

Peterborough Diocese Education Trust
 Minutes of the Directors Meeting
 Tuesday 23rd July 2019 at 6.00pm
 Held at the Business Exchange, Rockingham Road, Kettering, NN16 8JX

Attendees:	Duncan Mills (DM - CEO); Cathy Armstrong (CA); Greg Cracknell (GC); Gordon Temple (GT); Peter Cantley (PC) – DDE; Kirstin Howarth (KH); Andrew Weatherill (AW); Helen Buckley (HB)
In Attendance:	Mike Cowland (MC); Ruth Walker-Green (RWG); Mike Behnke (Clerk – Syzygy Clerking Services); Maxine Ward (MW – Hallam Learning Consultancy Ltd)
Apologies:	Margaret Holman (MH), Kevin Binley (KB)

- In the absence of the Chair MH, GC, as Vice-Chair, took the meeting.

1. Opening Prayer

Discussion	Action
<ul style="list-style-type: none"> • GC led the opening prayer. 	

2. Declarations of pecuniary interest

Discussion	Action
<ul style="list-style-type: none"> • None declared. • HB introduced MW to the Board, who was conducting an external review of governance of the Trust. She had already observed the ESE Committee on 22/07/19 and would be conducting telephone interviews with Directors and members of the Central Team. 	

3. Apologies for absence

Discussion	Action
<ul style="list-style-type: none"> • Noted and accepted as above. 	

4. Any Other Business previously declared

Discussion	Action
<ul style="list-style-type: none"> • None declared. 	

5. Approval of Minutes of 21st May 2019

Discussion	Action

- | | |
|---|--|
| <ul style="list-style-type: none">• Page 71: Item 7 – amend 1st line in question to read ‘with <u>a</u> governor at..• Page 72: Item 8 – Amend 1st bullet point to read ‘There <u>is</u> a Wellbeing..• With the above amendments noted, the minutes were agreed to be a true record and were signed by GC as Acting Chair for the meeting. | |
|---|--|

<p>Item 10 – Memorandum of Understanding – PC sought clarification on whether the final MofU would reflect the penultimate bullet point in the minutes. This relates to HT candidates conducting an act of worship as part of the interview process. This was recorded as, ‘There was Board agreement that consideration of this important element of a PDET HT’s work should be included in some way’. DM responded that wherever possible, it would be included. However, structures and numbers on a particular day, could in some cases, make that not practical. He added that it had been done at Braunston and in some cases, for Head of School appointments. He gave assurance that it is and will continue to be part of the interview process whenever and wherever practicable.</p>	
---	--

8. CEO’s Report (Including Risk Register)

Discussion	Action
<p>The report had been previously circulated. DM said that he wished to add to the report that</p> <ul style="list-style-type: none"> • 100% of PDET schools had attended the RE training session and over 50% had been at the Diocesan HT day, with RWG contributing to a session on the Curriculum element of the new Ofsted Framework. <p>Other points to note:</p> <ul style="list-style-type: none"> • Lee Hughes had been appointment as MCs successor in the post of Finance and Business Operations Director. • There are still a number of vacancies across the Trust, but leadership has been secured in all the Trust schools, both in terms of Headship, DHTs and HoS, some of these being key schools for various reasons. • The HT’s Development Day had proved to be a great success with sessions focused on the Curriculum, the Governance review led by GT and a session on SEND by the trust’s lead consultant. • Most schools had received a visit by DM. The report references a number of school celebrations he had attended. • The annual sports days were held at Spratton Hall School and attracted good local press coverage. • The Growth paper, previously discussed, had gone to the DBE, the feedback, provided by PC, was detailed in the report. <p><u>Risk Register:</u></p> <ul style="list-style-type: none"> • Responsibilities related to MC have been temporarily been changed to DM. • Compliance with returns and audits has changed to an upward arrow, reflecting MC’s departure and a period before his successor starts. • ‘Contracts that are in breach..’ remains as an upward arrow as the Trust is not yet at the point where all renewals, eg printers, whiteboards, are through the same contracts. • ‘Trust reserves has falling below...’ has reverted to a horizontal arrow, reflecting the work MC has carried out on the budgets, ensuring the levels are back to a similar level to previously. • ‘Governance structures’ remains as an upward arrow as the governance review is still in progress. 	

