy (PB) – Assistant Headteacher – HSP, Bryony Baynes (BB) Headteacher KPS, Margaret Smith (MS) Headteacher WPS, Sir Nicholas Lechmere (NL), Jeff Robinson (JR), Sue Fitzjohn (SFJ), James Speller (JS) and Sue Adeney (SA) - HUET Board Trustees and Clare Adams (CA) – ASC Welland, Clare Walters (CW)– Chair ASC HSW, Derek Valentine (DW) WDAT Representative, Janet Jager (JJ) – ASC Kempsey, Tim Sinden (TS) – HCHS ASC, Prf. Nick Wheeler (NW), HCHS ASC and Richard Marsh – Chair Kempsey ASC.

The meeting was quorate with 3 out of 5 Academy Trust Members present.

1. Welcome and Introduction

SP 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 2020 to the Members of the Academy Trust, and for the Members to appoint the auditors for 2020/21.

SP explained that the meeting will reflect on the challenges that the HUET have faced during what has been an extraordinary year due to the Covid-19 Pandemic.

2. Declarations of interest:

BU raised the fact that he is a current governor at Upton Primary School and KT declared that she is employed by another school - Malvern St. James School.

3. Apologies: Rob Johnston (RJ) – Deputy Headteacher HCHS, Jacqui Burrows (JB) - Appointed Governor – HCHS ASC and Peter Sherwood Chair of ASC at Welland.

4. Minutes of the AGM held on 23 January 2020

4.1: Accuracy: Proposed by MW and seconded by NL 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 2020– (Appendix 1)

5.1 Overview (JR)

As JR was the Chair for the period covered by the Annual Report, he was invited by SP to provide a review of 19/20 to the attendees of the AGM. JR explained that 2019/20 was an extraordinary year for HUET Leaders, Members, Trustees and ASC's. He said that 2011 had been deemed to be a stressful year due to fighting



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regular government policy changes to convert HCHS to an academy trust. He commented that, at least in that case the leaders were only fighting governmental and administrative incompetence, not as in 2020 with the beginning of a pandemic which at that time had unknown trajectory and consequences.

JR said that everything that he, LC and EW will report on during this meeting is largely controlled by the HUET's, the government's and the nation's response to that pandemic. He said that as a consequence, it is very important to start with a reminder of the scope of the Board of Trustees' responsibilities:

Scope of Responsibility

JR explained that trustees acknowledge that they have overall responsibility for ensuring the Trust has an effective and appropriate system of control, financial and otherwise. However, 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.

JR 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

JR said as it has been such an unusual year, it was even more important that the Board is accountable to the Members for its performance and therefore he had no hesitation in repeating some of the Governance Statement in full to ensure that accountability is demonstrated both for what we have done and what we have not.

JR reiterated that in 2019/20 the Board of Trustees had 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.

JR commented that for 2019/20 this has only been a part of the story. He said that the impact of the coronavirus pandemic was first felt in the HUET schools from February 2020 and from this point, the work of the Board of Trustees has been predominantly focused on supporting the HUET leadership in its work in guiding the Trust and its academies through this extremely difficult time. He said that in the context of its own legal responsibilities with regard to coronavirus related decisions, the Board has actively reviewed and challenged the individual academy Covid-19 risk assessments and, through regular meetings between heads and chairs of LGBs reported through the HUET Chair, monitored the ongoing situation in each academy.



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JR said that all meetings have been, and continue to be, held via the Teams platform. He commented that a number of trustees have poor internet connectivity in our predominantly rural area making interactive activities via Teams particularly difficult. He said that as a result, and because the Board were unwilling to impose further commitments on senior staff involved, training for both Members and Trustees planned for the spring has been postponed.

Governance Review

JR mentioned 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. JR added that a formal governance self-evaluation activity is normally undertaken by the Board of Trustees in the spring but in 2020 these plans were disrupted by the pandemic.

JR explained that significant progress was made by utilising the Chairs' Forum who have been able 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.

