

Peterborough Diocese Education Trust
 Minutes of the Directors Meeting
 Tuesday 24th July 2018 at 6.00pm
 Held at the Business Exchange, Rockingham Road, Kettering, NN16 8JX

Attendees:	Margaret Holman (MH); Duncan Mills (CEO); Cathy Armstrong (CA); Greg Cracknell (GC); Gordon Temple (GT); Andrew Weatherill (AW);
In Attendance:	Ruth Walker-Green (RWG); Mike Cowland (MC); Helen Buckley (HB); Mike Behnke (Clerk);
Apologies:	Peter Cantley (PC) – DDE; Kirstin Howarth (KH); Kevin Binley (JB);

1. Opening Prayer

Discussion	Action
<ul style="list-style-type: none"> MH welcomed Directors to the meeting GT led the opening prayer. 	

2. Declarations of pecuniary interest

Discussion	Action
None declared	

3. Election of Chair

Discussion	Action
Directors unanimously agreed the election of MH as Chair.	

4. Apologies for absence.

Discussion	Action
Apologies were noted and accepted as recorded above.	

5. Any Other Business previously declared

Discussion	Action
There was no pre-declared any other business.	

6. Approval of Minutes of 22nd May 2018

Discussion	Action
Amendments were recorded as follows:	

<ul style="list-style-type: none"> • A number of typos were noted and amended. In addition to the above, the following amendments were recorded: • Page 15 – 3rd line should read '<i>It is a checklist of questions...</i>' • Page 17 – 2nd Answer in bold: Add to end of sentence ' but cannot deliver <i>the data analysis the Trust requires</i>'. Delete remainder of sentence. • Page 17 – 2nd bullet point – delete 'school' and replace with '<u>academy trust</u>'. • Page 17 – 3rd answer in bold: delete 'cold'. • Page 17 – Delete 'better' from last answer in bold. • Page 18 – Item 8 – 3rd bullet point – delete 'been' from sentence. • Page 18 – Item 9 – 2nd bullet point to read 'DM explained that the right hand column arrows indicated a sideways arrow meaning risk staying the same and upward arrow meaning it had changed/increased. • Page 18 – Item 9 – answer in bold – replace 'has' with '<u>have</u>'. • Page 19 – Insert '<u>needs</u>' after The Clerk • Page 19 – Last bullet point, replace 'over 26 schools' with '<u>of 25 schools</u>'. • With the above amendments noted, the minutes from the previous meeting were approved. • The Action Log has been updated to reflect those actions completed and those carried over. Further updates will be provided at the meeting under the appropriate agenda items. 	
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7. Matters Arising not on the action log or main agenda

Discussion	Action
<ul style="list-style-type: none"> • GT fed back his appreciation of the induction training he had received, which included a visit to the Central Team at PDET followed by 2 school visits to St Luke's and Towcester. • MC confirmed that the full asbestos compliance paperwork had been submitted before the deadline. • HB reported that there was still work to do in rolling out Office 365 across the Trust. The Governance committee had not yet met, needing to finalise its membership. • The Finance Action Plan was updated monthly and the actions from the mid-year audit report had been agreed. • MC agreed to include pupil numbers in all future finance reports. 	AP1: MC

8. CEO's Report

Discussion	Action
<p>The CEO's report had been previously circulated and questions were invited:</p> <p>Q: Are there interim reviews as part of the Performance Management reviews?</p> <p>A: Yes</p>	

<p>Q: What are the dates? A: They take place towards Christmas. We are slightly behind schedule to get the reports completed due to having changed the format and tied them in with the Strategic and Improvement plans. We have completed RWG and MC, and HBs will be tomorrow. The rest of the team will follow those.</p> <p>Q: Can you tell us about the recent meeting at Westminster? A: It was held on 17th July, following an invitation from Nick Gibb MP (Minister of State for School Standards). Matt Golby, the Leader of NCC and other reps from NCC and 3 County MPs were also in attendance. Its purpose was to review the performance of NCC schools. The Trust was referred to and comments raised about the issues that small rural schools face.</p> <ul style="list-style-type: none"> • Copies of the slides from David Carter’s presentation at the recent NSC Regional Roadshow were tabled. <p>Q: In terms of staff wellbeing, are there any formal channels for staff to use when there are problems? A: Yes, there are the official channels through the Trust.</p> <p>Q: Is there anything apart from that? A: It is part of the 5% management fee that schools pay, via an online service accessible for all staff. The online support deals with all of the issues and makes arrangements for further support if required. There should be a poster in each school staff room advertising the services available.</p>	
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9. Business and Finance

Discussion	Action
<p>Draft Action Plan:</p> <p>Q: Do you have an update on the VAT inspection? A: It is summarised in pt. 6 of the B&F report to Directors. The visit was only recently, on 17/07/18 and as yet, we have had no feedback.</p> <p>Q: The Interim Audit report? A: It has been completed by Moore Stephens and the Action plan has been updated as a result.</p> <ul style="list-style-type: none"> • The draft finance action plan has the objectives in chronological order, converted into actions in date order. • MC was asked to RAG rate the plan for the future and to circulate an updated copy by the end of the week. • MC was also asked to resend the Interim Audit report with the agreed actions. The actions had been agreed after the papers for this meeting had been circulated. • The action plan has started the audit process for the next time with a list of deliverables. 	<p>AP2: MC</p> <p>AP3: MC</p>