<ul style="list-style-type: none"> • A number of policies and templates will be updated over the summer, hence the risk relating to policies remaining an upward arrow with work in progress. • Two other areas – ‘Staffing in Trust’ and ‘Leadership in Academies’ have both reverted to horizontal arrows due to the appointment of the Finance and Business Director and the successful recruitment of leaders for schools. <p>Q: Under the data protection section in the Risk register, we clearly don’t consider anything we’re doing as mitigating those risks as they have the same risk rating, before mitigation and after? Is that a mistake or because you can’t mitigate it? A: I will check on it.</p> <ul style="list-style-type: none"> • PC reiterated DM’s comments about the success of the HT Development days and the RE training session. • Regarding the growth paper, PC added that the DBE had found it helpful to understand the thinking of the senior team around expansion and the different factors that had been taken into account. He added that the DBE would find it helpful to have a paper of that nature on an annual basis, in order to be appraised of PDET’s strategic thinking. There was also agreement about the benefits of working across borders with other Dioceses, who may have a vulnerable school which needs to come into a MAT that they don’t have capacity for at that time. • The success of recruiting leaders was praised by the Board, in a time where recruitment across the board was difficult. It was added that the PDET brand was now known which was helping to attract people from across the country. <p>Q: Do we have a full complement of teachers? A: No, we have about 3 vacancies.</p>	<p>AP6: DM</p>
---	-----------------------

9. Confirmation of dates for 2019-20

Discussion	Action
<ul style="list-style-type: none"> • The dates for 2019-20 were noted by the Directors. 	

10. Freeman’s Academy

Discussion	Action
<p>The report and background had been circulated previously.</p> <ul style="list-style-type: none"> • Freeman’s is a stand-alone academy, a junior school in Wellingborough, where the children from St Barnabas (in PDET) go at the end of KS2. • PDET had been invited to present to the Freeman’s GB after which, it was informed that the GB and Trustees had voted to join PDET. • A process needs to be followed which culminates in the HT Board of the RSC meeting on 31/07/19 deciding if Freemans should transfer to PDET. • The previous meeting of the Board’s had approved for the Executive to carry out the due diligence exercise. This has almost been completed and documentation submitted to the RSC. This is mainly in the form of 	

a baseline review which covers T&L and governance. MC has also looked at the finance (details provided). HR issues have also been looked at and consultant surveyors are going in to look at the state of the buildings.

- In expectation that the school will benefit from PDET support, PDET had appointed a new HT, the previous one having left. With the DHT also leaving the school at Christmas, school leadership will be an issue in September. In addition, the Chair of Trustees has informed PDET that he will step down and other trustees are also leaving. If the transfer progresses, the HT appointed by PDET will be able to go in and lead the school going forward.
- The reason for the appointment is that if the HT Board agrees in July to allow Freeman's to join PDET, and PDET Board members approve the transfer, it is important to have a HT in post quickly.
- DM stated that, in his opinion, on moral grounds, children who have had a good education at St Barnabas and are about to move to KS2 at Freemans, deserve to be in a school that is being led well.
- The HT Board has a number of options it could take:
 - The school should not join PDET and could be given to another Trust
 - Continue as it is.
 - Join PDET, but the Trust needs to make a stronger case, providing more detail about how the school could benefit. This could delay the transfer.
- The case has been made that the school requires significant work and therefore, the Trust is asking for it to be considered as a rebrokering with financial support provided.
- PDET would not take the school on and not provide support, which could be expensive. It is unknown whether the school reserves will cover the cost of transfer and the cost of the improvement work required.
- Consideration needs to be given that if the HT Board approve the transfer, but funding support is not forthcoming, whether PDET agrees to take the school in and be prepared to fund it anyway.
- HB/RWG added that if the school isn't rebrokered, the Ofsted window for inspection is soon. If it is classed as a transfer, it may be February 2021. If it is rebrokered, the timings are reset and there would be another 30 months grace.
- It was clarified that the HT appointment was a central contract, offering a service to Freemans. The risk being, that if Freeman's is not transferred to the PDET, there would be a HT being paid centrally without a school.