JR mentioned that a major benefit from this format has been the development of closer relationships between the HUET and the ASC's via their chairs which has resulted in an improved embedding of the governance process across the HUET.

JR highlighted that the Chair's Forum worked across four main areas:

- **Coronavirus** – regular review of individual academy risk assessments from a governance point of view through the collation and analysis of output from fortnightly meetings between heads and chairs which have been in place since the increased provision to most pupils in June. This allowed trustees to be assured that their legal responsibilities were being safeguarded.
- **HUET risk management process** – the 2018/19 Governance Statement had flagged up the need to extend the HUET risk management assessment process down to ASC/school level which was to be investigated as part of the 2019/20 governance review to be undertaken by the Board of Trustees. The Chairs' Forum has undertaken a comprehensive review of the HUET's entire risk management strategy and risk register together with the adoption of a new risk management policy. Fundamentally, this links each individual risk in a matrix to the specific Scheme of Delegation category and HUET Development Plan section which it relates to. Risk owners will have a strengthened responsibility for monitoring and managing their risks. Each individual academy is now also required to maintain and manage its own risk register which is also linked to the schemes of delegation and the academy's development plan. The HUET risk register made available as part of the 2019/20 end of year reporting has been produced under the new system. JR recorded his thanks to SP for his work in developing the new HUET risk management policy.
- **HUET self-evaluation and development plan** – linked to the work on the HUET risk management process, Chair's and through them the Board and LGBs, are now much more involved in the HUET self-evaluation process and the construction of the HUET Development Plan. This will significantly strengthen the integrity of that plan and ownership by the HUET governance structure.



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- **Safeguarding** - Chairs continued to work to ensure that the ownership and implementation of the Trust's safeguarding principles and policies developed so strongly in 2017/18, continued to be embedded at LGB level as well as amongst Members and Trustees. The governance aspect of this work is led by the Board's

Safeguarding Lead, KT, who undertakes annual school safeguarding audits, although the pandemic has impacted on the ability to undertake these in the last year.

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

JR 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, including Covid related costs, in the short term.

JR 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.

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

The Purpose of the System of Internal Control

JR said that the system of internal control is not a section of the Governance Statement which he would normally cover. However, the work undertaken during 2019/20 on the HUET risk management process has significantly improved accountability in terms of internal control and our capacity to handle risk.

JR stated that it is important to remember that the system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. He said that it can only provide reasonable and not absolute assurance of effectiveness.

JR mentioned that the system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of HUET policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

JR said that the whole HUET risk management process has been reviewed, updated and strengthened by the Chairs' Forum and progress has been reported to the Board at each of its meetings. He confirmed that the final recommendations will be made to the March Board of Trustees meeting and it is anticipated that the new risk management system, including a revised and strengthened format for the HUET risk register and individual risk registers for each academy will significantly enhance the Board's capacity to assess, mitigate and manage risk.



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

Conclusion

JR said that he wished to pay tribute and give thanks to LC and EW. He said that they are amazing driving forces for good in the leadership of the Trust. He also added his thanks to the Headteachers for their remarkable work in 2019/20 on behalf of the HUET, and to MSA for her indefatigable work as HUET Company Secretary. He added that he wanted to pay special thanks to all staff in the HUET and asked LC 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 2019/20.

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

No questions were received.

SP thanked JR for his report. He formally thanked JR for his leadership and commitment as Chair over the past years.

LC formally thanked JR for his remarkable contribution to the HUET organisation as a whole.

5.2 HUET Achievements and Performance (LC)

SP asked Lindsey Cooke (LC) if she would highlight the achievements and events for 2019/ 20.

LC thanked all for attending and formally thanked all those that had contributed to the HUET during 2019/20. LC highlighted the following points:

The aims of the HUET

LC 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.

LC highlighted the aims of the HUET during the year ended 31 August 2020 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 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.



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- **All member schools** (founder and future) will remain non-selective and will be supported in maintaining any current religious affiliation.

