



**Minutes of the meeting of the Board of Trustees
held on Thursday 25th January 2018 at 6.30pm
at Fulford Academy**

Present: Mr A Pennington (Chair), Mr I Dolben, Mrs C Graham-Brown, Mr T Flemming, Mr Matthew Horne, Ms Sheena Powley, Ms Mini Setty, Mr I Warman (co-Vice-Chair), Mr John Williams (co-Vice-Chair)

In Attendance: Ms L Savage (Chief Executive Officer and Accounting Officer)
Mr S Bradford (Chief Finance Officer and Company Secretary)
Ms S Radford (Head of Governor Services, City of York Council)
Ms C Lajoinie (Clerk, Governance Advisor, City of York Council)

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

The Chair welcomed Trustees to the inaugural meeting of the South York Multi-Academy Trust (MAT) Board of Trustees and thanked all those present for attending. All those present introduced themselves. The Chair observed that a wide range of disciplines were represented among the Trustees, going on to add that the Board demonstrated a diverse and well qualified membership which would be of benefit to the future management of the MAT.

The Chair drew Trustees' attention to the Agenda, advising that it was an ambitious document for the time available. He proposed that Trustees consider their responsibilities and methods of working at the following meeting, advising that this meeting should focus on essential business matters and getting to know one another.

The Chair invited any declarations of interest for the purposes of the Agenda.

Claire Graham Brown declared an interest in any discussions related to the Memorandum of Understanding, noting that she worked for the Diocese of York Educational Trust. In addition to this Claire noted that she had advised Dunnington CoE Primary School during academy conversion discussions.

Tom Flemming noted that his wife worked at a school that was interested in joining the South York MAT.

Matthew Horne noted that he was currently a governor at Naburn Primary School. Trustees discussed the Articles of Association's stipulation that a Trustee could not be a governor of a partnership school and noted that upon conversion a maintained school's Governing Body would automatically be dissolved and consequently it was deemed as implicit that all former governors would have stepped down from previous positions of responsibility, subject to

future constitution of a Local Governing Board and expressions of interest agreed by the Board of Trustees.

2. CONFIRMATION OF APPOINTMENT OF CHAIR AND ELECTION OF VICE-CHAIR FOR THE ACADEMIC YEAR 2017-2018

The Chair invited nominations for the position of Vice-Chair of the Board of Trustees.

Ian Warman self-nominated, subject to time commitments and work pressures.

John Williams self-nominated, subject to time commitments and availability, going on to observe whether diversity in the leadership of the Board should be considered further. The Chair agreed, however there were no further nominations forthcoming.

A trustee proposed that the two Trustees be elected as co-Vice Chairs. Trustees discussed whether this would subvert the Articles of Association and concluded that it would not.

Ian Warman and John Williams were elected as co-Vice Chairs of the Board of Trustees for the academic year 2017-2018.

Proposed: Ian Dolben Seconded: Tom Flemming

Trustees unanimously approved the nominations.

Trustees then considered confirmation of the appointment of the Chair of Trustees for the academic year 2017-2018.

The Chair noted that he had self-nominated for the position and had been interviewed by the Chief Executive Officer (CEO) and the Chair of Governors at Danesgate Community and Pupil Referral Unit (PRU).

Andrew Pennington's election as Chair of Trustees was confirmed for the academic year 2017-2018.

Proposed: Tom Flemming Seconded: Ian Dolben

Trustees unanimously approved the nomination.

3. REGISTER OF PECUNIARY INTERESTS

The Clerk had distributed Pecuniary Interest Forms to Trustees prior to the meeting, for completion, return and publication of relevant interests.

4. FORMAL ADOPTION AND APPROVAL OF TRUST GOVERNANCE DOCUMENTS

4.i Articles of Association

4.iii Commercial Transfer Agreement

4.iv Academy Leases

4.v Master Funding Agreement

4.vi Supplemental Funding Agreement

The Chair noted the formal adoption of the above documents, 4.i, 4.iii, 4.iv, 4.v and 4.vi.

4.ii Memorandum of Understanding

The Chair advised Trustees that the Memorandum of Understanding had been subject to lengthy and intensive discussion between the Diocese and community parties, going onto add that it attempted to set out the process of appointments related to Trustees, Local Governing Bodies (LGBs) and their dismissal. It was noted that the statutory responsibilities of the Diocese were recognised within the document and that the final document, presented, was the result of extensive negotiation and discussion.

Claire Graham Brown suggested that she leave the meeting whilst any further discussion on the document took place, however the Chair and CEO stated that her presence was useful to any discussion that might follow.

