

THE CHALLENGE ACADEMY TRUST

MINUTES

Spring term 2019 meeting of the Trust Board

Wednesday 13 March 2019, 6pm at Bridgewater High School

Present (Trustees):

Matthew Grant
Toby Macormac
John Monaghan
Lacy Muir
Neil Pearson
Howard Platt (chair)
Stuart Titchard
Linda Waterson
Stephen Whatmore
Sheila Yates

MG
TM
JM
LM
NP
HP
ST
LW
SW
SY

In attendance (Principals/Headteachers):

Misia Barclay (Padgate Academy)
Angela Grace (Penketh South Primary School)
Tim Long (Bridgewater High School)
Andrew Moorcroft (Beamont Collegiate Academy)
Bev Scott-Herron (Sir Thomas Boteler CE High School)

MB
AG
TL
AM
BSH

In attendance (TCAT representatives):

Adrienne Laing (Operations Lead)
Damian McGuire (Chief Finance Officer)

AL
DMc

In attendance (Observer):

Sue Richardson (Broomfields Junior School)

SR

Part One – Non-confidential business

1. Welcome

The chair welcomed everyone to the meeting. The Trust Board welcomed SR, a governor representative from Broomfields Junior School. The Trust is continuing to have discussions with the school.

2. Absence/Apologies

The clerk reported that apologies had been received from Vicky Briggs (Great Sankey Primary School), John Carlin (Penketh High School) and Gemma Johnson (Trustee). The Trust Board **approved** the apologies.

There was no contact from Jane Griffiths (Trustee).

3. Declaration of personal interests for the meeting

Trustees were asked to declare any interest they may have, pecuniary or otherwise, relating to this meeting. No interests were declared.

4. Minutes of the previous Trust Board meeting – 12 December 2018

The minutes from the meeting on 12 December were confirmed as a correct record.

a) Matters Arising

MG wished to note that Trustees Gemma Johnson and John Monaghan have become Governors at Padgate Academy.

MB advised that the Academy recently held its first full governing board meeting. There is a breadth of skill across the piece.

BSH reported that after reviewing the accounts, the school was able to provide proof that the money the local authority are currently retaining is the Boteler Trust's contribution meant for Sir Thomas Boteler CE High School. The Boteler Trust is keen to arrange a meeting with the local authority to resolve this issue. Unfortunately the first meeting was cancelled therefore the Boteler Trust has written a letter to the local authority. This matter is ongoing.

DMc reported that a meeting with the Department for Education (DFE) has been undertaken regarding the issue with Bridgewater High School's split site funding. MG reported that the funding has been allocated into core funding rather than a 'top up'. Following a conversation with the Education and Skills Funding Agency (ESFA) MG confirmed that the split site funding should be on top of the national funding formula. This matter is ongoing.

b) Action Log

The Trust Board **agreed** that all actions were complete.

TB arrived at 6.03pm

5. Committee Minutes

a) Audit and Risk Committee – 5 December 2018

The Trust Board **agreed** that the minutes be received and recommendations approved.

b) Audit & Risk Committee – 6 March 2019

The chair of the Audit & Risk Committee (LW) provided a verbal report of the meeting. LW reported that the internal auditors were contacted through conference call during the meeting. The external auditors were present.

The committee were pleased with the internal auditors 'substantial' outcome for IT security. The committee were disappointed with the 'weak' outcome for data protection. The committee discussed this at length.

The committee asked officers if they felt this was a fair representation; AL reported that establishments had come on board since the preparation of General Data Protection Regulations. Moving forward, data protection will be monitored by the central executive team and the Trust Board via Score Cards.

Data protection within the Trust risk register has been increased from 'Low' to 'Medium'. Action plans have been agreed with suitable timelines in place.

AL reported that while the outcome for data protection is 'weak', there was a significant amount of good practice noted.

NP asked if there is one large issue or if this is a culmination of smaller issues. LW confirmed that the outcome was due to the number of recommendations. The committee felt that some were unfairly graded.

AL felt that the auditors did not take into account the circumstances of a newly joined institution. AL confirmed that there were no 'high' recommendations.

DMc reported that the internal auditors accepted that organisations with multiple academies and colleges are likely to be more susceptible to a 'low' outcome, as it is far easier to manage a single institution.

AL confirmed that this will continue to be monitored by the business management hub.