This will be achieved through:

- A relentless focus on raising the standard of educational attainment and achievement of students of all ages, abilities and aptitudes.
- A stimulating learning environment, supported by consistent expectations.
- Care, support and intervention that places the individual at the centre of everything that we do.
- Celebration of all forms of success and reward of positive attitude and effort.
- Close partnership between parents, schools and the children and young people to support progress.
- Curriculum opportunities that promote understanding and appropriately challenge every child and young person.
- Opportunities outside the curriculum that develop a broader personal development.
- A clear understanding of rights and responsibilities in a global community.

5.3 Objectives, Strategies and Activities (LC)

LC mentioned that broad themes were agreed for the HUET development plan for 2019-2020. Priorities identified included:

- **The quality of education and outcomes** – to continue to develop the quality of the transition curriculum in English and maths / to continue to improve pupil outcomes in maths across all key stages / to continue to improve the consistency of outcomes for disadvantaged pupils across all curriculum areas and in all key stages
- **Personal development and welfare** – to further improve the culture of safeguarding across all schools / further improve the attendance of disadvantaged pupils
- **Governance** – to develop the capacity of the HUET board in advance of expansion / to continue to improve monitoring of compliance with GDPR / to support Welland LGB in holding its headteacher to account
- **Leadership and management** – to develop the HUET to meet the needs of housing developments in south Worcestershire – expansion of Hanley Castle to 180 PAN, Kempsey to 60 PAN, Welland to 30 PAN, Mayflower Academy free school bid / appoint DPO / maintain support to Welland Primary School (supported status)

LC 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, the Woodrush Teaching School Alliance and the Prince Henry's Teaching School Alliance.

She added that each school had its own individual development priorities for 2019-20 which included priorities centred around the following themes:

- **Hanley Swan** - Improving literacy / maths / science – with a particular focus on supporting disadvantaged pupils, particularly the large number of LACS
- **Welland** - Redesign of curriculum across all key stages with a focus on intent,



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implementation and impact / improving literacy and numeracy and provision for SEND pupils.

- **Kempsey** - Embed teaching for mastery and increase pupils' fluency in mathematics / improve curriculum mapping and sequencing / improve the quality of the teaching of reading across the school for individual subjects.
- **Hanley Castle** - Develop curriculum to improve sequencing and promote information retrieval / introduce cultural capital days to ensure full coverage of KS3 NC / redevelop core RE as Religion and World Views.

5.4 Achievements and Performance (LC)

LC commented that 2019/20 was a year overtaken by events i.e. OFSTED and Covid-19.

LC explained that the HUET underwent its first Ofsted inspections in 2020, with both Kempsey and Hanley Swan undergoing inspections early in 2020. She said that both schools were rated 'good' by Ofsted, and a number of significant strengths were identified in both.

LC formally congratulated the Head teachers, staff and governors of both schools for their success.

5.5 Coronavirus (LC)

LC stated that within days of the Ofsted inspection at Hanley Swan the educational landscape changed completely as the Coronavirus pandemic caused a national lockdown from 23 March.

LC said that the week beginning 9th March was perhaps the last normal week in the operation of the four HUET schools. At that point Kempsey and Hanley Swan were still celebrating and recovering from their respective successful Ofsted inspections, while a significant number of students and staff at Hanley Castle were involved in final rehearsals for the school's production of 'Made in Dagenham'.

LC commented that as the week progressed and the national situation deteriorated, there was a significant increase in the number of children reporting illness in school, particularly at Hanley Castle.

LC said that w/c 16th March saw the planning for the anticipated lockdown begin in earnest. She said that staff health surveys were completed across the schools to identify vulnerable staff and households. She confirmed that as events accelerated rapidly, those members of staff on the 'Red List', as well as those living in households with a vulnerable member, were asked to stay at home from Wednesday 18th March.

LC explained that planning for lockdown from 23rd March presented many challenges as some members of the senior leadership teams across the four schools had underlying health conditions which meant that they were obliged to work from home.

