MINUTES OF SEVENTEENTH BOARD MEETING

SOLENT ACADEMIES TRUST
A COMPANY LIMITED BY GUARANTEE
(THE "ACADEMY TRUST COMPANY")

COMPANY NUMBER: 8374351

MINUTES of the extraordinary seventeenth meeting of the directors of the Academy Trust Company, duly convened and held at Mary Rose Academy, Gisors Road, Southsea, PO4 8GT on Tuesday 8 November 2016 at 5.00pm.

PRESENT:   Mark Mitchell (Chair)
           Alison Beane (Executive Head Teacher, Director)
           Chris Green (Director)
           Mary Ive (Director)

IN ATTENDANCE:   Lorraine Swanson (SAT Business Operations Director)
                 David Jordan (Company Secretary)

APOLOGIES:   Trevor Sapey (Director)
             Judith Smyth (Director)

1 CONSTITUTION AND MEMBERSHIP

1.1 The Chair reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the meeting was declared open at 5.10pm.

2 CONFLICTS OF INTEREST

2.1 Each director present declared that they had no previously undeclared conflict of interest relating to the agenda item.

3 DOCUMENTS PRODUCED TO THE MEETING

3.1 The following documents were produced to the meeting:
   a. A document titled “Sponsorship of Redwood Park School: Due Diligence Report”
   b. A document titled “Redwood Park School – 5-year Projected Budget”
NOTED IN DISCUSSION

4.1 This extraordinary meeting of the Board had been called to consider a single agenda item, namely, whether the Academy Trust Company should sponsor Redwood Park School (RPS) to become an academy. The Trust Company had been working towards a conversion on 1 December 2016, but this could only be achieved if the Transfer Agreement could be signed on Thursday 10 November.

4.2 Considerable progress had been made towards resolving issues identified in the due diligence process; for example, Portsmouth City Council (PCC) had recently accepted liability for redundancy and compromise agreement costs. Nevertheless, there remained some risks that the Board would have to carefully consider before it could reach a conclusion and these were outlined in the Due Diligence Report.

4.3 PCC had inserted a clause that would transfer to SAT the pension liability for all RPS employees, regardless of when they left the School. This would include staff who had never been employed by the Trust Company. The Trust Company’s solicitors, Blake Morgan, believed this requirement was unprecedented and they would contact the DfE on behalf of SAT to seek clarification. Directors agreed that accepting this liability would constitute an unquantifiable and therefore unacceptable risk.

4.4 PCC’s refusal to guarantee the accuracy of staff information it was providing carried a risk to the Trust Company that the costs arising from any mistakes discovered after conversion would fall on SAT. The level of risk was low and any losses arising from such inaccuracies would also be low. Although the Board would want this clause to be removed, Directors were minded to accept this risk to expedite the conversion.

4.5 SAT had commissioned a condition survey of the RPS estate which had identified a range of issues. Many of these had now been resolved and PCC had accepted the costs of some outstanding work. However, there remained one very significant estate issue, the cost of replacing water pipes, estimated to be in the region of £156,000. The pipes were in an extremely poor condition, but PCC was refusing to meet the costs on the grounds that funding would have to come from the 2017-18 budget and this will not be finalised until February 2017. PCC had agreed to include this work in the list of the top 12 school maintenance projects for 2017-18 for approval by the Schools Forum. In recent years this list has been agreed in full by the Forum, but it is not obliged to do so and concerns were expressed that, in the
current and projected financial climate, the Schools Forum might not agree to fund work on a school that had already converted to an academy. Directors were not minded to accept this financial risk which would severely affect the Trust Company’s reserves. In addition to the financial risk, the condition of the water pipes carried a potential health risk for staff and pupils, including Legionella. The Board was uneasy with the nature and level of the risks associated with the water pipes and would want a guarantee that PCC would cover the costs of their replacement.

4.6 The Board would be content to agree a kitchen underlease arrangement with PCC for the continued production of school meals at RPS.

4.7 The projected budget report showed a small surplus in the first year but thereafter RPS would run at a deficit. This was largely because of the misbanding of 29 pupils, mainly in years 9, 10 and 11, as reported to the Board at its last meeting. PCC had rejected a sampling approach and was insisting upon receiving full evidence for every pupil to be rebanded. The Board would be content to accept the projected revenue budget provided the rebanding went ahead. Rebanding requests were considered by the Inclusion Support Panel (ISP), which meets fortnightly. The Executive Head Teacher agreed to seek a hearing of these applications at the meeting scheduled for 6 December or perhaps at a special ISP meeting called to consider only the proposed rebandings. A small number of the rebanding requests would be from Band H to Band A and these would be presented as quickly as possible. Although there was no certainty that all the rebandings sought would be agreed, there was a high level of confidence that most applications would be successful. The Board was therefore not unduly concerned about the projected revenue deficit.

4.8 The Board was proceeding in good faith with the intention to sponsor the academy conversion of Redwood Park School on 1 December 2016 but was not able to accept the major risks detailed in the due diligence report. Any delay would not find favour with the Regional Schools Commissioner, but SAT was in liaison with the RSC who was aware of the problems facing the Academies Trust.

5 RESOLUTIONS

5.1 It was RESOLVED:

5.1.1 THAT Solent Academies Trust would complete the formalities of sponsoring the academy conversion of Redwood Park school at the earliest opportunity,
but not before Portsmouth City Council had dealt, to satisfaction of the Board of Directors, with the following matters:

- The removal of the clause conferring on SAT the liability for pensions of RPS staff who had never been employees of the Academy Trust Company (para 4.3 above);

- A clear and irrevocable commitment to pay for the cost of replacing the water pipes at Redwood Park School (para 4.5 above);

- A commitment to give due consideration to the rebanding of the 29 pupils identified by SAT staff as incorrectly banded (para 4.7 above).

5.1.2 THAT the Chair should write as soon as possible to the Deputy Director of Children’s Services at Portsmouth City Council to report the nature of the Resolution above.

6 Close

6.1 There was no further business and the chairman declared the meeting closed at 6.15pm.

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Chairman

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Dated