

Committee:	Date:
City of London Academies Trust Board of Trustees	3 September 2020
Subject: Appointment of Committees 2020-21	Public
Report of: Clerk	For Decision
Report author: Kerry Nicholls, Clerk	

Summary

Under the City of London Academy Trust's Articles of Association, the Trustees have the power to establish committees (Article 100) and subject to the wider Articles, determine the constitution, membership and terms of reference of any such committee. The membership of any committee of Trustees may include persons who are not Trustees, provided that with the exception of Local Governing Bodies, a majority of members of such committee shall be Trustees. The establishment, terms of reference and membership of any committee must be reviewed at least once every twelve months (Article 101).

The Board of Trustees of the City of London Academies Trust appointed to three committees for the 2019-20 academic year which comprised the Finance, Audit and Risk Committee, the Standards and Accountability Committee and the Remuneration Committee; however following its recent expansion, the Trust's annual revenue has now increased to a point where it is required by the Academies Financial Handbook to establish a dedicated audit and risk committee which is separate from the Trust's financial scrutiny function.

Trustees are therefore invited to agree the proposed terms of reference of the Audit and Risk Committee and the Finance and Operations Committee and review the membership and terms of reference of the Standards and Accountability Committee and the Remuneration Committee ahead of appointing those committees for the 2020-21 academic year. The Board of Trustees is also requested to review the terms of reference of the Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees for the 2020-21 academic year for which no appointments are made.

Recommendations

The Board of Trustees is asked to:

1. Review and approve the proposed terms of reference of the Audit and Risk Committee and the Finance and Operations Committee;
2. Review and approve the terms of reference of the Standards and Accountability Committee, Remuneration Committee, Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees;

3. Appoint the membership of the following Committees:

- Audit and Risk Committee (proposed);
- Finance and Operations Committee (proposed);
- Standards and Accountability Committee; and,
- Remuneration Committee.

Main Report

Background

1. This report sets out the 2019-20 membership and terms of reference of the Board's committees which comprise the Finance, Audit and Risk Committee (to be separated into the Audit and Risk Committee and the Finance and Operations Committee), the Standards and Accountability Committee and the Remuneration Committee, as well as the terms of reference of the Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees. Under the Trust's Articles of Association, Trustees are obliged to review the appointment, membership and terms of reference of these committees at least once every 12 months. The committees' terms of reference are attached as Appendices 1-4 to this report.

Audit and Risk Committee

2. In Trusts with an annual income of over £50m, a dedicated Audit Committee must be appointed which is separate to the Trust's financial scrutiny function. The Committee's role is to advise the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit. The Committee must also review the overall risk profile of the Trust for appropriateness, monitoring risk management techniques employed at all levels within the Trust and receive the Auditor's report before Board Approval.
3. Trustees are invited to review and approve the proposed terms of reference at Appendix 1 and appoint committee members for the 2020-21 academic year. Trustees should appoint sufficient membership of the Committee that they are confident a quorum of three committee members can be achieved at each meeting. Trustees should also be confident that a majority of committee members at each meeting will be Trustees (rather than non-Trustee committee members such as Trust staff).
4. The Chair of Trustees should not be the Chair of the Audit and Risk Committee.
5. In 2019-20 the membership of the Finance, Audit and Risk Committee (the previous arrangement for delivering this function) comprised:
 - Peter Bennett (Chairman)
 - Edward Benzecry
 - Dawn Elliot
 - Deputy Clare James
 - Andrew McMurtrie

- Mark Emmerson (for Finance matters only)

Finance and Operations Committee

6. In Trusts with an annual income of over £50m, the financial scrutiny function must be delivered separately to the Trust's Audit Committee. The Committee's role is one of financial scrutiny and oversight and supporting the Board in maintaining the Trust as a going concern. It is tasked with reviewing the overall financial position of the Trust for appropriateness, monitoring the financial management techniques employed at all levels within the Trust and receiving the annual financial statements before Board Approval.
7. Trustees are invited to review and approve the proposed terms of reference at Appendix 2 and appoint committee members for the 2020-21 academic year. Trustees should appoint sufficient membership of the Committee that they are confident a quorum of three committee members can be achieved at each meeting. Trustees should also be confident that a majority of committee members at each meeting will be Trustees (rather than non-Trustee committee members such as Trust staff).
8. In 2019-20 the membership of the Finance, Audit and Risk Committee (the previous arrangement for delivering this function) comprised:
 - Peter Bennett (Chairman)
 - Edward Benzecry
 - Dawn Elliot
 - Deputy Clare James
 - Andrew McMurtrie
 - Mark Emmerson (for Finance matters only)