LC stated that both Hanley Castle and Kempsey remained open for the entirety of the lockdown, offering the children of key workers and vulnerable children (those



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with EHCPs or with a social worker) full-time provision, including during school holidays. She added that Kempsey also offered a 'Community Take Away' service for the village once a week and also ran a food bank which was busy throughout lockdown.

LC said that provision for key worker and vulnerable children was offered for children at Welland and Hanley Swan by Upton Primary School which opened as a hub for children in our locality. She said that staff from both HUET schools supported provision at the Upton hub, with MS, in particular, making a very significant contribution to its leadership.

LC formally thanked Julie Wills, the Head at Upton Primary School for her support in operating the hub.

LC said that the other major focus was ensuring that the remaining children across the HUET were provided with high quality remote learning as well as effective safeguarding provision in lockdown.

LC confirmed that following the announcement that schools should expand their provision from 1st June, all of the HUET schools complied with Government guidelines to offer either some face-to-face teaching or some contact with teachers before the summer break and this was achieved successfully across all four schools before the much-needed summer break.

5.6 SATs / GCSE and A level results (LC)

LC confirmed that all external exams, from SATs to A levels, were cancelled by the Government and primary schools supplied teacher assessments for their Year 6 pupils.

LC explained that initially, Hanley Castle's Year 13 students were awarded exam board moderated centre assessed A level grades. She said that these moderated grades were arrived at by the exam boards by applying an algorithm to our centre assessed grades (CAGs).

LC said that the school adhered strictly to Ofqual (the Government exam board regulator) and exam board guidance in order to produce both A level and GCSE CAGs for each student in each subject. She said that this was a detailed and exhaustive process where class teachers, heads of subject and the school's leaders spent a number of weeks considering a wide range of evidence, including classwork, homework, mock exams and work completed during lockdown.

LC said that when the school received the moderated A level grades from the exam boards on results day we were hugely disappointed to see that 98 grades had been lowered, 11 of them by two grades. She said that the School shared the disappointment and upset felt by so many students, some of whom had missed out on university places as a result.

LC said that the announcement by Gavin Williamson that students would be awarded their CAG, or the moderated grade from the exam board, whichever was the higher, was a bigger step in the right direction. She said that many students achieved the grades they fully merited and deserved and the vast majority of Year



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13 students eventually secured places at either their first-choice universities or at acceptable alternatives.

5.7 Other achievements 2019-20 (LC)

LC said that despite coronavirus, all schools have delivered on their development plan targets and were well placed for the start of the new academic year last September.

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

LC mentioned that joint staff training, particularly in safeguarding, has ensured that safeguarding policies and practice across the HUET are of a consistently high standard. She said that as well as working hard on their internal development plan priorities, the four schools are collaborating to further improve the transition curriculum in English, mathematics and IT, further improving provision for premium pupils, continuing to raise attainment in literacy and numeracy, further improving the quality of teaching and learning and developing middle and senior managers.

LC explained that the focus on developing middle and senior leaders is a priority, as the HUET seeks to develop and retain its most promising staff. Three senior leaders are currently working towards NPQH, while others have already completed NPQSL.

LC added that more whole-HUET policies have been raised and ratified – for example a common code of conduct for HUET staff.

LC stated that the quality of self-evaluation has improved further, with all four schools working together to address the requirements of the new Ofsted framework, introduced in September 2019. The success of this was evidenced by these year's Ofsted outcomes

LC confirmed that the consolidation of resources and prudent financial management have ensured that the HUET has been able to implement the September 2020 pay award in full and is well placed to remain viable as the local version of the National Funding Formula continues in its implementation.

LC said that the capacity of the HUET board continues to develop, as evidenced by the transition to a new Chair in the Autumn of 2020. She added that the appointment of new chairs of what are now called the 'Academy Standards Committees' (formerly the LGBs) at Kempsey and Welland, has demonstrated that there is significant strength in depth.

LC commented that compliance with GDPR has been enhanced by the appointment and training of an effective DPO who has managed a number of issues, including complex SAR requests, very competently.