Following this conversation, LW reported that the external auditors highlighted the issues around financial support for the Trust.

The committee discussed the treatment of depreciation and how this is reflected in accounts. The overall deficit and cash balance was reviewed by the committee.

The risk management plan was discussed in detail; Year 7 numbers for September 2019 are positive across the Trust.

Action: Trustees to agree the minutes of the Audit & Risk Committee on 6 March 2019 at the next meeting of the Trust Board.

c) Remuneration Committee – 12 February 2019

The chair of the Remuneration Committee (JM) reported that the first meeting has taken place. Terms of Reference were agreed and a further meeting date has been set. Reporting on future Remuneration Committee meetings will take place during 'Part Two – confidential' discussions.

d) Quality & Standards Committee – 12 February 2019

The chair of the Quality & Standards Committee (SY) provided a verbal report of the meeting. The meeting was well attended.

AM discussed the matters raised during the meeting with the Regional Schools Commissioner (RSC) who seemed pleased with the overall progress and outcomes.

The committee analysed the scorecards and received clarification from the headteacher's in attendance.

School Improvement subject hubs have gained momentum and this should have an impact on outcomes.

The committee received a positive report on the progress of pupil premium and SEND groups. Colleagues meeting across the Trust are seeing how being part of this group can improve outcomes.

The committee discussed the need for all Trustees to complete Hayes online Safeguarding training.

Action: All Trustees to complete online safeguarding training.

The committee asked AM to decide on a named safeguarding lead across the Trust. The committee will then have a standing item about safeguarding on each agenda to ensure that each academy is at the same high standard.

Action: Trustees to agree the minutes of the Quality & Standards Committee on 12 February 2019 at the next meeting of the Trust Board.

e) Finance, HR & Operations Committee – 5 December 2018

ST reported that this meeting focused on the year-end accounts. The committee discussed the need for further development within schools about understanding how the accounts work.

The need within the central finance function was discussed and the element of collaboration within some schools to build those resources.

The school resource management advisers (SMRA) report from June 2019 was discussed along with the follow up visit at Sir Thomas Boteler High School in September 2019.

The Trust Board **agreed** that the minutes be received and recommendations approved.

f) Finance, HR & Operations Committee – 6 March 2019

The chair of the Finance, HR & Operations Committee (ST) provided a verbal report of the meeting. The committee were provided with a Period 5 update from DMc. An update on Capital and Conditions was provided by AL. The committee also agreed for the draft Appraisal Policy and draft Capability Policy to go out to consultation.

Action: Trustees to agree the minutes of the Finance, HR and Operations Committee on 6 March 2019 at the next meeting of the Trust Board.

6. Membership

a) Committee Membership

The Trust Board **approved** the following Committee Membership structure (* denotes Trustee):

Audit & Risk	Finance, HR & Operations
Philip Dyke Alan Farquharson Claire Findlay Matthew Grant* Howard Platt* Gary Stuart Linda Waterson* Stephen Whatmore*	Graham Bratley Matthew Grant* Toby Macormac* John Monaghan* Anita Pailing Howard Platt* Stuart Titchard* Linda Waterson* Stephen Whatmore* Neil Pearson* Gemma Johnson*
Quality & Standards	Remuneration Committee
Jane Griffiths* Paul King Neil Pearson Howard Platt* Claire Roper Carolyn Williams Sheila Yates* Avril Topping	Howard Platt* Linda Waterson* Sheila Yates* John Monaghan* Stephen Whatmore*

b) Confirm Terms of Office for Trust Board and Members Board

The Trust Board **approved** the following Terms of Office for Trustees:

Name	Start Date	End Date
Jane Griffiths	02/03/2017	01/03/2020
Gemma Johnson	02/03/2017	01/03/2020
Toby Macormac	02/03/2017	01/03/2021
John Monaghan	02/03/2017	01/03/2020
Lacy Muir	17/12/2018	16/12/2022
Neil Pearson	02/03/2017	01/03/2021
Howard Platt	02/03/2017	01/03/2021
Stuart Titchard	02/03/2017	01/03/2021
Linda Waterson	02/03/2017	01/03/2021
Stephen Whatmore	02/03/2017	01/03/2021
Sheila Yates	02/03/2017	01/03/2020

HP highlighted that that MG is a Trustee however as the ex-officio he does not have a term of office. As the Trust Board should have a membership of 13, there is currently a vacancy.