Standards and Accountability Committee

9. The Committee's role is one of oversight. It is tasked with reviewing the provision, standards, governance and leadership performance of all CoLAT academies. It provides a performance profile to the Trust Board and agrees/monitors the effectiveness of interventions to support relative under-performance.
10. Trustees are invited to review and approve the terms of reference at Appendix 3 and appoint committee members for the 2020-21 academic year. Trustees should appoint sufficient membership of the Committee that they are confident a quorum of three committee members can be achieved at each meeting. Trustees should also be confident that a majority of committee members at each meeting will be Trustees (rather than non-Trustee committee members such as Trust staff).
11. In 2019-20 the membership of the Standards and Accountability Committee comprised:
 - Tijs Broeke (Chairman)
 - Edward Benzecry
 - Roy Blackwell
 - Ann Holmes
 - Andrew McMurtrie

Remuneration Committee

12. The Committee's role is primarily to propose remuneration ranges for leaders within the Trust, approve the pay awards of Executive Principals, Principals and Headteachers made by LGB Pay Committees with appropriate challenge, approve the pay award of the Trust Executive Team with appropriate challenge, and to performance manage the CEO, making a pay award recommendation to the Board.

13. Trustees are invited to review and approve the terms of reference at Appendix 4, giving particular consideration to the proposal that the membership include the Chair of the Standards and Accountability Committee, and appoint committee members for the 2020-21 academic year. Trustees should appoint sufficient membership of the Committee that they are confident a quorum of two committee members can be achieved at each meeting.

14. In 2019-20 the membership of the Remuneration Committee was as follows.

- Roy Blackwell
- Deputy Claire James
- Andrew McMurtrie

Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees

15. Trustees are invited to review and approve the Committees' terms of reference in Appendix 4.

16. The Board does not appoint to the membership of these committees.

Appendices

- Appendix 1 – Audit and Risk Committee Proposed Terms of Reference
- Appendix 2 – Finance and Operations Committee Proposed Terms of Reference
- Appendix 3 – Standards and Accountability Committee Terms of Reference
- Appendix 4 – Remuneration Committee, Academy LGB Pay Committees and City of London Academies Trust Executive Team Pay Committees Terms of Reference

Kerry Nicholls

Committee and Member Services Officer

City of London Academies Trust

T: 020 7332 1262

E: kerry.nicholls@cityoflondon.gov.uk

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE (PROPOSED)

Composition

The Audit and Risk Committee will consist of at least three Trustees. The Chair of the Committee must not be the Chair of the Board of Trustees.

Frequency of Meetings and Proceedings

The Committee will meet three times each year

- November – post audit report and Financial Statements;
- Spring – risk management and business continuity;
- Summer – audit planning.

...and at such other times as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

Reporting

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

Purpose

The Committee's role is to advise the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit.

It is tasked with reviewing the overall risk profile of the Trust for appropriateness, monitoring the risk management techniques employed at all levels within the Trust and receiving the Auditor's report before Board Approval.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

Objectives

The Committee has the following objectives:

1. External Audit

The Committee will:

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- produce an annual report of the Committee's conclusions to advise the Board of Trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

2. Internal Scrutiny

The Committee will:

- direct the Trust's programme of internal scrutiny
 - review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
 - ensure that risks are being addressed appropriately through internal scrutiny
 - agree a programme of work annually to deliver internal scrutiny that provides coverage across the year
 - agree who will perform the work
 - consider reports at each meeting from those carrying out the programme of work
 - consider management's response and action taken in respect of recommendations and progress in addressing recommendations
 - monitor to ensure that there are no unjustified restrictions or limitations on the work being performed

- report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

The Committee's oversight **must**:

- extend to the financial and non-financial controls and risks at constituent academies.
- ensure information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the trust and by constituent academies, is accurate and in compliance with funding criteria.