LC confirmed that the demand for places at all four schools remains high. She said that the RSC has approved PAN increases requested by the Local Authority for Hanley Castle, Kempsey and Welland, with additional capital funding of around £3 million to provide the necessary additional accommodation. She added that construction work is virtually complete at Hanley Castle and Kempsey and has just got under way at Welland.



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LC explained that further housing developments planned for the area south of Worcester include a proposed new two-form entry primary school. She said that the HUET has already met with LA officers and the local Parish Council to discuss its vision and plans for a proposed 'Mayflower Academy' Free School on the designated site. However, this project has been delayed further by the Coronavirus pandemic.

5.8 Plans for Future Periods – 2020-21

LC stated that the development plan is now heavily influenced by the challenges of providing education during the pandemic and recovery when the situation improves.

5.9 Quick Summary of HUET Development Plan

LC mentioned that full details of all HUET plans for the future are given in the HUET Development Plan which will be published on the HUET website once ratified by the HUET Board in March. She added that development plans for individual academies can be obtained from the individual schools.

SP thanked LC for presenting her report and asked if there were any questions in relation to the information presented. No questions were raised.

SP commented that the information presented clearly demonstrated the depth of the strength of the collaborative working between all HUET schools. He added that the interpretation of the government guidelines would have been difficult for individual schools to manage on their own.

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

5.10 Accounts

EW explained that the accounts for the HUET for the year ended 31st August 2020 include 12 months for all 4 schools whereas the comparatives for 2019 only include 8 months for Welland as the latter only joined the HUET on 1st January 2019. Therefore, comparatives are somewhat misleading.

EW said that the accounts for the HUET were prepared in September then shared with their ASCs and HUET Board before external audit by Bishop Fleming.

EW mentioned that Bishop Fleming audited accounts early in October 2020 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.



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5.11 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 37 – 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 38 – Appendix 1) - provides a snapshot of the HUETs financial position or worth at 31 Aug 20 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.

5.12 Overview of the SOFA for 2020

EW pointed out that the comparative figures for 18/19 only include 8 months of Welland as the conversion took place in January 2019. She said that the Restricted Funds are separated between General and Fixed Asset Funds.

EW explained that Restricted General Funds represent income and expenditure which can only be spent for particular purposes and include General Annual Grant (GAG), pupil premium, universal infant free school meals, Yr. 7 catch up and high needs SEN funds. General funding for the financial year 19/20 is driven by pupil numbers from the school census in October 2018. Pupil Numbers for HUET in Oct 18 were 1617.

EW said that the total income in the year was £10.6m but includes £2.2m fixed asset funds which related mainly to the capital income for the expansion projects at both Hanley Castle £1.5m and Kempsey £0.7m.

EW confirmed that Unrestricted Funds can be spent on any purpose at the discretion of the trustees within the objects of the academy and were £369k for the year. She said that this included trips, lettings, music, sports partnership, mentor, breakfast club and catering income. EW said that it should be noted that trips are run to breakeven and the income in unrestricted funds of £238k is offset by trip costs of the same in expenditure. (A further breakdown of income in the year is provided in notes 3-5 in the accounts).

EW mentioned that the income of each school is top sliced by 5% to provide for insurance, legal, HR/ payroll/finance costs, Audit fees/ Sims / IBS costs etc. Total top slice in the year £378k (see note 11 on p53).

EW highlighted the following key points:

- The total expenditure in the year was £9.4m, mainly staff costs £6.9m (further detail are available in notes 7-10 in the accounts).
- It is important to note that the increase in teachers' pension contributions by 7.2% had an impact in the year of circa £260k.