A Trustee stated that there was an inconsistency between the Memorandum of Understanding and the Articles of Association with reference to appointments and dismissal, but added that the Articles of Association would override the Memorandum of Understanding in this regard. An additional point was made with respect to the fact that ‘parties’ was not defined within the document but was referred to and was capitalised. The Trustee recognised that there was an implicit understanding of the term, but advised that a definition should be included for clarity. Claire Graham Brown stated that the Diocese would agree to an amendment to the document including an appropriate definition of ‘parties’.

Trustees formerly adopted the Memorandum of Understanding, subject to the above amendment.

4.vii Governance Handbook

4.vii.a MAT Board Sub-Committees Terms of Reference and membership (Skills Audit to be completed)

4.vii.b Local governing body Terms of Reference and membership

4.vii.c Schemes of Delegation

The Chair drew Trustees’ attention to the Governance Handbook and related sub-items. He noted that the document had been compiled through a process of extensive discussion and consultation with South York Partnership Working Groups, Headteachers and Chairs of Governors. In addition to this, existing documentation from the Diocese and other MATs working within the city of York had been consulted. The Chair added that the current document was grounded in other working documents and practice and had been compiled in an inclusive manner, going on to advise that the document was a work in progress which would be kept under review and amended to suit circumstances as they developed.

The Chair invited the CEO to outline any pressing issues following comments and questions from Trustees.

A Trustee stated that he had a number of detailed comments that he would forward to the CEO and Chair following the meeting, and added that whilst he felt that the current document represented an excellent start and demonstrated extensive effort, it required further work and clarity of purpose and process, with specific reference to the introductory preface, before he would be ready to formally approve the document as a whole.

In response the CEO stated that it was important, as a first step, for the Scheme of Delegation to be published on the MAT website as a matter of urgency, going on to add that the South York Partnership Governing Bodies had reviewed the document in detail and had given positive feedback. The CEO then advised that the document had been designed to give an overview of how governance within the South York MAT would work. The CEO agreed that

the introductory preface, framing the process and purpose of the document, would benefit from further work and clarification.

There was a robust discussion regarding the suitability of the document, as a whole, for immediate approval and publication and the potential arising confusion if it were to be revised in the near future, following official publication. A Trustee noted the following points:

- A revised document had been circulated just prior to the meeting.
- There was a risk of confusion if the initial document, previously distributed, were to be published.
- There were statutory responsibilities held by the MAT to publish certain key documents, however delays were likely.
- Fulford School was now functioning as an Academy in the Trust and would need access to working governance documentation and key policies immediately in order to function legally and appropriately.
- There would be a time of confusion and uncertainty that must be accepted during the initial stages of the MAT's foundation and working practices.
- The Scheme of Delegation was a priority for approval.
- Committee structure was also key to the proper functioning of the MAT and related committees' Terms of Reference. This would be discussed at the following meeting and would inform much of the discussions and resulting finalised handbook.

Trustees discussed amendments and inconsistencies related to the introductory preface, relationships between the Trust and its academies, committee structure, terminology, roles and responsibilities, committees' Terms of Reference and the relationship of the Board of Trustees to LGBs, as outlined in the current document.

Trustees agreed that:

- The Scheme of Delegation (SoD) matrix, subject to some minor alterations, should be approved and published at the earliest opportunity.
- Trustees should send further detail on amendments and concerns regarding the wider content of the Governance Handbook to the Chair and CEO following the meeting.
- The SoD should then be included as an appendix to the Governance Handbook, once finalised.

In response to a question regarding the multiple layers of governance and methods of communication between the Board of Trustees and LGBs, the Head of Governor Services at City of York Council stated that there would be a period of time during which appropriate strategies for communication would emerge throughout the MAT, going on to advise that it would be important for the Board to establish methods through which Headteachers and LGB Chairs could feedback to Trustees on a regular basis. Examples of methods were given through which formal governance groups would seek to analyse which operational and strategic matters should be communicated up to Board level for further consideration.

Trustees discussed methods that would ensure effective communication of matters of strategic importance to the Board. It was noted that it was part of the Board's responsibility to identify effective working practices to ensure effective multi-level governance communications. Formal and informal methodologies were identified.

In response to a question, a former Trustee of Pathfinder MAT stated that Pathfinder MAT Committees had been used to identify appropriate delegation, monitor finance, and other precepts, going on to add that it would be advisable for the South York MAT Board to consider identifying lead indicators in order to address potential arising issues before they became problems.

