



## WELLSPRING ACADEMY TRUST BOARD

### MINUTES OF THE MEETING OF THE TRUSTEES HELD ON 17 DECEMBER 2015

#### PART I

<b>PRESENT:</b>	G Beever	Trustee
	C Hobson	Trustee
	H Lenton	Trustee (Chair)
	D Murray	Trustee
	M Sanderson	Trustee
	M Townley	Trustee
	M Wilson	CEO

#### IN ATTENDANCE:

A J Oaks	Clerk to the Board & Company Secretary
P Wilkinson	Management Accountant
S Harper	Chair of Victoria Primary Academy, Leeds
K Froggatt	Clerk Designate

Prior to the start of formal business, L Straughton and A Morgan from RSM gave a presentation to the Board on Risk Management. Discussion took place around the existing risk management process, particularly the benefits of obtaining additional areas of assurance for the Board over and above external and internal audit. The CEO and Chair of Audit both agreed that the presentation had been informative and had helped to identify areas for further work to be undertaken on the risk register, which required development. The Chair of Audit looked forward to working with the interim CFO to develop a revised version of the risk register for discussion at the next Audit Committee meeting.

The Chair thanked RSM for the presentation and for attending the meeting. All agreed the presentation had been most informative.

15.193 The Chair welcomed Ms Hobson to her first Board meeting and to S Harper, Chair of Victoria Primary Academy, and K Froggatt, who were in attendance to observe. Introductions were made.

#### APOLOGIES

15.194 Apologies were received from C Booth and C Webb. Apologies for lateness were received from J Davis and D Whitaker [who subsequently were unable to attend].

#### DECLARATION OF INTERESTS

15.195 The Chair invited members to declare any interests in the Agenda items. Standing declarations from sponsor appointed Directors were noted. Directors reserved the right to declare interests at any part during the meeting.

#### MINUTES

15.196 The Minutes (Part I) of the meeting held on 14 October 2015 were agreed as a true and accurate record and signed by the Chair.

## **MATTERS ARISING**

15.197 The Board received a list of actions arising from previous meetings. The CEO confirmed that the Strategic Plan had been updated following the last meeting and presented to the Members. The sponsor College Board had also received the Plan at its meeting on 15 December 2015. In respect of Minute 15.182, discussion took place regarding the benefits of moving to e-governance. The general consensus amongst Board members was that it would be cost effective and beneficial both to Board members and the Academies. It was agreed that in terms of cost, some Trustees would use their own iPad, reducing the initial outlay. S Harper commented that he was familiar with the 'Virtual Boardroom' which was an excellent piece of software that provided total security and allowed the user to annotate papers. He agreed to forward details to central office as soon as possible to allow further research to be undertaken by the Admin team. Further to discussion it was agreed that the Trust should pursue this as a solution, trialing it in parallel with paper based packs with a view to moving fully to e-governance as soon as possible. The CEO commented that the Trust would seek to identify the number of iPads required and believed that the initial outlay would be affordable.

## **APPOINTMENTS AND RESIGNATIONS**

15.198 The Clerk informed the Board of the following appointments and resignations:

The appointment of Mrs Josie Teasdale, Member, on 19 November 2015 (Letter of Acceptance awaited);

The resignation of Mr Paul Jagger MBE, Member, on 19 November 2015;

The resignation of Mrs Jenny Miccoli, Trustee on 16 November 2015.

The Clerk confirmed that Companies House and the EFA had been informed of the changes.

The Clerk advised the Board that her final day as Clerk and Company Secretary would be 22 January 2016.

15.199 The Clerk reported that the FRR Committee had expressed a wish for C Webb to join the FRR Committee, which would mean him moving away from the Audit Committee. Noting that this reduced membership of the Audit Committee to two, the Chair of the Board and Chair of Audit were keen to appoint an additional member with audit and risk management expertise. The CEO commented that the appointment of LGB Chairs in due course may facilitate this, which would be helpful, and that further discussion would take place at the next Audit Committee in this respect. The Clerk commented that she would continue to seek a co-optee to the Committee to help strengthen it in the short term.