Q: In terms of the level of certainty around the forecast of £80,000 that would underpin the school improvement work and the transitional costs, how confident should we be of that figure?

A: Bearing in mind that this Single Academy Trust has missed at least 2 financial deadlines, that's what they believe they've got and they need it to cover the expenditure going forward.

Q: Do we have any insights into why they've missed their financial return deadlines?

A: Yes.

- Concern was raised by the Board that although there was strategic logic in pursuing this transfer and taking Freeman's on, the due diligence work had failed, based on the circulated report:
 - The academy has failed to meet financial deadlines
 - It has high back office costs
 - Educationally, there would need to be a culture change
 - There are significant HR issues, with staff leaving.
- GT added that the report has not outlined what will be done to address the above if the academy is taken on, culture change being a massive and time consuming matter.
- Comparisons were made with St Mary's, which also had problems with staffing and finances at the time of transfer.
- The culture change has started to happen at St Mary's because an experienced HT had been appointed who has done an excellent job. It is believed that in the case of Freeman's, the person appointed will also be a good HT, but will require more support, which will cost.
- DM outlined that the £80-100,000 which the school thinks it has, would quickly be absorbed by:
 - £18,000 (or less) on conversion costs
 - A DHT appointed to work alongside the HT – ('double funding' until Christmas.)
 - £40-50,000 needed for other support.
- An advantage in this case, is that the children coming from St Barnabas, will come with a good base level of education.
- GC added that from the DBE side, if Freeman's didn't join PDET, they would be fighting hard for it to stay within a Church Trust, PDET being the obvious one.
- Regarding governance, support would be required for existing governors / trustees in order to support the HT.
- There would be a need for an interim arrangement period, because if the HT Board agrees to the transfer / rebrokering, the earliest it could be achieved would be 1st October. This is because of the TUPE process. Therefore, a PDET HT would be working 'under contract' and PDET would need to be assured that they were supported, in order to be effective in dealing with matters, for example those relating to staffing issues.

Q: If you read the report, this is a seriously troubled school and you need a strong HT in there, so why have we appointed a HT that also needs support?

A: Any HT going into that situation would need support. I think we've appointed a good HT, but we do not underestimate the need for her to be supported.

Q: What is her previous experience?

A: DHT experience, but we believe she can do the job.

Q: Is she a DHT in a current PDET school?

A: No, she has been doing the equivalent of a Head of School role across two primaries, on different sites.

Q: How did we attract her?

A: Through advertising for leaders across the Trust and what we talked about earlier, people wanting to come and work for PDET.

Q: Did we advertise?

<p>A: It came in through the Head of School applications. She was attracted to the post because of the reputation that PDET has.</p> <ul style="list-style-type: none"> • It was recognised that there would likely to be further staffing changes going forward. • The long term objective would be for St Barnabas and Freeman’s to become one school or at least to be schools that worked more closely. <p>Q: If you take on this one, you leave the third school from that group isolated and there’s almost an obligation to take them on?</p> <p>A: For those who aren’t aware, the three stand-alone academies were in a Federation – Freeman’s, St Mary’s Kettering and St Mary’s Burton Latimer. We have met the governors / trustees of St Mary’s Kettering and presented to them. They have chosen not to pursue joining PDET at this time. The door is open, it is a good school, it has a lot to offer PDET.</p> <ul style="list-style-type: none"> • Whilst PDET does not want to constantly take on troubled schools, DM emphasised the strategic importance of Freeman’s, as the school that most of the children from St Barnabas, an outstanding school, go after having had three years of outstanding education. They need to be provided with the same quality of education at KS2. • HB added that the arrangement between the three schools was an informal arrangement (a collaboration), the academies agreeing to support each other. This has also formally come to an end. <p>Q: Are there any grievances, competencies or disciplinary processes in train, which might make it even more complicated for a new HT coming in?</p> <p>A: Possibly and these are being assessed as part of the due diligence.</p> <p>It was agreed that further discussion should take place under confidential matters.</p>	
--	--