There was an extensive and detailed discussion regarding structures, mechanisms, reporting templates, the level of flexibility required, models for comparison, primary and secondary settings' needs, analytics, indicators and school improvement. In summary, the Chair stated that the future committee structure would be key in ensuring effective reporting and monitoring of the MAT's academies, going on to ask how Trustees would envision other mechanisms, informal and formal. In response a Trustee stated that reporting was key to good practice, but good communication as a general principle was vital. The Head of Governor Services at City of York Council observed that the Governance Support and Development Service would play an important role in this regard, advising the Board that they would offer a joined up support package based on two individuals working across all the settings in the MAT, adding that they would also be able to feed governance information upwards and downwards in the form of 'soft intelligence'.

In conclusion the Chair noted that:

- Further clarity was needed with respect to structures and how they would operate. The 'School on a page' document and methodology was noted as an example of how key structures relevant to communication between the Board and LGBs could be formulated.
- The discussion, outlined above, would form the substance of the next meeting.
- There were a number of possible options that were yet to be clearly defined with respect to communication and working practices between the Board and LGBs. Consequently further agreement would need to be sought before the Governance Handbook could be published.
- The Scheme of Delegation matrix was largely fit for purpose and would be published on the Trust's website at the earliest opportunity.

With respect to the SoD, the CEO drew Trustees' attention to two changes made in the matrix:

1. C. Staffing – C1 Staffing Structures – point 2

The CEO outlined the issues related to this point and the appropriate level of decision making powers, noting that there were certain circumstances in which decisions surrounding staffing structure at academy level should be made by the LGB and other circumstances in which those decisions should be made by the Board of Trustees. Examples were given. Trustees discussed whether an amendment was necessary and agreed that the CEO would agree an appropriate amendment, addressing the correct level of responsibilities, with the Chair.

2. C. Staffing – C3 Academy level appointments – point 29

The CEO outlined her concern related to this point, with reference to monitoring consistency of practice across the MAT in awarding and withholding pay awards and potential issues that might arise from this and related decision making responsibilities as outlined in the SoD.

Trustees discussed the Board's role in pay decisions and any issues that might arise, observing that it would not be possible for the Board to investigate and approve each individual staff member's pay award and advising that the Board's role should be to monitor the level of consistency in decision making. Trustees discussed methods with which to

achieve this. The Chair advised that it would be useful to investigate a mechanism to ensure consistent approaches to decision making in relation to pay. There was a robust and lengthy discussion regarding the Board's role in relation to appeals and complaints. The following points were made by individual Trustees:

- A Trustee advised that direct intervention was not advisable in the case of an appeal or complaint; going on to observe that any complaint or appeal should be notified to the Board at which point the Board would review the situation and make a recommendation to the LGB who would then deal with the situation directly.
- A Trustee stated that it was part of the Board's executive function to maintain consistency across the MAT's academies and advised that there might be a role for the Board in considering certain appeals.
- A Trustee noted the importance of terminology and cautioned that the Board should not be responsible for pay decisions, but rather should take a role in monitoring, reviewing and advising on applications related to generic pay decisions and principles. An example was given.
- A Trustee observed that there were likely to be existing pay inconsistencies in currently maintained schools and advised that LGBs should be notified that pay decisions must be consistent with the approved Pay Policy.

The Chair summarised the discussion by stating that the Board's responsibility was to ensure that there was a Pay Policy that was understood and applied consistently across the MAT; going on to add that any appeals or complaints should be heard by the relevant academy's LGB.

A Trustee drew the Board's attention to the following point in the SoD: **C. Staffing – C3 Academy level appointments – point 17** and stated that the stipulation that the Board of Trustees '*decide*' upon the appointment of an academy's Headteacher was misleading; going on to observe that it gave the impression that the Board was deciding who would be appointed as opposed to ratifying a recommendation made by the CEO and LGB. A Trustee observed that the Board's responsibility was clearly defined in the Articles of Association. The Chair confirmed that Trustees clearly understood the process related to the appointment of an academy's Headteacher.

The Chair stated that the SoD matrix would be amended in light of the discussions recorded above. Trustees were asked to inform the CEO of any inconsistencies in the Governance Handbook and SoD. Trustees were informed that roles, responsibilities and relationships would be discussed in more depth at the next meeting. A Trustee advised that close attention be paid to lexical and typographical consistency in the documents, previously distributed.

4.viii Finance Handbook

The CEO advised that this document had been created with the help of the Project Manager, Tim Priestly. Trustees were informed that there were further elements such as the Investment Policy and Reserves Policy that would be included in the near future and that the CEO and Project Manager were in the process of compiling all the necessary additional documentation that would need to be in place and approved by April 2018. The Chair observed that the Finance and Resources Sub-Committee would be functioning by this time.

