

WATERTON ACADEMY TRUST BOARD

ANNUAL GENERAL MEETING

DATE:	TIME:	LOCATION:
Tuesday, 15 December 2015	6.00 pm	Normanton Common Primary Academy

PRESENT

Chair:	Mr P Beaman	
CEO	Mr D Dickinson	
Directors:	Mr G Bishop	Mrs R Cook
	Mrs S George	Mr P Halliday
	Mrs A Kelcher	Mr J Smith
	Mr D Westwell	Mr P Wiehl
In Attendance:	Mrs V Collins	Ms V Harrison (item 5)
	Ms M Lang (item 5)	Ms P Parker (item 5)
Clerk:	Miss C Winter	
Apologies:	Mr M Fealy	Mrs C Thompson
	Mr M Winn	

ITEM	ACTION
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PROCEDURAL ITEMS

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr M Fealy, Mrs C Thompson and Mr M Winn.

Directors' Consent to Absences

Resolved 8

That Directors consent to the absences of Mr M Fealy, Mrs C Thompson and Mr M Winn.

Directors noted that Mr M Winn had stepped down from the position of Director.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE MEETING HELD ON 20 OCTOBER 2015

Resolved 9

That the minutes of the meeting held on 20 October 2015, being correct, be signed; and

That a copy of the signed set of minutes be retained by the Trust.

4. MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

ITEM	ACTION
<p>5. PRESENTATION OF ACCOUNTS</p> <p>Ms Harrison, Ms Parker and Ms Lang from GBAC Ltd were welcomed to the meeting. They presented the Accounts and draft Trustees Report.</p> <p>Ms Lang explained that the role of GBAC as independent auditors was to take a true and fair view of the MAT's financial position. She explained that the trustees report considered how the MAT operates and internal controls. The Independent Reporting Accountants report provided limited assurance about how the MAT dispensed funds.</p> <p>Directors noted key issues arising from the presentation including:</p> <p>Audit Process and Key Audit Matters The accounts and in particular the pension scheme was very complicated.</p> <p>Review of Period – Inherited Assets Q. Why is the figure for other assets so small given the amount of equipment in schools? A. Items under £500 are not included. Items such as furniture are mainly under this value and tend not to be included because they are difficult to track.</p> <p>Q. Why are there such big differences in the final determination between schools? A. This depends on what each school had spent in year. For example it was agreed that Walton Primary would make some big purchases so they have a smaller amount.</p> <p>Q. Is it acceptable to have a nil figure at Normanton Juniors? A. Yes, this is mainly due to an in-year deficit and further adjustments can be made within the first 12 months if more information becomes available.</p> <p>Review of Period – GAG and Employee Expenses Directors noted that this was the position as at 31 August 2015 so the effect of a less expensive teacher would not be seen for some time. Ms Lang explained that the formula for calculating salaries as a percentage put the figure in the 80's so this might need to be calculated in a different way. She added that this was a key performance indicator.</p> <p>Q. What is Central Services? A. This includes the MAT costs and the actuarial pension charge.</p> <p>Review of Period – Grants Ms Lang explained that this included the whole income coming into the MAT consisting of restricted and unrestricted funds. She explained that restricted funds had been provided for a specific reason e.g. capital grants could only be spent on capital items. Unrestricted funds did not have these stipulations however the money still had to be used to support the aims of the Academy Trust.</p> <p>Review of Period – Funds and Fund Policy</p>	