3. Risk Management

To review the effectiveness of risk management systems within key areas of Trust operations:

- a) Monitoring the risk profile of the business against the Board's desired risk appetite;
- b) Monitoring the effectiveness and output of the annual risk management process;
- c) Assessment of the overall population of risk within the risk registers, including any changes during the period;
- d) Consideration and challenge of risk prioritisation as provided by the risk owners, including discussion of any discrepancies;
- e) Ensuring that risk management is appropriately embedded within line management and that this process is monitored;
- f) Monitoring the effectiveness of Trust-wide policies;
- g) Receive reports from internal Health and Safety Committees and consider health and safety risk management procedures across the academies.

4. Business Continuity

To develop and continually monitor the effectiveness of a business continuity plan and to periodically test the underlying assumptions of the plan.

Authority

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
- c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

**FINANCE AND OPERATIONS COMMITTEE
TERMS OF REFERENCE (PROPOSED)**

Composition

The Finance and Operations Committee will consist of at least three Trustees and the Accounting Officer.

Frequency of Meetings and Proceedings

The Committee will meet three times each year:

- November – post year-end process and Financial Statements preparation;
- Spring;
- Summer – budget planning.

...and at such other times as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

Reporting

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

Purpose

The Committee's role is one of financial scrutiny and oversight and supporting the Board in maintaining the Trust as a going concern. It is tasked with reviewing the overall financial position of the Trust for appropriateness, monitoring the financial management techniques employed at all levels within the Trust and receiving the annual financial statements before Board Approval.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

Objectives

The Committee has the following objectives:

1. Finance

- a) To receive regular financial reports on the Academies within the MAT and report on the Trust's Financial viability to the Board;
- b) To receive and recommend the annual budget to the Board;
- c) To receive and recommend the Annual Financial Statements

2. Operations

To receive regular reports on the key operational issues across the Academies within the MAT to include:

- a) Human resources
- b) Facilities and Estates

- c) Information Technology
- d) Health and Safety

Authority

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
- c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

STANDARDS AND ACCOUNTABILITY COMMITTEE TERMS OF REFERENCE

Composition

The Standards and Accountability Committee will consist of the following members;

- MAT Chairman
- Chief Executive Officer
- At least three MAT Directors
- Chief Standards Officer

The Chairman to be elected by the committee members at the first meeting of the academic year.

Frequency of Meetings and Outline Proceedings

The Committee will meet at least three times each year;

- November – Outcomes, targets and action planning scrutiny meetings + Safeguarding;
- Spring – Leadership Performance Review + Self Evaluation Reports (Secondary) + Safeguarding;
- Summer – Predicted Outcomes - Self Evaluation Reports (Primary).

...and at such other time as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

Reporting

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

Purpose

The Committee's role is one of oversight. It is tasked with reviewing the provision, standards, governance and leadership performance of all CoLAT academies. It will provide a performance profile to the Trust Board and agree/monitor the effectiveness of interventions to support relative under-performance.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference to assist the decision making of the Governing Body/Board of Directors by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure a strategic and systematic approach to promoting high standards of educational achievement.

Major issues will be referred to the full governing body for ratification.

Objectives

Subject to the requirements of current legislation and the policies adopted under the Funding Agreement, the Committee is authorised:

1. To hold individual academies to account for their academic outcomes;
This will be achieved by:
 - a) Scrutiny of academy examination/test results, progress and other key performance indicators using international, national, local and Trust benchmarks for achievement;
 - b) Periodic reviews of the performance of academy leadership including governance;
 - c) Review of Academy Self Evaluation reports;
 - d) Reports from the CEO and COO on school monitoring visits;
 - e) Receiving regular updates on predicted grades versus targets.
2. To identify and manage risk associated with the under-performance of an Academy;
This will be achieved by:
 - a) Identifying Academy deficits against Outstanding OFSTED Criteria and Trust benchmarks;
 - b) Challenging, reviewing and monitoring LGB/Academy improvement to Outstanding plans;
 - c) Where necessary recommending direct leadership intervention direction and/or support.
3. Monitoring the adherence to/compliance with statutory requirements;
4. Monitoring the adherence to/compliance with agreed Trust policies;
5. To contribute to the formulation of the Trust Development Plan, through the consideration of curricular priorities and proposals, in consultation with the CEO, within the stated and agreed vision, aims and objectives of the Trust;
6. To monitor and review the implementation of the Trust Development Plan including any associated strategic staff and governor training programmes;
7. To monitor and keep under review the Trust policy on health and safety particularly in relation to educational visits and other out-of-school trips;
8. To consider and recommend strategies for the development and maintenance of strong Academy parent, community and commercial links and monitor and review progress;