A Trustee stated that he had made a note of certain inconsistencies that he would forward on to the CEO following the meeting. Trustees then discussed:

Development Plan – paragraph 405

A Trustee advised that elements related to the Trust's strategic planning progress should be more prominent and stated that he felt that this paragraph was both worded differently to the rest of the document and misplaced. A Trustee observed that this paragraph also related to financial decision making across the academies. The CEO invited the Trustee to send an appropriate amendment.

Payments and Withdrawals - paragraph 803

A Trustee noted references to Deputy Headteachers at Fulford Academy in paragraph 803, observing that whilst this was relevant to Fulford School it would not be relevant across the MAT. The Trustee advised that such wording needed to be carefully monitored when other schools joined the MAT, adding that this aspect was also relevant to the SoD.

In response to a question the Chief Finance Officer stated that there had been a fundamental shift in accounting practice following conversion, going on to state that practice was now more focussed and required increased ownership of financial statements and balances. In addition to this cash flow was now managed differently. Trustees were informed that the LA currently held an amount of money due to Fulford School.

With respect to cash flow management, the following points were made:

- There were now different and more onerous reporting arrangements, which meant that certain statutory demands were now the Academies' and MAT's responsibility and that accounts were to be managed in a different way.
- There had always been a cash-flow element in the financial management of Fulford School, when it was maintained by the LA; however Fulford School had always previously had a surplus on which to rely. Trustees were informed that this would once more be the case when monies owed were received from the LA.
- There would no longer be an overdraft facility, but this had rarely been used in the past.
- The CEO advised that cash-flow would be more of an issue for the primary schools planning to join; going on to add that a further challenge would be the management of MAT wide finances, noting that the Deputy Headteachers were named as signatories on the MAT bank account.

4.i – 4.vi – Delegated authority to agree documents

A Trustee observed, in reference to items 4.i-4.vi, that whilst Trustees had noted the adoption of these documents for Fulford School, above, it was important to establish a clear understanding of the delegations in place for future conversions.

The Trustee advised that the Board should agree that certain members of the Trust Board had the delegated authority to agree those documents and that this be related to the process of Due Diligence; going on to add that this should be noted. The Trustee advised that this would ensure that the correct legal process had been followed should any material issues arising from the Due Diligence process be presented to the Board.

There was an extensive discussion regarding the appropriate mechanisms for approval of key documents, addressing pre-agreement, retrospective approval, deadlines and dates.

A Trustee advised that a Due Diligence Committee would be able to receive documents, make a recommendation in principle, subject to the legal documentation being entered into. The Trustee stated that the Board should agree a number of named Trustees who would be given the delegated authority to approve the legal documentation once available. A Trustee advised that for future conversions, named Trustees would need to ensure consistency of

documentation and be comfortable with the Due Diligence performed. The Trustee advised that Brown Jacobson could be asked to provide a document on relevant process and that this could be added to the minutes, noting that the Board should take any decision on whether a school should be invited to join the MAT and when.

The Chair advised that Dunnington Primary School's Due Diligence was on the Agenda that evening (Item 10.i) and that the Board would be meeting on a monthly basis for the first six months of operation, suggesting that the process should be managed at Board level during this initial period. The Trustee agreed that this was appropriate until a committee structure had been agreed, but recommended that her suggestion should form part of the Project Plan, overseen by the Project Manager, and should be included as part of the Board's wider business.

The CEO outlined the process followed for Dunnington Primary School's Due Diligence to the Board, stating that the Project Manager had devised the process followed which had been based on his prior experience. Trustees were informed that the CEO and CFO had met with Dunnington Primary School's Headteacher and Business Manager in line with an agreed process, template and scoring system. In addition to this Brown Jacobson had been involved in legal process issues related to land and relationships with City of York Council and the Diocese.

A Trustee advised that the Board agree the process to be followed:

- Due Diligence would be carried out in line with an agreed protocol, led by the CEO and Chair.
- The Board would consider the information gathered and approve in principle.
- Following Board approval in principle, the legal process would begin and advice would be sought.
- Subject to any other material issues arising, delegated authority would be granted to named Trustees to approve relevant documentation.
- Any legal due diligence issues arising would be brought before the Board prior to approval.

Trustees unanimously approved the process of Due Diligence and the principle of delegated authority for approval of key documentation.

4.viii.a Academies Financial Handbook 2017: to note the key requirements⁴⁴

There was nothing to add under this item.

5. FORMAL ADOPTION OF ADMISSIONS POLICY AND ARRANGEMENTS FOR ENTRY IN 2019-2020

Previously distributed.

