

MINUTES BOARD MEETING

Version: Website—approved

Issue date: 13 December 2016

Approval date: 15 March 2017

Meeting date: 7 December 2016

Location: Bridgwater College

Time: 18.00

Chair: Mike Robbins (MR)

Present: Heather Strawbridge (part)
Carole Chevalley (CC)
Ann Dyer (AD)
Paul Holtam (PH)
Sid Gibson (SG)
Wendy Dick (WD)
Denys Rayner (DR)
David Hannay (DH)

In attendance: Peter Elliott (PE)	Chief Executive Officer
Luke Talmage (LT)	Headteacher Hamp Academy
Zoe Stucki (ZS)	Headteacher West Somerset College
Gill Warren (GW)	Director of Business and Finance/Chief Finance Officer
Gail Griffith (GG)	Clerk and Company Secretary

Item	Description	Action
1	Procedural matters	
1.1	Apologies were received from Simon Brewer (who had resigned from the Board), Mark Thomas, Moya Hill, Mark Swallow and Marc Bevan. Heather Strawbridge was ill and left shortly after the start of the meeting.	
1.2	Denys Rayner was appointed as Vice Chair by the Board.	
1.3	No declarations of interest were reported.	
1.4	The Minutes of the meeting on 21 September 2016 were approved. Matters arising: All matters were completed or on the Agenda.	
1.5	The Minutes of the meeting on 17 October 2016 were approved. Matters arising: <ul style="list-style-type: none"> The Revised Strategy Plan was on the Agenda An Action/Implementation Plan over 12-36 months 	PE
1.6	The following Governors were appointed: <ul style="list-style-type: none"> Ali Luckins (BCA) Rebecca Yates (WSC) Helen Bradford (Brymore) <p>The Board appointed Jenny Ashworth as Chair of Brymore LGB from 1 January 2017. Ann Dyer therefore would cease to be Chair, or Trustee, or member of the Audit Committee from 31 December 2016. She was thanked for her work at Board level.</p> <p>The Board ratified the removal of Stuart Lee as Governor of BCA for non-attendance.</p>	
1.7	The Board approved the interim changes to the Terms of Reference for the Board.	
2	"Every Child Achieves": the future of the Trust	
2.1	PE said that this was the third version of the Strategy, which had been out for consultation since the Special Board meeting in October.	

	<p>SG mentioned that the Audit Committee had asked how the Strategy/Plan would be reviewed, and monitored, and wanted to know what would be the reporting mechanism. PE agreed that there would be a termly progress report to the Board, with KPIs, and a RAG-rating.</p> <p>CC proposed, SG seconded the adoption of the Strategy; all agreed.</p>	PE
3	Central Services Proposed Restructure	
3.1	<p>GW explained the context of the proposal: the Regional Commissioner had expressed the view that before the Trust could expand it will have to strengthen and centralise its support services. The finance team of 8.86 FTE would reduce to 7.35 FTEs under the proposals. A Chief Operating Officer would be recruited and a central finance management system purchased. This would produce some savings in Year 1 but continuing savings year-on-year. Particular arrangements would be required to deal with Brymore Boarding pupils. It is hoped that the new structure would be operational by 1 September 2017.</p>	
3.2	<p>DR asked if this meant there would be a reduction in employees. It was hoped that there could be some redeployment to other roles. MR commented that there may be a disproportionate effect on part time staff. DH asked if the proposals meant a change in the delegation of authority from the academies to the centre; this was the case. PE explained that business functions would be centralised, but that Headteachers would remain in control of educational resources. Would an academy retain any purchasing powers? In relation to educational budgets such as Pupil Premium and SEN monies this would be the case. There would need to be new Financial Regulations to clarify this area. WD asked if procurement would be centralised, e.g. stationery, to achieve economies of scale? This was the case.</p>	
3.3	<p>PH said that he supported the concept of central financial control and a single financial system, but he was concerned about the lack of detail, e.g. in the HR area. He believed the finance/pupil number ratio for Hamp at £220 was inaccurate since only 20-30% of the costs were in the finance area. He was concerned about the impact of the changes on the actual working practices in the academies. He would like to see the job descriptions of the Chief Finance Officer and the Chief Operating Officer, together with an organisational chart. He asked if the COO would be a management accountant; GW said it was possible for the person to be “qualified by experience” in this role. PH would like to see more details about the business management functions. GW said that the COO would indeed be the “Business Manager” for the whole Trust.</p>	PE
3.4	<p>MR commented that it is difficult to re-structure in small organisations where one person may carry out several different roles. He said that the meeting appeared to agree that there should be a central financial management system, and a centralised finance function, but there was concern over the impact at academy level. CC supported the proposals in principle, and assumed there would be detailed consultation with each academy. PE agreed that the details would be worked out and that today there was a requirement for a decision in principle. The finance system would be Cloud-based, so staff could be based throughout the academies, and not in a central place.</p>	
3.5	<p>PH was concerned about the management of premises, and if done centrally whether it would increase the financial risk. PE said the main role for the COO on recruitment would be to look at all such implications, and to plan for the creation of the finance unit to be up and running by 1 September 2017. This work would be carried out with the COO, CFO and the CEO. PH commented that the selection of the COO would therefore be crucial and he asked what skill set would be required, e.g. experience with estates management. PE said that the process of recruitment would be internal at first; he believed there were at least two persons within the Trust who met the skills set required. WD</p>	