Reserves Policy:

- The policy has been drafted by KB. In order to contextualise discussions, DM referred to a recently received letter.
- A recent letter from Lord Agnew referred to the setting of academy budgets. It referred to the budgets in MAT's being one financial entity. It also pointed out the danger of academies setting future budgets based on overly optimistic pupil numbers. MATs needed to remember that consolidated academy surplus reserves constituted one financial entity.
 - DM commented that PDET does not have reserves, as the 5% top slice is spent. As it moves forward, the Central Team will need to hold a level of reserves. However, if this is too large, it could be accused of 'banking money' that could be used by the academies. A stand-alone academy has shared with us that it has a policy of maintaining a surplus equal to 3 months of salary costs. Does this need to be the same across our Trust as one entity?
 - School forecasts for the next 5 years show a number of academies with in-year deficits supported by reserves over the 5 years. What will it mean for the Trust if there are no reserves? Hence the need for a Reserves Policy.
- A lot will depend on school numbers. Some schools are making their budgets look healthier going forward, by 'cushioning the impact' by projecting increased pupil numbers. However, nationally pupil numbers are falling at a primary level and, in addition, a 3.5% teacher pay rise has just been announced. Realistically, income could fall whilst costs could rise.
- It was noted that Charity practice was to have less than 3 months reserves, 5% being less than 1 month. There is the obligation to ensure that staff are paid and if there are any problems, then not covering 1 months' salary makes any organisation vulnerable.
- An option is to modify the reserves to be free reserves, liquidity being cited as a cause for organisations to fail.
- A Draft Reserves Policy, which had been circulated prior to the meeting, was discussed. The Board asked that the Policy include a clear introduction relating to why such a policy was required and the purpose of the reserves. This would help to contextualise the rest of the document.
- There needed to be an approval mechanism for utilising the reserves and managing the process.
- In response to the 2 questions posed in the draft policy and highlighted in yellow, **the Board agreed a target of 8% GAG as a reserve for each academy. It was also agreed to remove point 2 on the surplus balance in the draft.**
- MC was asked to look at the overall wording of the document, redraft the policy to include an introduction and context and bring it back to the Board at its next meeting for final approval.
- Because all Trusts and schools were facing similar issues, it was felt that the Trust may need to impose a stricter financial control scheme, pre-agreed if the funds get tight so it does not have to react to a crisis if there is not a plan. Hence the need for a rationale in the above policy.

AP4: MC

AP5:MC

<p>Catering provider:</p> <ul style="list-style-type: none"> • The Trust is now in the implementation phase including preparing to TUPE staff. It is aiming to be ready for 01/09/18. • CA asked that she be allowed to sample the monitoring process at cluster meetings. <p>Management Accounts:</p> <ul style="list-style-type: none"> • Consolidated: - Income is up by 0.5% in the forecast. • In terms of staff expenditure, there is a negative variance with spend around £12m, meaning a deficit of £110,000. <p>Q: Is there a reason for that? A: We would need to look at each individual Academy to determine why.</p> <p>Q: Can you explain the large variances in teaching staff costs and SLT staff costs? A: This is a coding issue. Many SLT salary costs are being coded to SLT salary costs, but academies budgeted them from teaching staff costs. SLT salary costs are therefore showing as overspent while teaching staff salary costs are showing as underspent. Overall, salary costs are £110k below budget.</p> <ul style="list-style-type: none"> • The total expenditure shows an underspend of about £1/2m, meaning the trust has a £577k positive variance on its consolidated budget. There are a number of commitments, some of which will need to be cleared by the academies. • All academies are completing an analysis of variances and the reports will go to the next Business & Finance Committee. • The Central variance analysis shows some big variances. The reasons for these are on the report. <p>Q: Can you explain the column entitled “Forecast”? A: These numbers are automatically generated by the PSF system and are a sum of the full year reforecast and the current variance.</p> <p>Q: When do our academies reforecast their original budgets? A: At Christmas and Easter each year.</p> <p>Q: On the surplus/deficit line of the variance analysis form, why is everything negative (red) until the final variance, which is positive (green)? A: Because we are carrying an in year deficit in all areas (red), but it is not as bad as we budgeted for (green)</p> <p>Q: Can we have an update on the Site Condition and Non Compliance Surveys? A: Many of these have now been completed with the others diarised and due for completion before the end of September. Very few urgent issues have been flagged at this stage.</p>	<p>AP5: CA</p>
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10. ESE Committee