The CEO advised the Board that the school had largely kept to previous arrangements for admissions for entry in 2019-2020, with the LA; going on to add that the process would be fully owned by the MAT the following year, but that the both the process and approach were likely to remain the same.

The Chair proposed that Trustees agree and adopt the policy and arrangements for entry in 2019-2020 as previously distributed.

Trustees considered and approved the Admissions Policy and Arrangements for entry in 2019-2020..

6. CONFIRMATION OF KEY APPOINTMENTS

Lorna Savage and Sam Bradford left the meeting at 20:00.

6.i Accounting Officer (formal appointment of Lorna Savage)

6.ii Chief Executive Officer (formal appointment of Lorna Savage)

6.iii Chief Finance Officer (formal appointment of Sam Bradford)

6.iv Company Secretary (formal appointment of Sam Bradford)

In response to a request for clarification as to whether the Board were being asked to approve appointments, listed above only or related job descriptions and pay in addition, the Chair stated that Trustees were asked to approve appointments only at this stage. The Trustee expressed concern regarding whether the appointments were being made properly under TUPE regulations or were possibly being made without HR advice, pay and job descriptions.

Trustees discussed relevant aspects of TUPE regulations and it was noted that, with an individual's agreement, economical, technical or organisational (ETO) reasons could explain and allow for a change to job descriptions under TUPE regulations, but any changes must be completed within a reasonable timescale. The Chair confirmed that the individuals concerned had agreed to relevant changes; the Trustee stated that official paperwork and process must follow.

The Chair stated that Trustees were asked to agree the appointments based on the mutual agreement of the post-holders concerned that they would assume the related responsibilities. Trustees discussed retrospective pay awards, job descriptions, backfill for key posts at Fulford School, benchmarking and HR support and its procurement. The following points were highlighted:

- The roles listed were formal roles that required approval to fulfil statutory requirements.
- The individuals concerned were content with the process outlined above.
- In order for other stakeholders to hold the MAT to account, these appointments needed to be made as part of the MAT's statutory legal accountability measures.
- There would be no change to individuals' current contractual terms and conditions until further discussions had been held by the Board.

Trustees agreed to appoint Lorna Savage as Chief Executive Officer and Accounting Officer of the South York MAT, subject to an agreed job description and pay award to be discussed and agreed at future meetings.

Trustees agreed to appoint Sam Bradford as Chief Finance Officer and Company Secretary, subject to an agreed job description and pay award to be discussed and agreed at future meetings.

The Chair agreed to outline the Trustees' discussions to the CEO and CFO on their return to the meeting.

Lorna Savage and Sam Bradford returned to the meeting at 20:10

Salli Radford and Catherine Lajoinie left the meeting at 20:10

6.v Clerking Service for the MAT (formal appointment of City of York Council Governance Services as Committee/MAT Board Clerk)

Salli Radford and Catherine Lajoinie returned to the meeting at 20:15

The Chair confirmed that the Board had approved the appointment of City of York Council Governance Services to support the MAT's clerking requirements, subject to future review.

7. APPROVAL OF BUDGET 01-01-2018 TO 31-08-2018

The CFO tabled four papers:

1. **Workbook only – not for use as the budget forecast return**
2. **CFR Report – Start Budget Income (16/17 Outturn; 17/18 Start Budget; Academy Funding)**
3. **CFR Report – Start Budget Expenditure (16/17 Outturn; 17/18 Start Budget; January-August 2018 projected)**
4. **Table of Services' Contracts – Costs & Detail**

Trustees were informed that the detail contained within paper 1 represented the data that the SFA wanted Trustees to approve. The CFO noted the following detail:

Net revenue Income/(expenditure) for the first period 1st January – 31st August 2018:	£3738
Revenue Balance B/Fwd from previous period	£308,701
Capital Balance B/Fwd from previous period	£73,299

The CFO noted that c.£400,000 should be received from City of York Council in the near future; going on to add that the net revenue Income/(expenditure) for the first period might change until the accounts were finalised and that this related, to some extent, on bills charged to Fulford School. Trustees were informed that it was anticipated that c.£40,000 would be spent from capital expenditure on works that needed to be completed at Fulford School.

The CFO then brought Trustees' attention to paper 2 and specifically Academy funding. The CFO noted that the report contained information for the initial eight month period and a comparison budget as a maintained school. The CFO advised that the paper demonstrated the overall funding that was expected – General Academy Grant (GAG) and other elements.

In response to a question the CFO stated that any invoices received by the school prior to December were entered under the old school accounts, going on to add that the LA had been given four months by the EFA to finalise any additional transfers to the MAT. The CFO stated that he planned to discuss a potential advance on those funds with the LA, noting that exam fees would be received in March/April 2018 which must be paid.