## **GOVERNANCE AND SEARCH COMMITTEE BUSINESS**

15.200 The Board had received a copy of the Minutes of the meeting held on 9 November 2015 in advance. The Chair highlighted the business covered by the Committee, particularly governance matters which the Committee had focused on in some detail. The first recommendation proposed a constitution of 17, which provided an appropriate balance of skillsets amongst Trustees and maintained a majority of independent members.

15.201 The CEO wished to retain representatives from the LGBs on the Board as he believed it provided an operational insight at local level and representation from the regions. Following discussion with regard to the maximum number of LGB chairs that would be appropriate and ways in which they might be nominated and selected, it was agreed that there should be five seats on the Board for Representative Chairs (not Chair representatives) who would be representing the region and the sector in which the Trust was engaged. The Chairs themselves would be asked to elect one Chair from each group: Primary, Secondary, Alternative and Special to provide the appropriate representation.

15.202 It was noted that under the current LGB Constitution LGB Chairs were appointed on an annual basis by the LGB at the start of each academic year. The Clerk had advised that should the Board determine to appoint LGB Chairs onto the Board going forwards, the individuals would need to consent to acting as a Trustee and that it would be the responsibility of the Board to appoint them. In order to streamline this process, it was proposed that once a Chair of an LGB had been nominated, the recommendation would be made by the LGB in the presence of the CEO having oversight and influence, and subsequently be ratified by the Board.

15.203 The mechanism for selecting the LGB Chairs had also been considered and it had been agreed that the Chairs themselves should be invited to nominate their representative to serve on the Board, with the pre-requisite being that it was an expectation of the Trust this would be an individual to represent the relevant region and sector. This would necessitate a meeting of all LGB Chairs to discuss and agree the process on an annual basis together with the CEO and Chair, prior to the appointment of the Chair of the LGB at the beginning of each Academic year. The CEO emphasised that this would not become necessary until all five places on the Board were filled and the number of Chairs was in excess of this.

15.204 The Chair commented on the subject of other individuals observing Board meetings and believed that in the spirit of openness and transparency the Board meetings should be open to the public.

**RESOLVED 15.205.1 That the Constitution be determined at 17 at the current time;**

**RESOLVED 15.205.2 That the Board be made up of up six independent trustees, three sponsor appointed Trustees, three Directors of Phase and up to five LGB Chairs;**

**RESOLVED 15.205.3 That the Chairs of the LGBs shall meet annually to nominate and select a Chair to sit on the Board, being representative of each region and sector, and that Chair's position shall be recommended by the LGB and be ratified by the Board;**

**RESOLVED 15.205.4 That the Trust facilitates an annual meeting between the Chair, CEO and all LGB Chairs.**

15.206 The CEO referred to the discussions that had taken place at G&S regarding independency of Trustees both at Board and Committee level. The Clerk explained that the Trust's model of governance being representative would mean ensuring a majority of independent Board members was maintained. Due to the size of the Board, membership of the Board's Committees was small and it was therefore important to maintain a balance between representative and independent members. Recognising that due to numbers this was often challenging, the Clerk emphasised the need to ensure Trustees declared their interests when necessary and understood the need to withdraw from participation in certain items of business. Managing conflicts of loyalty and interests appropriately would provide a clear audit trail of openness and accountability. This was noted by the Board.

15.207 The Clerk raised the matter discussed in some detail by the Board in respect of employees of the Trust acting in capacity as Chair of an LGB. J Davis, who had been Chair of The Forest Academy since 2013, had become employed by the Trust at Springwell Learning Community on conversion in December 2014. Under the LGB constitution, an employee is not eligible to be appointed as Chair. Following discussion on this matter, the Board recognised the reasons for her appointment as Chair of The Forest Academy and determined that given she was not working within Forest Academy, that the position could be managed effectively.

## **AUDIT AND FINANCE COMMITTEE BUSINESS**

15.208 The Audit Committee and Finance, Resources and Remuneration Committee had met on 3 and 7 December 2015 respectively to consider the Financial Statements and Auditors report on the accounts for year ending 31 August 2015. The Chair of Audit summarised the business conducted by the Audit Committee, which included consideration of an internal audit report on Safeguarding that contained six recommendations, one of which was high priority. The Committee had noted the risk around this specific recommendation and that the Trust would seek to address this in the fullness of time with assistance from the internal auditors. With regard to the recommendations made during the year, the Committee had noted the progress that had been made in implementing these.