11. Committee Reports

Discussion	Action
<p><u>ESE Committee:</u></p> <ul style="list-style-type: none"> • The ESE meeting had reviewed data on all of the schools. • It had considered safeguarding reports and discussed how Safeguarding will be reviewed in the future. <p><u>Business and Finance Committee:</u></p> <ul style="list-style-type: none"> • The summary of the meeting had been circulated. • The main discussion had been in reviewing the budgets (MC to cover under agenda item 12). <p><u>Governance Committee:</u></p> <ul style="list-style-type: none"> • Summary report circulated of the discussions held. • Two key things to note: <ul style="list-style-type: none"> ○ HB had crystallised the role of local governance in relation to central governance, in a document which was discussed in detail. <ul style="list-style-type: none"> ▪ The Church of England ‘Vision for Education’ document provided the structure to put local governance into a framework. ▪ Risk management as a tool was brought in, as a way of giving some shape to what was important in local 	

<p>governance.</p> <ul style="list-style-type: none"> ▪ Three areas – Compliance, Church and Community were the threads under which everything would be brought together. ○ The roll out and implementation of the new governance structure. The new model will be launched on 25/09/19. <ul style="list-style-type: none"> ▪ The launch will be broken down into two parts: <ul style="list-style-type: none"> • Changing the accountability structure (on the day) • Implementing a more streamlined way of working at a local level, delayering committees etc. This element will take time and doesn't have to happen overnight, each LGB going on its individual journey. <p>Q: How are you planning to launch this? A: At a conference on 25th September, in the evening.</p> <p>Q: Will there be a procedure to follow this up on a more 1:1 basis? A: We need to be clear about the accountability structure and do this with some humility, take people with us, this is version 1 of the plan. HB is working on documents which will be looked at, in the next Governance Committee, so there will be documents that follow through. We'll start dialogues at that time. Having said that, we have already spoken to HTs and chairs in June and actually, from the feedback, they had bought it. We may lose some people along the way, but we want to take people with us.</p> <ul style="list-style-type: none"> • It was stressed that this needed to be done properly and be explained why it was being done, ensuring that people are treated with respect and perceive the new governance role as something worth having. 	
--	--

12. Approval of Academy budgets

Discussion	Action
<p>Trinity Pre-School:</p> <ul style="list-style-type: none"> • KB had circulated a summary report on the B&F Committee meeting. • CA brought the Board's attention to the last bullet point in the report which focused on the proposal for PDET to take over the operation of Trinity Pre-School in Aldwinckle. • A set of comprehensive documents/business case had been produced. • Three options for going forward, had been presented: <ul style="list-style-type: none"> ○ Transferring the provision to the school ○ Allowing the pre-school to close ○ Sourcing a commercial provider. • The Committee recommended its transfer to the school on the following conditions: <ul style="list-style-type: none"> ○ Written confirmation is received that the retained earnings were transferred to the school ○ Satisfactory assurance is received that the community fund raising will continue (c £5,000 a year is raised via this) ○ That there are no significant objections during the staff and parent consultations ○ The building ownership can be resolved. 	