A Trustee observed that there was no a four month actual included in the report representing figures related to September-December 2017 which would provide a bridge between income received as a maintained school and that as an Academy; going on to add that as Trustees they were only responsible for the Academy budget but also had a responsibility to ensure appropriate financial management over the whole year. The CFO stated that the actuals were included and he would have expected them to be largely in line with the start budget figures with some variances, going on to add that he would have expected the figures to demonstrate

that the budget had been achieved by the end of the calendar year. The Trustee advised that it would be good practice for Trustees to have sight of the whole year's funding, both maintained and academy income, and requested that this approach be taken in future. The CFO confirmed that the Trustee would like to see income and expenditure strands from the September to September MAT financial year, noting that there was some difficulty in this approach due to differences in the way that funding was received.

In response to a question the CFO stated that there were no significant uplifts in income, other than the Regional Growth Fund, £94,310, and no significant reductions. A Trustee confirmed with the CFO that there had been c.£6.9 million turnover in the twelve month period. The CEO noted that the Regional Growth Fund grant had largely been used to fund backfill for the CFO at Fulford School, to fund the new financial software package, auditors' fees, partial backfill for the CEO's role as Headteacher at Fulford School and other costs related to schools planning to join the MAT. The CEO noted that a staggered partial funding approach had been taken to the finance package to ensure fairness for all schools.

The CFO then brought Trustees' attention to paper 3, noting that it represented projected expenditure from January-August 2018. The CFO highlighted:

E11 Staff Related Insurance:

Buildings R & M (Pro-active)

Buildings – non capital development cost

, and noted that these lines had been cut from the budget as there was not any expected in – year spending. The CFO noted that the budget was extremely tight and would continue to remain so whilst funding remained as it was currently. The CEO informed Trustees that it was hoped that Elected Members at the City of York Council would support the anticipated Schools' Forum's recommendation to adopt the new National Funding Formula; going on to add that in real terms this would represent a c.10% increase in student led income (Years7-11) for Fulford Academy, but that those funds would not be received until September 2018. The CEO noted that Primaries should expect to see a rise in income of approximately 3-5%. In response to a question the CEO noted that indicative budgets would be received in March, and any suggested delay to conversions would be discussed following receipt of those budgets.

The CFO noted that he anticipated that certain lines would be under-spent, ensuring available funds in case any unanticipated in-year expenditure was needed; the CEO added that Fulford School should also receive reserves from the LA in the near future.

The CEO cautioned that 6th Form numbers and Year 7 numbers were yet to be confirmed, which would have a varying impact on the budget and would require some remodelling. The CFO invited any specific questions on expenditure.

In response to questions, the CEO and CFO confirmed the following:

- The SFA funding model was based on census numbers from the previous year.
- Year 7 numbers were likely to be lower for 2018-2019 than the previous year.
- The academy would receive lagged funding for 6th Form pupils.
- Business rates were offset from income to expenditure and this would not change under academy regulations.
- Supply staff costs were driven by a number of factors – CPD, two long-term sickness absences, maternity leaves.

- Approaches were determined by cost efficiency and specific situations eg. phased returns.
- A variety of systems were used – part-time staff, ex-employees, and agencies depending on the specific need.
- First point of contact would be the employed cover supervisors who supplied cover on an *ad hoc* basis.
- Expenditure had remained stable for the last six-seven years.

A Trustee stated that the narrative was understood, demonstrated continuity and no material concerns, going on to ask for clarification on what Trustees were being asked to formally approve and for an explanation of relevant circumstances for amendment. In response the CFO stated that Trustees were required to approve the suggested outturn as demonstrated in paper 1. The CEO added that it would be submitted within the next six weeks. The Trustee confirmed with the CEO that it was to be approved at a high level, going on to ask what Trustees were committing themselves to as a full and fair reflection of the projected outturn figure. In response the CFO outlined the following:

Total Revenue Income	£4,562,782
Total Revenue Expenditure	£4,559,025
Net Revenue Income	£3,738
Brought Forward	£308,701
Revenue Balance C/Fwd to next period	£312,439

Total Capital Income	£18,444
Total Capital Expenditure	£40,000
Net Capital Income	£21,556
Brought Forward	£73,299
Capital Balance C/Fwd to next period	£51,743

It was noted that this was the first time that accounts had been considered at this level and in future the anticipated Finance and Resources Committee would consider and scrutinise financial reports. A Trustee reminded the CEO and CFO that Trustees had confirmed that they would like to see evidence of financial management related to pre and post conversion accounts in future.