#### **ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS**

15.209 The Chair of Audit referred to the Annual Report of the Audit Committee to the Board and Accounting Officer, which provided an opinion to the Board of the status of the Trust's internal controls and assurance framework. The Board noted the activities undertaken by the Committee during the year, and its opinion on risk management, finance and governance processes. MT stated that in his opinion the Report was a true and fair reflection of the business undertaken by the Committee during the year and was content that it provided sufficient assurance to the Board to allow them to sign off the financial statements.

**RESOLVED 15.209 To approve the Annual Report of the Committee to the Board and Accounting Officer.**

15.210 The Audit Committee had considered and recommended the Board approve an update to the Anti Bribery and Anti-Fraud policies, which had been combined into one Policy document on the advice of the Trust's internal auditors. The Committee had also recommended approval of the Trust's Risk Register which had been updated by the Committee at its meeting on 3 December 2015. MT stated that he would work with the interim CFO to review the risk register to ensure the needs of the organisation were being met. The CEO agreed that the register required a fundamental review and that he would welcome MT's input. The internal auditors had scheduled work on risk management within the internal audit plan for the year.

**RESOLVED 15.210.1 To approve the Anti-Fraud and Anti Bribery Policy and Fraud Response Plan.**

**RESOLVED 15.210.2 To approve the Risk Register.**

15.211 The Chair of FRR referred to the Minutes of the FRR Committee meeting that had taken place on 7 December. The Committee had received the Financial Statements which recorded an operating surplus of £32,788 at the year end. The Chair of the FRR Committee confirmed that he was satisfied that the Financial Statements were a true, accurate and fair representation of the Trust's financial position and that the Committee were content to recommend the Accounts for approval. Commenting on comparison to the previous year's accounts, he remarked that it would be difficult to make comparisons year on year due to additional schools joining the Trust.

**RESOLVED 15.211.1 To approve the Audited Financial Statements for year ending 31 August 2015 for submission to the EFA by 31 December 2015.**

**RESOLVED 15.211.2 That the Chair and Accounting Officer be authorised to sign the Letter of Representation and Accounts on behalf of the Trust for submission to the EFA.**

**EBOR GARDENS PRIMARY SCHOOL, LEEDS**

15.212 The CEO reported that the Academy Order had been signed by the Secretary of State for the school to convert to Wellspring on 1 April 2016. In terms of Due Diligence, this was due to commence in January 2016 and would be informed by a series of reports commissioned by the IEB currently in place. In recognition of the complexities involved in the conversion the DfE had granted an additional £50,000 for further capacity which would be used to support improvement. The CEO added that the school was expected to bring forward a surplus on conversion which was an advantage. Referring to staffing, he reported that staff were committed and enthusiastic about the prospect of joining the Trust. As discussed previously, there was potential for a federated Governing Body with Victoria Primary Academy. The report was noted and received.

## **MANAGEMENT ACCOUNTS**

15.213 The Board received the management accounts for October 2015. P Wilkinson, Management Accountant for the Trust, summarised the accounts for Central office and each of the Academies, focusing on the variances and budget profile. In response to a question from DM regarding the strength of the financial position going forward and likelihood of a surplus, the CEO explained that the Trust was just short of covering its annual operating costs based on the management fee currently collected. Whilst consultancy and commissioning fees offset any shortfall, a further one to two schools were required to join the Trust to cover existing costs and overheads and move the financial position towards a surplus. He added that as the Trust grows, the Central resources would also need to expand to provide capacity therefore the position would not change significantly until at least a further four schools had joined the Trust. At that point the Trust would be in much stronger and sustainable position.

15.214 CH referred to the format of the management accounts, observing that as a result of the current profiling the true financial position was not evident from the figures. She asked if the figures could be re-profiled to the end of each quarter to help the Board and FRR Committee monitor achievement against budget and forecast throughout the year. MT reiterated CH's comments, noting that genuine overspends and underspends were not evident in the current modelling. PW agreed to revisit the format of the accounts with the interim CFO with a view to presenting a clearer position in the future.

The Chair thanked PW for attending the meeting.

*PW left the meeting.*

## **CEO REPORT**

15.215 The CEO presented his report which highlighted staffing resignations and appointments. Referring to Ms Oak's resignation which would take effect on 22 January 2016, the CEO reported that Karen Froggatt had been appointed to take over as Clerk to the Board and Company Secretary with handover taking place in January 2016.