Discussion	Action
PDET Directors Meeting 24.07.18	25

- **The ESE Committee** met in the morning (24/07/18) and discussed:
 - The Christian Vision for Education which will be revisited over the next year.
 - The ESE specific areas in the Risk Register.
 - The Trust-wide data system and its future impact on providing more accurate data. There have been some IT glitches in its installation, with 4 outstanding schools, 2 of which are problematic due to hosting SIMS in a different way from others. HTs will be emailed when the implementation is ready to press the extraction button. Expected to be fully implemented by the end of August.
 - Clustering plans where each academy will be in a geographical cluster. Seeking nominations for a HT lead in each cluster but this is work in progress, funded from the MDIF bid.
 - Review of results (please refer to the Confidential minutes).
 - Timing of future meetings to ensure they are not on same date as the Board meetings.
- **Pupil Premium and SEND:**
 - Reference Chart provided to illustrate PP funds allocated to each school and helping to show where there are gaps in Trust wide provision.
 - The funding equated to £1,320 per child on FSMs and £1,900 for each Looked after Child (LAC) which would be rising to £2,300.

Q: Do we have a Pupil Premium (PP) statement for the Trust?

A: No, nor do we have one for SEND. It is an important question that is asked at every Ofsted inspection. It is, basically, what is the number of PP children, how much money is received to support them, how is it used and what is the impact. The Academy Improvement Officers (AIO) monitor this at a school level, but it is important that we have a Trustwide overview.

- A school example of a PP Strategy was provided as an example. This is monitored by the AIOs.

Q: Is there a simple way to classify what is being spent on what?

A: There is an impact statement on each school website, hence why we need a trustwide data system. The Board needs to be satisfied that we are presenting the information required.

- The Board were reminded that a Pupil Premium Director was required and **MH was duly elected to that role.**
- A proposal for SEND and Jogo Behaviour support had been previously circulated for approval. **This was approved by the Board.**
- Data on exclusions was also being collated which would be live through the data system.
- Exclusions are being monitored by the central team. Each one has a reason that we need to understand, in order to look for patterns and how we can provide prevention measures. For example, one school has recently had 2 children from the same family excluded. This involved a managed move.
- A detailed exclusions report, which included PP, ethnicity SEND etc would be brought to every ESE meeting.

RWG

RWG

<p>Q: Which Committee would this be reported to?</p> <p>A: ESE Committee.</p> <ul style="list-style-type: none"> A SEND Director was also required and <u>GT was nominated and agreed to take on that role.</u> 	
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11. Governance Update Report

Discussion	Action
<p>HB provided an update on Governance:</p> <ul style="list-style-type: none"> Work has continued on governance across the Trust, including initial work on establishing governance hubs across the Trust. Progress on the above has been delayed, as has work on schemes of delegation, due to GDPR/data protection requirements. The Governance Committee has not met. It is proposed that this committee is merged with the ESE Committee. This will be taken forward and reported on at the next meeting. There is a need to review governance at Board level, including: <ul style="list-style-type: none"> The Committee structures Having at least Directors on each Committees (a change to the Articles of Association will be required to reflect this) Establish a Scheme of Delegation for the Board There will be a workshop in October on governance. Chairs of LGB's and Heads will be invited. The new handbook/revised Scheme of Delegation will be launched and discussed. LGB minutes are scrutinised by the central team. This reveals a degree of variance. External reviews of governance are a useful part of PDET's due diligence for schools seeking to join the trust. There are difficulties with governors not always being able to attend training. This has been recognised and the NGA membership we have includes access to online sessions which are open to all. The central team will provide the information for those who require it. Foundation governors can still access the online service and will get to do the roles and responsibilities training as offered by the Diocese. 	<p>RWG/HB</p> <p>AP6: DB</p>

12. GDPR

Discussion	Action
<ul style="list-style-type: none"> Directors are required to carry out GDPR training to understand their responsibilities. It is also necessary for Directors to have 'PDET email addresses'. This is will be addressed as part of a move for the Trust and all academies to move to use Office 365. Whilst HTs have been trained and expected to disseminate to other staff, it is recognised that the central team needs to provide training to other academy staff. This will be carried out in the autumn. The roles of DPO (Angela Corbyn) and Data Controller (Liz McLaverty) will be clarified. A report from the DPO on a data breach had been circulated and <u>the actions agreed by the Board.</u> 	<p>HB</p> <p>HB</p> <p>HB</p>
<p>Q: Would you share this as an example of the recent breach?</p>	

<p>A: As part of the training we will share a number of examples. It is about learning and moving on and not naming and shaming.</p> <p>Q: How was the decision made not to report this?</p> <p>A: We were advised by the ICO that this was not considered to be a high risk.</p>	
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13. Risk Register

Discussion	Action
<p>The CEO outlined 2 key changes:</p> <ul style="list-style-type: none"> • Under Funding and liabilities – there is an increased level of risk identified due to low pupil admission numbers in some of our academies. This moved the risk to the red category. • Under Recruitment – The impact of drop in pupil numbers had been increased. This moved the risk to the red category. 	

14. Any Other Business

Discussion	Action
There was no other business raised.	

15. Dates of next meetings

Tuesday	18 th September 2018	18.00	Kettering Business Exchange
	20 th November 2018		
	18 th December 2018		

With no further business, the non-confidential meeting concluded at 7.20pm.

Chair Signature for approval of minutes: _____

Date: _____