In response to a request for reassurance that there were Trustees present that were familiar with accounting in general and with Fulford School's figures prior to conversion, the Chair noted that there were four former Fulford Governors present as Trustees, two of whom had sat on Fulford School's Finance Committee; going on to note that Fulford School's FGB had approved the Start Budget 2017-2018. The Chair stated that the projections outlined were new to all but were based on a budget with which former Fulford Governors were confident.

In response to a question the CEO confirmed that the budget would continue to be monitored and adjusted as appropriate, noting that any amendments would be submitted to the SFA when necessary. The CEO observed that pupil numbers and related funding and staffing costs were yet to be confirmed. The CFO noted that staffing costs above 80% of the total budget would be flagged, which would most likely be the case for Fulford School (c.82%), going on to note that they would be able to explain why this was the case.

Trustees considered and approved the Budget 01-01-2018 – 31-08-2018.

8. AGREE AN INTERMEDIATE WORK PROGRAMME FOR SENIOR MAT OFFICERS (relating to the Board's governance and finance responsibilities)

The Chair suggested that Trustees return to this Item at the following meeting. The Trustees agreed to consider this item at the next meeting.

The CEO asked Trustees to approve the MAT's continuing contractual relationships with City of York Council and the Services for Schools that Fulford School had previously used. The Chair noted that this had formed part of the Budget, previously distributed. The CEO stated that this specifically related to HR, Legal and Payroll Services.

Trustees approved the proposal that the MAT continue to use the Services for Schools related to HR, Legal and Pay Roll as offered by City of York Council, subject to future review.

9. RATIFICATION OF CHAIR'S ACTION:

9.i Appointment of Auditors

A Trustee outlined the procurement process followed to the Board and noted that five firms had initially been considered.

The Trustee stated that the recommendation was to appoint Murry Harcourt Accountants as the MAT Auditors, on the basis of quality, reputation and cost.

The Trustee noted that the same firm could be used for internal and external audits at this point in the MAT's development, but in future years the Board should consider two separate firms. Trustees discussed fees and were informed that these had been included in the Budget.

Trustees approved the appointment of Murray Harcourt Accountants as auditors to the MAT.

9.ii Opening company bank account

Trustees were informed that the CEO had opened an account with Lloyds, at no cost to the MAT.

9.iii Membership of RPA and RPA+

The CEO advised the Board that insurance had been comprehensively discussed with Brown Jacobson LLP. With their advice and support regarding the best cost-effective fit, a fiscal arrangement with RPA+ elements had been secured.

In response to a question, the CFO stated that the elements included motor insurance and overseas travel. Elements that had not been taken included aspects that were already covered by City of York Council such as engineering inspections, and works of art.

A Trustee requested that Trustees receive a copy of the Directors and Officers Cover.

9.iv Continued use of City of York Council legal services

The SFO drew Trustees' attention to finance paper four, previously tabled under Item 7, and items highlighted in grey which represented existing contracts that should be carried forward, but needed Board approval to continue without beginning a tender process due to the related cost. The CFO noted that when these contracts were due for renewal they would be returned to the Board for further discussion and decision.

A Trustee requested further information related to the notice period and contractual terms of continuation if the MAT were to continue to use the Service once the initial contract period had ended.

A Trustee asked why there was a line representing supply teachers that needed Trustee approval. In response the CFO explained that Fulford School had historically used one agency more than any other due to consistent high quality of practice. Trustee approval was sought to ensure proper process was followed.

The CFO suggested that due to the short-term timeframe he return with more detail at the next meeting. The Chair agreed and asked the CFO to supply dates at the next meeting.

Trustees considered and approved the continued use of City of York Council's legal services.

10. AGREE A PROCESS OF DUE DILIGENCE TO APPROVE FUTURE SCHOOLS JOINING THE MAT

A process of due diligence was discussed and approved under Item 4.

10.i Dunnington CE Primary

Previously distributed.

Claire Graham Brown reminded Trustees of her interest as outlined above, and confirmed that in her role as Trustee any decision would be made in the best interest of the Trust.

Trustees were informed that the CEO and CFO had visited Dunnington Primary School to conduct Due Diligence investigations. The following points were noted:

- Finances were tight.
- The LA Standards rating was A.
- Premises – there was a lease issue that needed to be resolved, but no other major issues.
- General Data Protection Regulations (GDPR) – the school was in the process of ensuring compliance with the new regulations.
- Staff were successfully developed.
- Regular reporting on Standards and Finance was made to the school's Governing Body.
- Main issues of concern related to:
 - Finance –
 - The budget was very tight and there was a large deficit which it was hoped would balance out.
 - The school did not hold much in reserves.
 - Standards –
 - Boys writing.
 - Additional challenges were related to staffing that year, with two members of staff having taken maternity leave.
 - Premises –
 - The roof had received works.
 - The CEO noted that remedy for any future issues could be sourced through condition improvement funding once the MAT had reached a certain pupil numbers threshold.
 - The windows were the biggest financial liability.