	asked how Finance would link to HR. PE said that there would be some local HR work but most done from the centre. Would there be a central payroll? Yes but contracted in from Somerset County Council as one system instead of four. It was critical that payroll worked well. PE commented that some business areas were easier to centralise than others, e.g. IT network management. However the decision was required today so that the annual budget-setting round starting after Xmas could include the new model.	
3.6	PH was concerned that the recruitment of the COO should be external and national. It was agreed that the recruitment would be internal in the first instance, and go national if not successful.	PE
3.7	WD asked if there were likely to be redundancies, or redeployments. This would be a managed process, but it was likely that there would be less staff.	
3.8	PH asked if it would be possible for the Board to meet with the Regional Commissioner. An invitation would be made.	PE
3.9	The proposal to: <ul style="list-style-type: none"> • Centralise the finance function • Purchase a central finance management system • Recruit a COO, internally in the first instance was made by DR and seconded by DR; the Board approved.	PE
4	Review of Scheme of Delegation	
4.1	GG introduced her paper, and the organisational framework for a new Scheme of Delegation. She explained the seven sections, and referred in particular to the Finance section, which incorporated the delegations from the current Financial Regulations. She said that the document was meant to be a clearer way to find out what “cannot” be done, and she hoped that the format was useful. She referred to the outline Terms of Reference for the various levels in the Trust, from the Board, to the Audit Committee, the new Finance Committee, the local governing bodies and their sub-committees. The Board welcomed the organisational chart as much clearer and a very useful document. The meeting debated whether to consult on the document or to implement immediately, adapting and reviewing in due course. SG proposed, and CC seconded the immediate adoption of the new Scheme of Delegation, with a review in June 2017.	GG
5	2015/2016 Company Annual Report and Accounts	
5.1	BCT Annual Report and Accounts and Management Letter	
5.1.1	GW introduced the combined accounts for the Trust, to include Brymore Trading and BCA Trading. The Trust had received an unqualified result from the auditors. She mentioned that there were two reports, one which gave “a true and fair view” of the Trust, and the second which was a regularity report. The latter had mentioned the fraud at Brymore, that the Board was aware of it, that it had been investigated, and procedures tightened up, and the matter reported to the EFA and the police. She referred to the addition of £13.8M from when WSC joined the Trust in February 2016. MR asked if the net movement of £8.5m was in effect a surplus. This was counter-balanced by doubling in the pension deficit since last year. DR proposed, AD seconded and the Board agreed to the adoption of the accounts and the financial regularity letter.	
5.2	The WSCC Annual Report and Accounts and Management Letter	
5.2.1	These accounts were tabled for information; the Company was holding its own AGM shortly.	
5.3	Brymore Trading Ltd Annual Report and Accounts	
5.3.1	The AGM for Brymore Trading had been held before this meeting, and the necessary papers had been approved and signed.	
5.4	BCA Trading Ltd Annual Report and Accounts	
5.4.1	The AGM for BCA Trading had been held before this meeting, and the	