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<p>Directors noted that the Government wanted money given to schools at a point in time to be spent on current pupils. However it was appropriate to have some money in reserve and the MAT needed to have a Reserves Policy.</p> <p>Resolved 10 <i>That 'Reserves Policy' be included as an item on the next agenda.</i></p> <p>Q. How much money do MATs generally hold in reserve? A. This varies widely amongst academies and MATs.</p> <p>Mr Bishop confirmed that section 103 funding for Normanton Common would be restricted because it is specifically intended for increasing the size of the school.</p> <p>The CEO explained that further discussions about the reserve fund would be held but he anticipated that the surplus from the 5-6% of yearly contribution could be put towards the reserve fund. The MAT may be able to decrease the percentage as more schools join. Directors noted that if the fund grew too large then some of it could be released to fund projects.</p> <p>Q. Would this entail individual schools bidding for the money? A. A judgement would need to be made about any proposals. This would have to be clearly documented through a formal process to ensure fairness and consistency. The CEO said that Headteachers would meet to discuss what they wanted and it would then be a case of working out what aspects are affordable.</p> <p>Review of Period – Pension Fund Accounting Ms Lang explained that the support staff were included in the West Yorkshire Pension Fund. This was a defined benefit scheme accounted for in line with FRS17 and an Actuarial Report from an independent expert had been received dated 31 August 2015 which provided an estimate of the liability at both the year end and at conversion dates. The future obligations and likely impacts were discussed. The pension liability of £697,000 is a long term liability and as such the schools will need to make contributions at rates defined by the actuary to reduce this amount albeit the liability should not have an immediate cash impact. Ms Lang also noted in her presentation that the mid-year conversion liabilities provided by the actuary were estimates and therefore there would be some element of movement from mid-year to the year-end which was evident in the accounts. This would in all likelihood continue as more schools joined mid-year. Ultimately the year-end liability will change in line with contribution rates, investment performance and general economic conditions pertaining to the UK economy. Employer contribution rates for future years have been set at 16.0%. Ms Lang also noted that the Government would step in to protect the fund such that any local government pension scheme liabilities would be settled by the government in the event that an academy was to close.</p> <p>Ms Lang went on to note that the second pension scheme (Teachers' Pension Scheme) was accounted for as a defined contribution scheme as it was a multi-employer scheme. Employer contributions were set by the actuary would be 16.4% from September 2015.</p> <p>Review of Period – Ratios</p>	

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<p>Directors noted that this information would demonstrate the benefits of the MAT going forward.</p> <p>Q. How will the figures change? A. As new schools join the MAT the parameters will change which in turn will have a big impact on the figures.</p> <p>Related Parties – Declaration of Interest and Public Benefits Ms Lang explained that some of the forms Directors had filled out needed more clarification, particularly in relation to providing more information about related party transactions as these would need to be carried out at cost price.</p> <p>Q. How would the cost price be calculated? A. Overhead costs including salary can be charged for but no profit can be made and this would have to be clearly demonstrated.</p> <p>Directors noted that the Declaration of Interest form that they had filled in had been produced by the Local Authority and the format of the document may need to be changed. They noted that the form would also need to be circulated to Governors on the Local Governing Bodies. GBAC agreed to send out a copy of the form with some examples so that Directors knew what to include.</p> <p>Q. In terms of family how far out should the declaration go? A. Dependents should be included – spouse and children.</p> <p>Post Balance Sheet Events Ms Lang asked Directors to disclose anything that may affect the budget and audit process that had happened since August. Nothing was raised.</p> <p>Q. Has the MAT chosen to undertake academic year accounts? A. No, this is something that all academies are required to do.</p> <p>Internal Control and Letter of Comment Ms Lang explained that the comments were:</p> <ul style="list-style-type: none"> • That there was no significant difference. • There were no unadjusted misstatements • No modifications were proposed – the audit report was clean. <p>Ms Lang explained that GBAC liked to provide their clients with comments about what they felt could be improved. She explained GBAC’s recommendations:</p> <ul style="list-style-type: none"> • That a Chief Financial Officer be appointed. • That the MAT’s financial processes and procedures needed some work. • That VAT reporting formats should be reviewed to ensure the correct reporting requirements. <p>Of these Directors noted that the need for a Chief Financial Officer had been discussed at the last meeting and was an item for discussion on the agenda.</p>	<p>GBAC</p>