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- Non-payroll costs of £2.5m include premises costs, depreciation, catering costs, trip costs, insurance, exam fees, IT costs, educational equipment etc.
- In the year the trust used £85k of unrestricted reserves to support capital investment at Hanley Castle, Welland and Kempsey.
- Whilst net movement in funds in the year was £1,094k if we exclude the movement in the LGPS pension deficit of -£403k (due to increased liabilities and market uncertainty) and increase in fixed asset funds of £1,455k, this leaves an in-year surplus of £43k .
- This is a significant achievement since the year was affected by the pandemic in terms of schools incurring additional costs of £38k and losing revenue e.g. China £23k.
- These free reserves of £43k are then added to the brought forward balance leaving free reserves carried forward of £430k. This is the key number on SOFA and is equivalent to 5% of income – in line with reserves policy and as mentioned above is better than budget for all schools.
- All schools reported an in-year surplus before transfer to capital and all schools ended the year with results better than both budget and forecast.
- Final reserves (see note 21) by academy are:

Hanley Castle High School	£201k	<i>(3.6% of income)</i>
Kempsey Primary	£178k	<i>(13.4% of income)</i>
Hanley Swan	£19k	<i>(3.2% of income)</i>
Welland	£28k	<i>(4.1% of income)</i>
HUET Top Slice	£4k	

• Total funds carried forward to 20/21 of	£2,579k
• General Reserves/ contingency	£430k
• Pension deficit	-£4,452k
• Fixed Asset Funds	£6,601k

5.13 Balance Sheet

EW explained that the balance sheet provides a snapshot of the HUET's financial position or worth at 31 August 20 showing the various assets and liabilities and reconciling these to the value of funds in the SOFA of £2,579k.

EW said that as part of the audit process, extensive discussion took place regarding the accounting treatment of Hanley Castle land and buildings and made an adjustment to remove these assets from the trust's balance sheet.

EW mentioned that the freehold land is owned by the Foundation Trust and the ownership of the buildings will always follow ownership of the land. She said that discussions have taken place between the Foundation Trust, Stone King and Bishop Fleming on this matter. She stated that as the land and buildings are occupied via a 2-year supplemental agreement similar to that of Hanley Swan then the assets which belong to the Foundation Trust and not the school have been removed from the HUET accounts for 19/20.

EW confirmed that the impact of this is purely on the net book value of fixed assets on the balance sheet which has reduced by £7,098k to £5,278k.



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EW added that the HUET have finally received an updated valuation for Welland's land and buildings from the ESFA in March which resulted in a prior year adjustment of £1.17m from £2.35m to £1.18m.

EW said that Fixed Assets of £5,278k nbv which 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:

- £3.3m funded from CIF bids – Science, new 6th form, new roof, windows, IT infrastructure sports hall, hall and boiler Hanley swan.
- £1.6m funded from LA S106 monies for KPS and HCHS expansions
- £1.0m funded from reserves – IT, furniture, staging etc.
- £0.1m – donations

EW highlighted the following points:

- Expenditure in the year was mainly on IT and expansion at KPS.
- Debtors of £2,029k include the expansion funding for Hanley Castle and Kempsey not yet received of £1623k, VAT and prepayments – see note 16.
- Cash at year end of £741k included capital funding received but not yet spent and was also enhanced by timing of purchase ledger payments around year end date.
- Creditors of -£989k includes purchase ledger creditors, payroll creditors and accruals – see note 17.
- The deficit on LGPS pension scheme of -£4,452k is slightly higher than 2019 due to a combination of increasing liabilities and general market uncertainty.

5.14 Next steps

EW confirmed that once approved the accounts will be filed at Companies House by May 21 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 will be submitted before the deadline in Feb 21.

EW asked the HUET Members to formally accept and approve the 2019-20 HUET Annual Report and Financial statements.

DECISION: The Members of the Academy Trust unanimously approved the 2019-20 HUET Annual Report and Financial statements. Proposed by BU, Seconded by MW.

SP formally thanked EW for providing the detailed finance information and for explaining the information clearly in order for all to understand. Also, SP formally thanked EW and the finance team for their incredible work especially in relation to the way they have managed the extra work due to the complexities of the pandemic.