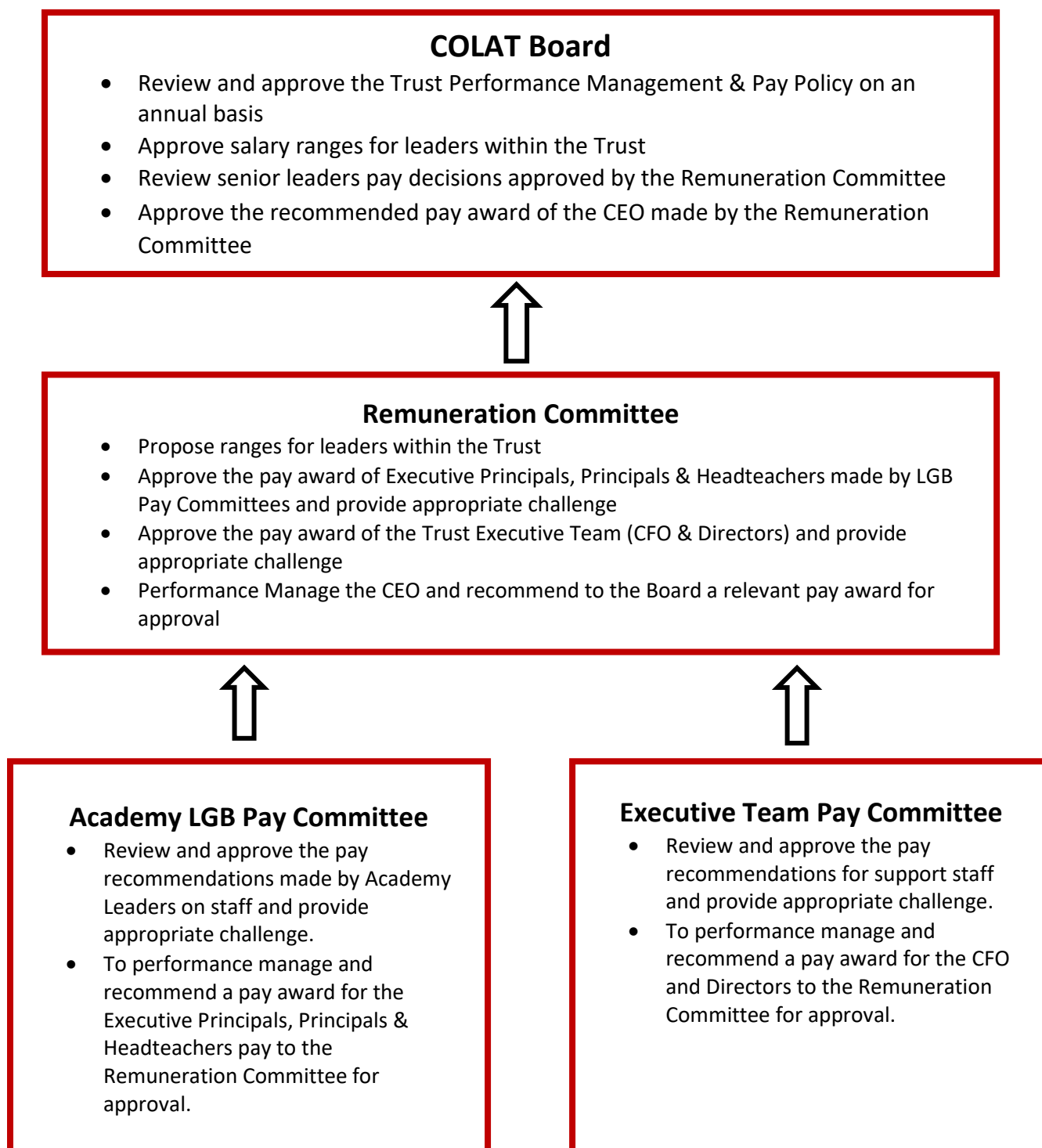
Authority

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
- b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
- c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

CITY OF LONDON ACADEMIES TRUST
TERMS OF REFERENCE FOR DECISIONS ON REMUNERATION, POLICY AND PRACTICE

Flowchart



City of London Academies Trust Board

Trust Board Remit

The purpose of the Trust Board is to establish a formal and transparent procedure for agreeing policy on pay determination and progression. In doing so the Board has established a Trust Performance Management Policy and Pay Policy.