- The Chair recommended that the MAT seek to conduct a conditions survey and seek additional reassurance related to asbestos and the boiler. The CEO noted that a previous conditions survey had been shared by the school and that there were time pressures linked to basing approval of Dunnington Primary School's accession to a new buildings survey. Trustees were informed that documents were due to be signed off by the Department for Education on February 5th.

Trustees discussed aspects related to process, workload, individuals responsible for completing Due Diligence, solicitors' input and the involvement of Governing Bodies and Trustees.

Trustees considered the Due Diligence performed on Dunnington Primary School and approved the CEO and CFO's recommendation that Dunnington Primary School's accession to the South York MAT proceed, subject to responses received from the school related to questions on the condition of the building, budget and governance as related to the main issues of concern outlined above.

Trustees recommended the following with respect to future conversions:

- A summary document would be useful with respect to future recommendations.
- As capacity built, other Headteachers could contribute to the performance of Due Diligence. Sheena Powley, former Headteacher and Trustee, offered her help in assessing standards and curriculum in primary schools.
- The CEO should continue to be involved in future processes to assure effective overall insight.
- A vendor approach would be useful, in which schools would complete an initial self-assessment based on key identified criteria.
- Solicitor input related to leases and commercial transfer agreements.
- Triangulation with Governors and Trustees would be a useful addition to the process, through which involvement and impact in improvement planning and financial management could be tracked.
- Once committees were established, the process would develop.
- Situations in which pressured decisions were made with respect to Due Diligence should be avoided.
- Major risks should be presented as part of the Due Diligence process.

10.ii Schedule of planned conversion dates

The CEO noted the lack of dialogue with City of York Council regarding conversion dates for currently maintained schools and added that discussions continued with City of York Council and the Department for Education regarding support and communication.

Trustees were informed of the following schedule of conversion dates:

School	Planned conversion date	Comment	Due Diligence to be considered by Board
Wheldrake with Thorganby CE Primary School	May 2018		March 2018

Elvington CE Primary School	June 2018		April 2018
Archbishop of York CE Junior School	September 2018		
Danesgate Community and PRU	September 2018	Trustees were advised that Danesgate was engaged in cross-phase provision and would continue to run a commission-based model following conversion. It was noted that following the anticipated conclusion of the Inclusion Review, the Board would need to establish increased certainty with respect to Danesgate's place within the MAT.	
Naburn CE Primary School	October 2018		
Lord Deramore's Primary School	November 2018		
St Oswald's CE Primary School	December 2018	Trustees were informed that St Oswald's was a private finance initiative (PFI) school, and this date was likely to be postponed.	
Fishergate Primary School	January 2019		

The following points were made with regards to business matters:

- The schedule of conversions would point towards Due Diligence scheduling.
- The anticipated new National Funding Formula would have a significant effect on related matters.

In response to a question, the CEO confirmed that there was the available capacity to achieve these aims; going on to add that a key consideration related to building effective economies of scale so that MAT on costs could be balanced.

11. REVIEW OF POLICIES AND PROCEDURES

Previously distributed.

The Chair informed Trustees that the policies distributed were standard policies from the City of York Council and needed to be published in order for the MAT to be compliant. The CEO added that the Complaints policy included an independent element to the appeals process, which differed to the City of York Council model policy; going on to add that the Whistleblowing policy remained the same.

11.i Complaints Policy

Trustees considered and approved the Complaints Policy.

11.ii Whistleblowing Policy

Trustees considered and approved the Whistleblowing Policy.

12. ANY OTHER BUSINESS

The CEO tabled the proposed LGB composition for Dunnington Primary Academy.

Trustees considered and approved the constitution of and proposed LGB composition for Dunnington Primary Academy.

Claire Graham Brown gave her apologies for the next Board of Trustees' meeting.

The CEO confirmed that former Fulford School governors would be meeting on 7th February 2018 to discuss aspects related to LGB composition and sub-committee structure.

13. DATES AND TIMES OF FUTURE MEETINGS

The next Board of Trustees' meeting would take place on Tuesday 27th February 2018 at 6.30pm.

The meeting closed at 21:30.

Mr Andrew Pennington
Chair

Date

ITEMS FOR FUTURE AGENDAS:

Due Diligence:

Wheldrake with Thorganby CE Primary School – March 2018

Elvington CE Primary School – April 2018