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<p>Ms Lang explained that the MAT had grown very quickly therefore differences between individual schools systems needed to be standardised.</p> <p>Q. Can the accounts be signed off now and the Trustees Report signed later? A. No, they need to be accepted together. The deadline for the document to be with the EFA is 31 December.</p> <p>Mr Smith highlighted that he had not yet seen the RAISE data and Mrs Kelcher reported that she had not read the Trustees Report therefore both were reluctant to approve it at this point. The CEO explained that the RAISE data needed to go to the Standards Committee where, as Chair, Mr Smith could discuss it with colleagues. He noted that although Mrs Kelcher had not read the Trustees Report, it had indeed been available on One Drive for seven days prior to the meeting. Mrs Kelcher acknowledged this and cited technical issues.</p> <p>Q. Will the document be changed in light of the RAISE data? A. No but moving forward the Standards Committee would be able to consider data and guide the content of the report.</p> <p>Resolved 11 <i>That Directors who have not already had the opportunity to do so will read the Draft Trustees Report by Friday and feedback any comments about what they would like to see moving forward; and</i></p> <p><i>That the CEO and Chair will arrange to meet and sign off the accounts and trustees report on Friday; and</i></p> <p><i>That GBAC Ltd are appointed as auditors for the forthcoming year.</i></p>	
<p>6. DRAFT TRUSTEES REPORT</p> <p>This item was covered under presentation of accounts.</p>	
<p>7. APPOINTMENT OF CHIEF FINANCIAL OFFICER</p> <p>Mrs Collins explained that a draft Job Description had been written and sent to the HR department for evaluation. The job had been evaluated at grade 12 which was the maximum that could be awarded on the support staff scale. Mrs Collins felt that this salary was a little low compared to the market rate. She therefore proposed that the leadership scale of 6 – 10 was used; this grade could be re-evaluated at a later date if necessary. Mrs Collins explained that the job would be term time plus three weeks and the Officer would be helping all schools equally.</p> <p>Q. How many Academies are likely to join the MAT this year? A. Probably two more by the end of the year taking the total to six.</p> <p>The CEO explained that he felt the MAT was in a vulnerable position without a Chief Financial Officer in place. Currently the MAT has a finance officer working two days per week and this has led to small mistakes being made due to the high workload.</p> <p>Resolved 12 <i>That the Chief Financial Officer Post be advertised.</i></p>	

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<p>8. CONTINUOUS PROFESSIONAL DEVELOPMENT DATES</p>	
<p>The CEO explained that he would like to offer Directors the opportunity to undertake a CPD session with Bond Dickson. Directors agreed that Wednesday would be the most appropriate night on which to hold this. The CEO agreed to contact Bond Dickson about potential dates.</p>	CEO
<p>9. ANY OTHER BUSINESS</p>	
<p>Changes to Articles of Association The Chair explained that when the articles had first been set up they included the following requirements:</p> <ul style="list-style-type: none"> • That the Chair of each Local Governing Body would also be a MAT Director. • That the Chair of Directors would be the Chair of Walton Primary Academy. <p>He explained that changes to the size and structure of the MAT had occurred since the Articles were written. He therefore proposed removing these stipulations to allow Local Governing Bodies to elect their own representative to the MAT Directors Board and for the Chair of Directors to be any member of the MAT Board.</p> <p>Directors discussed the proposals in detail. They felt that the nominated Director from each Local Governing Body would need to commit to attending MAT meetings and would need to be able to put the needs of the MAT before the interest of their individual school when making decisions as a Director.</p> <p>Resolved 13 <i>That the Articles of Association are amended to reflect that each Local Governing Body can nominate any one of their Governors to become a MAT Director and that the Chair of Directors can be any member of the MAT Board.</i></p> <p>Committee Meetings The Chair reminded Governors about the conversation held and decisions taken at the last MAT Board meeting in relation to setting up of committees. He highlighted the need for membership of the committees to be based on the outcome of the skills audit and suggested that a proposal was circulated to Directors.</p> <p>Q. How will the Standards Committee work? A. The committee will be accountable for the performance of the MAT. As the MAT grows it may be necessary to employ a performance officer.</p> <p>Q. Will the committees have delegated powers? A. Yes, they will be expected to drill down into the detail, take decisions and make recommendations as appropriate.</p> <p>Request from the Governing Body of Normanton Common Directors received a request from the Governing Body of Normanton Common about development of SEN support staff. They noted that similar issues around tracking had been raised by Crofton Infants.</p> <p>Mrs Collins explained that the proposal tied in with work she was currently</p>	

ITEM	ACTION
<p>undertaking to develop a recruitment strategy. She advised that the proposal would require a change in the Pay Policy and advice about a number of potential issues would need to be checked out with HR. The CEO suggested that the proposal could be discussed alongside the recruitment strategy at the next Headteacher's meeting.</p> <p>Resolved 14 <i>That an update about the recruitment strategy and SEN proposal is provided at the next meeting.</i></p> <p>Sports Event The CEO proposed that MAT Directors agree to sponsor a yearly football tournament in honour of Jez Horsley.</p> <p>Resolved 15 <i>That the CEO's proposal be agreed.</i></p>	
<p>10. CONFIRMATION OF DATE AND TIME OF NEXT MEETING</p>	
<p>Governors confirmed that their next meeting would be held on Tuesday, 2 February 2016 at 6.00 pm.</p>	
<p>MEETING CLOSE TIME: 8.30 pm</p>	

CHAIR