HP reported that the RSC had commented on the levels of responsibility of the Members. Jane Griffiths and Stephen Whatmore have agreed to step down as Members and to continue as Trustees. There would therefore be 2 vacancies within the Members Board.

MG advised that there is a requirement that the Diocese is represented therefore he and Jane Griffiths are speaking with the Liverpool and Chester Dioceses in order to receive a nomination.

HP asked that Trustees inform him if they had any recommendations for the remaining vacancy.

The Trust Board **approved** the following Terms of Office for Members:

Name	Start Date	End Date
Steven Broomhead	17/03/2017	17/03/2020
David Mowat	17/03/2017	17/03/2020
Maureen Mellor	17/12/2018	16/12/2022

c) Appoint Deputy Chair of Trustees

HP highlighted that in order to succession plan, it would be beneficial to elect a Deputy Chair of Trustees. HP made a recommendation that SW fulfil this role.

Action: Trustees to consider the possibility of a Deputy Chair of Trustees at the next meeting of the Trust Board.

SW acknowledged that TCAT is now well established and as this evolves, the structure must evolve accordingly. A Deputy Chair would be the next logical step along with having Members independent from Trustees.

NP asked for clarification on the Members responsibilities. MG advised that Members appoint new Trustees and new Members. Members must understand the ethos of the Trust and be the gatekeepers of the future of the Trust.

JM asked if Members will reappoint Trustees. MG confirmed that Members are responsible for appointing and reappointing Trustees.

7. **Executive Report**

MG provided a report on the life and work of the Trust.

a) SMRA Action Plan Update

I was noted that the all action points are on track within the SMRA Action Plan. MG reported that one action (*revised website launch – May 2019*) has not been undertaken however this will take place in September 2019 to coincide with new schools joining the Trust.

MG reported that good progress has been made against the action plan. This is not an ongoing document but Trustees will receive a final update before autumn 2019.

b) ESFA Review of Financial Statements and Management Letter and TCAT Response

DMC reported that in the statement of financial activities (SoFA) the charge of £1,039,000 to the actuarial valuation is in regards to Local Government Pension Scheme (LGPS).

DMC advised that the issue with SoFA movement of reserves is that they are split into different sections (Pension, Unrestricted and Restricted) and the Pension with the LGPS creates a deficit for actual funding.

There is a further issue with the depreciation charge on fixed assets; this is a large figure due to the buildings. This large charge goes through the reserves and requires an explanation.

The actual cash position for the Trust needs to be the focus moving forward. This is how the Trust will retain cash reserves and invest in the future.

MG reported that a £5.5million cash balance is anticipated this year.

DMc reported that there is an ongoing investigation regarding the purchase of the Roger Hunt Building from Warrington and Vale Royal College for use by Beamont Collegiate Academy. Ongoing conversations are taking place regarding the current lease arrangement. DMc met with Warrington and Vale Royal College who understand the difficulties of clarifying the legal position. The ESFA have advised that the Trust does not require ministerial approval to move forward.

HP asked if the Trust will acquire the building and if there is likely to be a discount as a result of these discussions. DMc confirmed that there is likely to be a discount.

Since writing the document, it was noted that the Trust were asked to remove the Teachers Pay Grant and Pensions contribution to highlight the financial impact of the Trust. MG reported that the impact on the Trust income would be £100million. This information was requested to provide feedback to Ministers.

Indicative numbers are strong, and higher than previous in Penketh High School, Bridgewater High School and Padgate Academy. In year funding has been guaranteed for Padgate Academy.

HP acknowledged the strong financial position of the Trust.

c) Forward Planning and Future Developments

MG reported on the forward planning and future developments of the Trust:

- Trustees were provided with an overview of the planned staff reductions across the Trust

- The Trust has secured £340,000 capital investment by the catering company as a result of tendering and issuing new contracts for 4 academies
- Penketh High School is considering reducing the PAN from 220 to 180.

MG provided Trustees with a number of 'known unknowns' that significantly hinder accurate financial planning.

The document also reaffirmed the Trust's priorities for further growth. It noted that we are anticipating applications from two primary schools (Broomfields Junior and Meadowside Primary). These will be welcomed by the Trust subject to no adverse issues arising in the due diligence process.

