



MINUTES

Extraordinary meeting of the Trust Board Held at Beamont Collegiate Academy Monday 17 September 2018 at 6pm

Present:

Matthew Grant (CEO) MG
Howard Platt (Chair) HP
Maureen Mellor MM
John Monaghan JM
Linda Waterson LW
Stuart Titchard ST
Toby Macormac TM

In attendance:

Andrew Moorcroft (Beamont Collegiate Academy) AM
Vicky Briggs (Great Sankey Primary School) VB
Bev Scott-Herron (Sir Thomas Boteler) BSH
Tim Long (Bridgewater High School) TL
Kyle Harvey (BCA governor) KH
Mark Eccleston (BCA governor) ME
Joanne Flitcroft (BCA governor) JF
Gail Porter (BCA governor) GP

PART TWO - CONFIDENTIAL

1. Welcome

The chair welcomed everyone to the meeting. It was reported that BCA governors are present at the meeting as observers. Introductions took place.

2. Absence/Apologies

Apologies received from D McGuire, G Johnson, J Griffiths, S Yates and S Whatmore. P Hinds was not present.

Trustees accepted the apologies.

3. Declaration of person interests for the meeting

Trustees were asked to declare any interest they may have, pecuniary or otherwise, relating to this meeting. Mr Macormac declared an interest with Sandymoor School - he has been working with the school for the last 18 months in his role with the Robbie Fowler Academy and is familiar with workings at the school.

4. Consider option to be nominated as a preferred sponsor for University Academy Warrington

MG reported that trustees have received a briefing paper entitled 'Options for Sponsorship' relating to information shared with the RSC (who are responsible for rebrokering UAW).

A discussion took place with Matthew Grant, Tim Long, Andy Moorcroft and Damian McGuire (finance director for TCAT), the RSC and the ESFA last Friday regarding the TCAT reserves where TCAT made it clear that they are not prepared to take on the historical deficit of UAW. They also discussed what deficit may continue to be accrued over the coming years. Other trusts in the past have agreed to take on a percentage of the historical deficit; however it was made clear that TCAT would not take on any such liability. Mr McGuire and Mr Grant looked at a number of factors driving the ongoing potential deficit. A paper entitled 'UAW Additional Financial Information: 17-9-18' was distributed to attendees which proposes two models for consideration. UAW put forward a 3-year budget to the ESFA; however this did not take into account devolved formula capital funding and the central cost of 3% (UAW listed this as 1%) or additional staffing for the school.

Model 1: From the tables produced if the school continues to operate on the lagged funding model it is estimated there will be a total £1,745,000 deficit over the next 7 years.

Model 2: Even with in-year pupil funding it is estimated that a further £911,000 deficit would have accrued.

A table shows the percentage of debt assumed by BCA from 15% to 50% (in 5% increments) - this is recorded in the column 'Value of Debt Undertaken' with the costs against each percentage for TCAT and the ESFA. Currently the school is funded on the lagged model and on pupil numbers for the previous year. If pupil numbers grow no additional funding would be received until the next year. If pupil numbers decrease less funding is received the following year. MG explained that TCAT would want in-year funding with Model 2 (and in-year funding for other schools within the Trust who see growth). The ESFA has asked the Trust to look at their own revenues and how they may want to spend the reserves. The Trust is trying to demonstrate the cash flow position – if the Trust were to take into account the reserves including the deficit from UAW they would be in a negative position very quickly as a Trust. 2018/19 has a historical deficit of £706,000 and an ongoing deficit of £299,000; historical refers to until 31 December of this year. The preferred Model 2 show that the total deficit over the period of time could be over £1.6 million – if TCAT took on the 25% liability their share would be £404,250.

HP reported that it was made clear that the reserves were brought to the Trust by Beamont and Priestley; either academy could leave the Trust and take their reserves with them. HP clarified that the discussion should focus on how to finance the school through its period of recovery and the percentage of deficit yet to be incurred and the help ESFA and the RSC can provide for that.

A trustee asked - putting aside the issue with finance, why would the Trust become involved with the school.