These policies clarify the level of delegated powers from the Board to Trust leaders which ensures staff are performance managed and rewarded fairly and equitably.

To ensure pay awards receive approval, the Board has established a Remuneration Committee and Pay Committees. In establishing relevant committees, terms of reference are required, and these are clarified below:

City of London Academies Trust Remuneration Committee

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Remuneration Committee is to:

- Propose ranges for leaders within the Trust
- Approve the pay award of Executive Principals, Principals & Headteachers made by LGB Pay Committees and provide appropriate challenge
- Approve the pay award of the Trust Executive Team (CFO & Directors) and provide appropriate challenge
- Performance Manage the CEO and recommend to the Board a relevant pay award for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Trust's development plan.
 - The method of appraising the performance of the CEO is with the assistance of an independent external adviser.
 - The observance of all statutory and contractual regulations.

All decisions agreed by the Remuneration Committee will be reported annually to the Board.

Membership

The Committee shall consist of the Chair of the Board and at least two other Trust Board members, **including the Chair of the Standards and Accountability Committee**, and when required the Chief Executive Officer.

If required, the Trust HR Director and/or an independent external adviser may attend to provide guidance on process.

Only members of the Committee shall have the right to attend Remuneration Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Remuneration Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Remuneration Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

The HR Director shall service and minute the proceedings and decisions of all meetings of the Remuneration Committee, including recording the names of those present and in attendance. The Remuneration Committee shall make whatever decisions it deems appropriate within its Terms of Reference and report to the Board accordingly. It will recommend to the Trust Board a pay award for the CEO for approval.

City of London Academies Trust Academy LGB Pay Committees

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Academy LGB Pay Committee is to:

- Review and approve the pay recommendations made by Academy Leaders on staff and provide appropriate challenge.
- To performance manage and recommend a pay award for the Executive Principals, Principals & Headteachers pay to the Remuneration Committee for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Academy's development plan.
 - The method of appraising the performance of the Executive Principals, Principals & Headteachers is with the assistance of the Trust's CEO or an independent external adviser, if required.
 - The observance of all statutory and contractual regulations.

Membership

For each Academy the committee shall consist of the Local Governing Body Chair and at least two other Local Governing Body Members and for performance pay review the Chief Executive Officer of the Trust.

If required, the Trust HR Director may attend/be contacted to provide guidance on process.

Only members of the Committee shall have the right to attend Pay Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Pay Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Pay Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

A clerk shall service and minute the proceedings and recommendations made of all meetings of the Pay Committee, including recording the names of those present and in attendance.

The Academy Pay Committee shall make approval whatever recommendations that it deems appropriate within its Terms of Reference. It will recommend to the Remuneration Committee a pay award for the Executive Principals, Principals & Headteachers pay for approval.

City of London Academies Trust Executive Team Pay Committees

Approved by the City of London Academies Trust Board on 13 December 2018.

Purpose

The purpose of the Executive Team Pay Committee is to:

- Review and approve the pay recommendations for support staff and provide appropriate challenge.
- To performance manage and recommend a pay award of the Trust Executive Team to the Remuneration Committee for approval, this includes:
 - The setting of agreed performance objectives/targets must reflect any priorities identified in the Trust's development plan.
 - The observance of all statutory and contractual regulations.

Membership

The Chief Executive Officer (Chair) and Chief Financial Officer.

If required, the Trust HR Director may attend/be contacted to provide guidance on process.

Only members of the Committee shall have the right to attend Pay Committee meetings.

Quorum

The quorum necessary for the transaction of business by the Pay Committee will be two members.

Frequency of Meetings

Meetings shall be held at least once per year or at such other times as the Pay Committee shall require to discharge its responsibilities.

Members do not have to physically meet to hold a meeting. Members may participate in a meeting by means of telephone, or any other suitable communication means.

Minutes of the Meetings

A clerk shall service and minute the proceedings and recommendations made of all meetings of the Pay Committee, including recording the names of those present and in attendance.

The Executive Team Pay Committee shall make approval whatever recommendations that it deems appropriate within its Terms of Reference. It will recommend to the Remuneration Committee a pay award for the Trust Executive Team for approval.