HP asked if this paper can be circulated to local governing boards. MG did not feel that it would be a problem for LGB to have sight of the document. NP recommended that this be circulated with Part Two confidential papers. Trustees **agreed** with this recommendation.

d) Score Cards

AM reported that the Quality & Standards Committee reviewed the score cards in detail. These score cards can be shared with all local governing boards.

The majority of Peer Reviews have taken place and judgements have been validated. AM is confident that schools will either meet or exceed their performance from last year.

MB reported that this has been very useful for Padgate Academy, particularly the peer review process. There has been a significant amount of progress in a short space of time. MB acknowledged the high level of support received.

e) Ofsted Pilot Inspection

Trustees and AM were thanked for attending the meeting with the inspector at Sir Thomas Boteler CE High School. BSH reported that this was a really useful process given it has been some time since the last inspection and it is a new pilot framework. This process provided a reaffirmation of the school's positive trajectory. Being able to share the framework across the central executive team and other schools is beneficial.

BSH informed Trustees that the framework has a significant focus on a broad and balanced curriculum; this was triangulated by discussions with students, middle leaders and the senior leadership team. There was little focus on data.

LM asked if BSH had requested the pilot inspection. BSH confirmed that she put the school forward and it was selected. The team was able to contribute to the way that schools may be judged in the future.

HP asked if this will have an impact on when Sir Thomas Boteler will be inspected. BSH confirmed that this has no bearing on the inspection timetable. An inspection within the next academic year is likely.

MG wished to congratulate the team on this piece of work.

AM informed Trustees that Ofsted have released their first report on a multi-academy trust; this is likely to be the direction of travel. The expectation of Trustees knowledge is high.

SY agreed that the expectation during the pilot inspection was high, particularly without having an education background. She reported that the process worked well and it was useful to have MG and AM in the meeting with Trustees. SY felt it was important to have the person responsible for school improvement in the room. BSH agreed that AM had a fundamental part to play during the process; feedback about Trustees was strong.

HP acknowledged that this supports TCAT's ethos for Trustees to be associated with the academies within the Trust.

f) General information

MG reported that discussions with Oxford University continue. An information session has been arranged for staff across the Trust. The official launch of 'OXNET Schools Partnership' will be September 2019. The aim of the project is for professional development activities for staff and learners across the Trust. A coordinator will be appointed in the near future to run the programme based in Warrington.

The first debating competition took place on 1 March 2019. Learners have fed back that they would like to do this more. Primary Schools have also expressed an interest.

g) TCAT Business Planning September 2019

MG reported that as the Trust continues to expand and take on major capital projects associated with School Improvement there are central functions that need to be costed:

- CEO two days a week
- Full time Director of Finance
- Full time Operations Lead
- Full time Admin Assistant
- Full time management accountant

MG provided Trustees with four options for a centrally coordinated finance function.

MG reported that over the next 12 months a more centralised HR function will be developed that will take on a wider range of responsibilities. The overall cost for HR

advice stands at £46,500. To prepare for this work, MG proposed that a fully qualified HR manager be appointed for September 2019. This appointment would cost £50,000 (0.54% of the General Annual Grant - GAG).

MG asked that the Trust Board allow the Central Executive Team to look over the four options to discuss how this may work for personnel. MG noted that all costings provided do not include estimate for contribution to the levy of new schools joining the Trust.

MG asked that Trustees approve the appointment of a Management Accountant and a Teaching School Admin Assistant post.

MG asked for views about the where central levy should sit. From the options and proposals it can be seen that the overall central levy for 2019/2020 could range from 2.87% to 3.5% of the GAG (currently 0.8%). Padgate Academy requires an additional levy due to the extra school improvement support. Over time the levy rate may be varied depending on the size and type of institution, though at this stage it is too early.

SW **proposed** the appointments of Management Accountant and Admin Assistant. NP seconded the **proposal**. All Trustees **agreed** to the proposal.

MG confirmed that the central finance function will need more consideration by the central executive team. A preferred option will then be presented to the Trust Board. The central executive team will complete a plan that sets out what each academy will receive from the central team.

This agreement will need to be before the end of the academic year.

LM asked if the central team will be one location. MG confirmed this will be at Priestley however the team will not be based there all the time.

NP asked if there would be a disproportionate amount of time spent at high schools if the decision would be for a 'cluster' team. AG noted that primary schools operate differently to high schools. AM noted that the larger schools have more staff capacity to work alongside the central function.