MG explained that the ethos and stated purpose of TCAT is to increase outcomes for pupils in Warrington and to continue to work within the hubs set up in Warrington. If the ESFA and RSC are unable to rebroker the school it could potentially close. Locally they could then decide to open a free school in that area as there would be a demand and up front funding would be provided for a number of years. This may delay the process whilst they talk to other trusts.

A trustee asked if they took the position not to help and pupils need education what would then happen. MG explained that emergency funding from the EFSA and RSC would be provided for the school which they would help to run from a distance. This would not necessarily be in the best interest of the pupils to move to another school mid-year or those schools themselves. AM added that it is also about whether they can improve the school and the education which they can; however the amount of historical deficit that TCAT were willing to assume could have an effect on the RSC'S decision.

A trustee commented that the school is two thirds full which contributes to the deficit. MG explained that there will be growth in schools on this side of town. **A trustee asked** if there will be a growth due to the demographic and not that the school would grow at the expense of another school. AM explained that there is growth on the primary school numbers coming through. Peel Hall Developments submitted a planning application which was previously rejected; however if this is approved in the future it will result in a huge amount of housing being built close by – hence if the school was to close a free school would be required in the years to come.

A trustee asked if this would have an impact on the schools which they have a concern for. It was clarified that in terms of numbers they would be looking at an increase of 10-20 per year.

A trustee commented that there is a major issue regarding the financial arrangements and whether this is manageable, and also if they continue whether the school would be viable or have the potential to become viable and the capacity within themselves to bring about the improvements necessary to become an effective member of TCAT.

AM explained that TCAT has the capacity to solve the issues; however another consideration is that TCAT are aware that two other local trusts have expressed an interest at the outset. If UAW were to join the other trusts they would be in direct competition for local schools with a competitor trust.

HP explained that it is within their ethos to take on Warrington schools and there are a limited number of opportunities. If TCAT acquire the school TCAT would represent half of the secondary school places in Warrington which would be a significant milestone. This also enables TCAT to look at school improvement resources and move to the next level. *Trustees are not being asked to approve a takeover today but to approve a negotiation position to undertake a due diligence exercise.*

Trustees would then make the final decision. Mr Moorcroft added that there is potentially a £200,000 grant for school improvement which is not included in the projections.

A trustee asked if an SLT is in place at present. MG reported that they would want to carry out their own investigation into the quality within school as the investigative report is contradicted by the Ofsted report. The turnover of staff was highlighted and this is stable this year - pupil numbers have risen in Year 7; however the finances remain a concern.

It is not known if significant expenditure is required for health and safety or capital investment for the condition. It is likely that there will be additional costs to be incurred for immediate needs. TCAT would require this to be funded by the ESFA.

A trustee asked the timescale for due diligence. Trustees were informed that a health and safety consultant would go in to do this at a reasonable cost and the consultant has already undertaken this task across the Trust; the financial due diligence aspect has already taken place and there would be limited costs for the legal transfer of the land as UAW is already an academy.

A trustee commented that they are interested in the competition element; there are concerns as to the effect on the Trust and the risk when we are still developing as a Trust, ie: systems. HP reiterated that there is a finite list of opportunities to grow the trust with Warrington schools. **A trustee asked** if competitors are willing to take on the risk why not allow them to. Trustees were informed that the question is whether they want to deal with the competition or grow as a Trust. TCAT has been set up and is working with good results which are the reasons why the RSC has chosen TCAT as the preferred bidder; a local solution is preferred.

Kyle Harvey left the meeting at 6.43pm.

HP proposed that there should be no historical deficit taken on and there should be a significant contribution to in-year shortfalls. UAW should also move to non-lagged funding (or real time funding), subject to due diligence and that TCAT allow its name to be put forward to the Headteacher Board on Thursday 20 September to become the nominated "preferred sponsor" as outlined in the paper.

Trustees were assured that any final decision about the re-brokerage of UAW into TCAT would come back to a Full Board meeting after the period of negotiations and due diligence.

A trustee asked if as a Trust they can help the pupils and secure results going forward. HP explained that this would be a topic that would be discussed at the end of the due diligence process.

MG informed governors that Sandymoor School is a standalone free school and does not have the same sense of urgency.

Trust members agreed to Mr Platt's proposal on that basis.

5. Any Other Business

There were no other confidential items.

Meeting closed at 6.50pm