5.15 Update for 2020/21 to date

EW highlighted the following key developments:

- Pupil numbers - Oct 19 1651 and Oct 20 1661
- Submitted a further 6 capital bids as part of the annual CIF process - £0.8m



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- Hanley castle – Boiler and fire safety
- Kempsey - roof / windows
- Hanley Swan - fire safety
- Welland – Fire safety
- Kempsey expansion completed
- HCHS expansion complete 28/2
- Welland – expansion – 1 FE Sept 21 – work started on site this week
- All schools are currently better than budget ytd.
- Significant investment in IT to support remote learning across all schools
- Further expenditure to support additional measures required to keep school staff and students safe during the pandemic.
- Forecast reserves at end of 20/21 £260k

SP formally thanked LC and all of the academic staff at the school for all of their hard work. He also formally thanked EW and the finance team for their work on the accounts and audits. He asked if anyone would like to ask LC/EW any questions relating to the information that had been presented.

No further questions were raised.

6. HUET Developments 2019/20

LC highlighted the following points:

- The Hanley and Upton Educational Trust will continue to strive to provide outstanding education and improve levels of performance of its pupils at all ages and stages, continue to aim to attract high quality teachers and support staff in order to deliver its objectives and continue to work with partner schools to improve the educational opportunities for students in the wider community.
- The HUET has begun to play a more prominent role in system improvement. Hanley Castle was successful in its application for 'sponsor school' status and this status has now been extended to the HUET as a whole.
- The HUET is prepared to work with the DfE and Regional Schools Commissioner to support those schools which are identified as underperforming.
- The popularity of HUET schools, combined with large-scale housing developments is driving an expansion agenda, including the intention to bid for the running of a new two-form entry primary school north east of Kempsey.

LC explained that each school have their own individual development plan which follows 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.

JR added that he is working with the Chairs of each Local Governing Board to produce individual risk assessments and risk registers for each individual school.

7. Appointment/Retirement of Members/Directors

SP mentioned that David Webster (DW) has now resigned from his role as HUET Member. He formally thanked DW for his contribution.



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SP confirmed that he and JR will now look for a suitable replacement and mentioned that there have been a few people who have indicated they would be interested in the role.

ACTION: SP & JR to look for a suitable candidate to fill the existing Member vacancies.

8. Appointment of Auditors

SP 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 Peter Sauders (PS). Although Peter was unable to attend this meeting due to work commitments he had emailed his comments as follows:

Bishop Fleming LLP have been the auditors of both Hanley Castle High School and HUET for 10 years. They are market leading in the education academy sectors and have provided an excellent service during that period. However, the Audit Committee is mindful of both the time since audit services were market tested and also audit ethical standards which suggests rotation of audit partners to provide assurance over their independence. At the last AGM we signalled an intention to tender for audit services during the year. However, the pressures caused by the pandemic meant this was not a priority and did not happen. The Audit Committee therefore recommended to Trustees that:

- *Bishop Fleming LLP be appointed as the Trust's auditor for 2020/21*
- *Request that Bishop Fleming rotate the Audit Partner given the current partner has a long-standing relationship with HCHS and HUET*
- *Tender for audit services for 2021/22 during the spring/summer 2021*

These recommendations were approved by the Trust Board at its December meeting.

SP asked the HUET Members to formally approve the appointment of Bishop Fleming as its auditors for 2020-21.

DECISION: The Academy Trust unanimously approved the appointment of Bishop Fleming as its auditors for 2020-21. Proposed by ME seconded by BU.

9. AOB

No further items were raised.

Appendices

Appendix 1: Annual Report and financial statements to 31 August 2020

SUMMARY OF DECISIONS

<u>Item</u>	<u>Decision</u>
5	The Members of the Academy Trust unanimously approved the 2020-21 HUET Annual Report and Financial statements. Proposed by BU, Seconded by MW.



Final

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8	The Academy Trust has approved the appointment of Bishop Fleming as its auditors for 2020-21.
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SUMMARY OF ACTIONS

<u>Item</u>	<u>Action</u>	<u>Responsibility</u>
1. 7. 21-01-21	SP & JR to look for a suitable candidate to fill the existing Member vacancies.	SP&JR

Next meeting – TBC – January 2022