Action: Central finance function to be considered by the central executive team. This will then be presented to Trust Board for final decision.

8. Finance

DMc reported that the Trust is on track regarding the overall budget. It is essential that a full budget review is undertaken due to the movements that have and are still to occur. This will support the process for budget setting for 2019/2020. The budget has been scrutinised by local governing boards and by the Finance, HR and Operations Committee.

DMc informed Trustees that he has now included three key performance indicators (KPIs) in the report for the financial viewpoint of the academies:

- Student Numbers
- Liquidity
- Financial Performance

The student numbers KPIs provide an understanding of the long term financial stability across the Trust.

Trustees were provided with a balance sheet for period ending 31 January 2019. The balance sheet is then broken down further into each academy.

The financial performance is provided to the ESFA to show the surplus from an Operations aspect (removing the impact of the depreciation).

HP acknowledged that the individual balance sheet was very useful. He asked that a total be added to the end column.

Action: DMc to add 'total' column to the individual balance sheet.

SY noted that staff costs at Penketh High School are 123% of the income. DMc highlighted that this is the reason for the staffing restructure at Penketh. The movement in numbers has had an impact to the school this year and next. The Principal is doing all he can to cut costs elsewhere to insure the deficit does not increase.

DMc highlighted that catering is undertaken in house at Penketh High School and the catering staff are included in staff costs, however the income generated is small. DMc noted that redundancy payments may be included within these staff costs.

b) Treasury Management

DMc reported that the Finance, HR and Operations Committee discussed the overall surplus in the Trust. The policy outlines the mechanism for investing money with little risk. The policy limits the amount that can be deposited into one institution (£500,000). Institutions must be authorised by the Financial Conduct Authority.

HP asked if there are enough banks and how much has been deposited thus far. DMC confirmed he was happy with the banks and no money has been invested at this time.

HP asked a realistic rate. DMc advised that a fixed term rate can be anywhere between 1.5% to 3%; this is dependent on how much is deposited.

Trustees **approved** the Treasury Management and Investment Policy.

9. **Capital Projects**

a) School Condition Summary Report

Trustees noted the School Condition Survey completed by E3 Cube. The central executive team will review the document in order to prioritise investment for capital projects. This document will be linked with the health and safety report undertaken in 2018.

NP asked how the Trust receives the funding. MG confirmed that the Trust receives a School Condition Allocation.

HP asked how much of AL's time will be taken up by this project. AL confirmed that this work will require a significant focus.

HP understood that if another school were to join the Trust, there would be funding allocated to support their priorities.

SR asked if a condition survey would be undertaken for future schools joining the Trust. HP confirmed that health and safety and condition would be addressed during due diligence.

MG confirmed that due diligence had been undertaken for Padgate Academy; if issues were found they were to be resolved before the school joined the Trust.

SW acknowledged the informative report. AL agreed that E3 Cube completed a comprehensive and detailed survey with robust costings.

b) Capital Update

The Trust Board noted the update on the capital projects.

AG shared her thanks to Trustees and reported that children are really pleased with their new playground. She noted that she was very grateful for this piece of work.

10. Scorecards

Trustees noted that the Scorecards had been addressed during item 7.

11. Pay

MG reported that offers have been made to both teachers and business support staff of sixth form colleges. Unison (for business support staff) is recommending acceptance of the offer. The National Education Union (for teaching staff) is recommending rejection of the offer. MG will continue to provide updates.

12. Admissions

There were no admissions updates to report on.

13. Policies Update

Trustees **approved** the Modern Slavery Statement.

14. Any Other Business

NP wished to formally record that the quality of information and reporting within the meeting was first class; as Trustees who are not involved in the day to day work of the Trust having this level of detail is excellent.

15. Proposed future meeting dates

- Governor Seminar – Wednesday 27 March 2019, 6pm (Bridgewater High School)
- Quality & Standards Committee – Tuesday 11 June 2019, 6pm (Beamont Collegiate Academy)
- Audit & Risk Committee – Wednesday 26 June 2019, 4.30pm (Priestey College)
- Finance, HR & Operations Committee – Wednesday 26 June 2019, 6pm (Priestey College)
- Trust Board – Wednesday 3 July 2019, 6pm (Bridgewater High School)
- Members Board – Monday 8 July 2019, 4pm (Bridgewater High School)

The meeting closed at 8.00pm