15.216 In terms of conversions and finances, it was reported that an additional £300k of DFE sponsor capacity funding had been confirmed for the schools in Leeds and Lincolnshire, some of which would be used to fund central office posts. The CEO advised the Board that he had secured the appointment of a Consultancy Head teacher at a Primary School in Leeds. The Academy Order for Elmete SEMH Special School in Leeds had been signed on 16 December 2015 which provided an opportunity to build the central team and leadership capacity contracted around Springwell. It was the CEO's intention to appoint an Operations and Business Director as soon as possible to allow the Trust to move into its next phase of development with the appropriate staff in place.

15.217 The CEO reported that in the next round of applications for Free Schools, the Trust was considering submitting applications for 7-8 schools, details of which were provided. The intention would be to ensure that any schools converting, particularly PRUs, would come to the Trust with new purpose built accommodation. In response to a question from DM

regarding the position with the Barnsley schools, the CEO provided an update with regard to several schools where delays and political intransigence was evident.

15.218 MS made reference to Elements Free School in terms of past experiences with Free School Applications, and expressed some concern with the substantial resources expended on the process, seeking assurance of the Trust's capacity to manage the project. The CEO advised the Board that three applications would be made covering seven schools and that under new rules for the next round, it was not necessary to evidence demand which simplified the process. In addition the schools in Lincolnshire would come to the Trust with an entire workforce which provided further reassurance to the Board. He added that the SEMH in Leeds would present a challenge in terms of recruitment as places would be quickly taken up. Overall the CEO was confident of managing the project which was a natural progression to improving the quality of the Trust's estate. In response to a question from CH regarding the Free School application process and ability of the Board to monitor it, the CEO explained the process which was largely operational. CH expressed a keen interest in the process and was welcomed by the CEO to discuss more fully outside of the meeting. The Board noted the risks associated with rapid expansion and were content with the mitigating actions in place to build capacity in parallel and by growing capacity internally.

#### **REFERRALS FROM LGBs**

15.219 There were no referrals from the LGBs.

#### **DIRECTOR OF PRIMARY UPDATE**

15.220 The CEO provided an update on the conversion of Victoria Primary Academy which had joined the Trust on 1 November 2015. The report detailed the work undertaken since that time to make improvements. The CEO was delighted to welcome the school into the Trust and reported that the Chair, S Harper was a very able and capable governor and part of a strong governing body that demonstrated healthy challenge at governance level. The Academy was currently seeking to recruit new governors to strengthen the GB but already there was evidence of impact, with increased transparency at management level which was helping the GB. The Chair invited SH to comment. SH stated that he had been impressed with the transition process which had been extremely smooth thanks to the systems in place at the Trust. Whilst there was still work to do to bring about improvements he was confident of the School's future success.

15.221 Positive progress continued at the Forest Academy which had been confirmed by a recent review undertaken by the CEO and D Whitaker, detailed within the report. It was reported that there was one vacancy on the LGB.

#### **ANNUAL REPORT – SAFEGUARDING AND HEALTH AND SAFETY**

15.222 The Board received the Annual Report from the CEO on Safeguarding and Health and Safety matters. The report summarised details of internal audit reviews, staff training, implementation of policies and accident statistics. The Trust's Academies in Grimsby and Victoria Primary Academy had commissioned independent safeguarding audits in addition to the Trust's audit providers, as part of the due diligence process. The findings had been helpful in moving the Academies forward in terms of practice and procedure.

The Report was noted and received.

#### **BOARD EFFECTIVENESS**

15.223 The Board received a report summarising the outcome of the recent self-evaluation exercise and 1-1s undertaken with all Trustees. The outcomes, which were captured in a Governance Improvement Action Plan were noted and included reference to widening the balance on the Board in respect of expertise and geographic location. The Chair believed the action plan represented work in progress for the Board and proposed that it be monitored going forward.

The report was noted and received.

**DATE AND TIME OF NEXT MEETING**

15.224 The next meeting would be held on Wednesday 16 March 2016 at 4.00 pm.

End of Part I.

Signed \_\_\_\_\_ Chair      Date \_\_\_\_\_