	necessary papers had been approved and signed.	
6	Revised Reserves Policy	
6.1	GW explained that following the Risk Audit Report it was considered that the Trust should examine risks as a whole. The Charity Commission recommended holding four-weeks' worth of reserves, which would be £1.2M; currently the Trust held £619k after other commitments were taken into consideration, that is, about half the required level. PE said that in his view four weeks was excessive, since the Trust was unlikely not to receive Government monies, and he would be happy with three weeks reserves, that is £900k. DR asked if this was realistic in the near future. Currently WSC was carrying an in-year deficit, and Brymore was very close to a deficit. An increase in the reserves would have to build up over time.	
6.2	PH was concerned about the equity of increasing reserves at the expense of the academies; he recommended a mechanism such as a top slice over all the academies over a period of say 10 years to accumulate any reserves. PE agreed that the Trust was the healthiest Trust in Somerset at the moment. However Brymore was very close to exhausting its reserves, and may need assistance from the Trust. If one academy is in difficulty, this affects all the schools.	
6.3	PH was concerned that if one school was prudent and saved funds, then that school should have the benefit of that prudence. If this was not the case, there was a risk of that school not being so efficient. Local authorities allowed each school to keep any surplus they generated, and this should be the case in the Trust.	
6.4	MR said there appeared to be several questions: 1. What should the level of reserves be? £600k or £900k? 2. Should the reserves be held centrally? 3. Should there be bids to the reserves for expenditure? GW thought that it was best Value For Money if the reserves were used where the Trust thought best. However WD thought there should be a way for the academies to keep "profits" within prudent financial boundaries.	
6.5	The reserves came from pre-academy transfers, land sales, underspends, etc., that is capital reserves. Who owns the reserves?	
6.6	The Board agreed to maintain two-weeks' worth of reserves (£600k) and to return to the issue at another date.	PE
7	BCT Board authorisation requests	
7.1	Expansion of Hamp Academy	
7.1.1	LT introduced his bid for a third classroom at Hamp. The local authority was paying for two classrooms, to cope with the increase in pupils of 92 in 2017, and to a total of 340 pupils in the following year. He believed that given the number of children with high tariff needs, the third classroom was required to provide intervention space. Hamp had the funds to pay for the classroom.	
7.1.2	PE said that he had examined in detail the requirement for a third classroom, the Value For Money argument and the return for the Trust. He had also satisfied himself there were sufficient funds to deal with the concrete cancer work required at this stage. There were no financial reasons why the project should not go ahead.	
7.1.3	DR asked if there would be any increase in revenue costs. There were no additional staffing costs. LT said that it was cost-effective to carry the work out now. PE had had a concern that if the local authority had required Hamp to take 30 more pupils, it would not fund another classroom, but he was satisfied this was a risk worth running. DH asked why the head count was increasing. This was because of a current baby-boom in Bridgwater and the increase in reputation of Hamp Academy.	
7.1.4	The Board agreed to an expenditure of up to £160k for the building of a new classroom at Hamp Academy.	
7.2	Trust Broadband Expenditure	
7.2.1	Simon Rawlings, Head of IT for BCA, Brymore and WSC, joined the meeting.	

	SG asked if Option 2 could be expanded in the future. Simon said that it was possible to do so, but above 100Mg it would double the cost to £4-6000. He could not imagine this would be necessary in the next 2 years. Option 2 was approved by the Board.	
7.3	Acorns Nursery (Minehead) Ltd	
7.3.1	PE explained that the Nursery was losing £30k per annum, which would have to be funded by WSC, and was thus unsustainable. Another nursery was opening in Minehead and it was hoped there would be no detriment to the parents currently using Acorns. PE asked the Board to approve the closing of the Nursery and the consequent “ceasing trading” of the company by 31 March 2017. Potential redundancy costs of up to £11k would have to be borne by WSC. The Board agreed to the closing of the Nursery, and requested that the Local Governing Board Chair call an emergency meeting to trigger the necessary redundancy procedures.	SG/PE
7.4	Tendering for Independent Review/Internal Audit service	
7.4.1	GW asked for permission to go out to tender for a new Internal Audit service for the Trust, to start from 1 September 2017. The Board agreed to this proposal.	GW
7.5	Disposal of surplus land at WSC	
7.5.1	PE explained that there would be a public consultation for the disposal of the land, which was at the decision of the Secretary of State. If the land were sold, although not owned by the Trust, it would receive 75% of the proceeds.	
7.6	BCT application for Teaching School	
7.6.1	PE explained that this proposal would allow the Trust to train some 50 teachers across the Trust in partnership with other organisations, and was at the application stage. If successful there would be some income of £150k over three years. This was noted for information.	
7.7	BCA application of Autism Specialist Unit	
7.7.1	BCA would be hosting the specialist unit for secondary school age children from 1 September 2017, which was being funded by the local authority to the tune of £900k.	
7.8	WSC Catering contract	
7.8.1	PE explained that this contract was making a loss and there was a requirement for restructuring. It was likely this would result in some redundancies.	
8	Academies Progress Report	
8.1	PE referred to the four academy reports, which he hoped would compare progress against Academy Development Plans in the future.	
9	Report from Audit Committee	
9.1	DR reported on the meeting held two weeks previously. Most of the items had been dealt with in this meeting. However he recommended the appointment of a Safeguarding Trustee, to receive the Annual Report from the CEO and to liaise with the Trust-wide Safeguarding officer. Carole Chevalley agreed to be the Trust’s Safeguarding Trustee.	
9.2	DR strongly requested that up-to-date financial information be provided to the Audit Committee and the Board; it was not acceptable for information in the Traffic Lights report to be three months out-of-date. This was especially critical for Brymore finances.	PE/DBF
10	Risk Register for BCT	
10.1	GW explained the new format of the Register, which linked more closely to the Trust’s strategy and had greater weighting of risk.	
11	Date of next meeting: 15 March 2017 at 6pm	
	The meeting closed at 20.25 hours.	

Approved by Denys Rayner, Vice Chair of Board: *DR Rayner* Date: 15 March 2017