- There are about 30 children who don't go all day and if the pre-school closed, it would hit the intake of the school.
- There are sufficient funds in the bank if things went wrong and it closed, for the school/PDET to fund any liabilities.
- **The Board agreed to accept the Committee's recommendation, based on the conditions outlined above.**

Approval of Academy Budgets:

- The budgets presented to the B&F committee were 5 year budgets. The report had been circulated together with the appendices on the summary budgets, showing the individual position of each academy and the recommendations for each, based on their prospects, rated A-D.
- The report specifies that the Committee strengthened the recommendations for those rated C and D, incorporated into the main report.
- Caution has been exercised with only guaranteed income included, eg the teacher's pension grant is only included for the next academic year with the government's commitment unknown beyond that.
- The spending review next year will determine what each school receives via the DfE.
- All Academy Trusts who are doing the same, are forecasting a similar picture to PDET, surviving for the next 2/3 years on the carry forward.
- Three year budget forecasts have to be submitted by the end of July.
- The advice from the Institute of School Business Leaders is to only input what you know you are going to get, which is what PDET has done.
- Each individual dashboard has all the assumptions from each academy, including staffing and class structures, income and expenditure. The colours relate to:
 - Green cells – carrying forward more than their 8% of GAG, minus the 5% so in line with the Trust's Reserves policy;
 - Red cells – means their balance has dropped below zero.
- There is more red as the years progress and less red in the final box as it is for illustration only, showing what would happen to the c/fs if the teacher's pension grant was received.

Q: What about the announcement this week of a teachers' pay rise?

A: 2.75% pay rise and only 0.75% funded. That came too late for any Trust to include in their submissions. Likely to kick in next April, backdated to September 2019. We have budgeted for a 2% pay rise across the schools.

Q: Do we have a sense of whether the overall number of pupils is going up, down or staying the same?

A: It's a mixed picture; The first question asked at the academy budget surgeries was 'show me your pupil numbers'. There is some logic behind all of the projections given. Some are increasing, eg Silverstone are showing modest increases and others are showing reduced numbers. On the whole, it's probably fairly static, Towcester and St Andrew's are showing small increases.

Q: The one's that are decreasing, it inevitably comes to a point where a class or half a class has to be restructured. Is there anything provided anywhere, for redundancy costs?

A: It would come from the schools; an example was provided of a school which is looking, after year 2, to merge 2 existing classes. They've planned ahead and have appointed a teacher on a 1 year fixed term contract because in Year 2, they will have to merge those classes and that post is likely to have to go.

- For schools that have predicted a reduction, redundancy costs have been factored in.
- Where schools have identified possible issues in Year 3, they are being encouraged to talk to the Central Team now, to look at other measures, reducing classes, redundancies etc.

Q: Is there likely to be any manoeuvrability, moving staff from one school to another in order to prevent redundancies?

A: Yes.

- It was added that schools are increasingly appointing staff on fixed term contracts, particularly TAs, some of who can be funded through Higher Needs funding.

Q: There are a lot of C and D rated schools; If we looked at it as one Trust, can the deficits of C and D schools be cancelled out by the As and Bs?

A: If we assume, no teacher's pension funding, then the brought forward balance reduces each year by a sizeable amount of money, but there is something in the bank until about Year 5. If we get teacher's pension funding, our reserves stay fairly static for three years and then they start to reduce. If we look at it as one financial entity, which we are encouraged to do, then for the next three years, as long as we receive the pension funding within the GAG, it's ok.

Q: if we recognise, because of the unfunded pension, that there is a point where the Trust will become illiquid, and we don't have any information about whether that is going to be made good, then aren't we obliged to have some sort of plan to deal with it?

A: It is a going concern issue. Technically, we only need 12 months from the end of the accounting year, but that's only for accounting purposes. There is also a strategic issue; there is a structured deficit building over the next number of years, so how do we get out of that is the question.

- MC added that all of the Trusts he had spoken to, were painting the same picture.
- The pension situation was further discussed, the feeling being that the government will need to fund the pension rise and will need to allocate more money to schools at the next spending review. However, it was also acknowledged, that the Trust needed to have a plan to address the foreseeable situation.
- A solvency level was required, an adequate level of reserves to withstand the good and bad times.
- DM added that:
 - The pay rise is from September and the Secretary of State says the 2% is affordable;
 - A figure of 8% was set across the Trust for the reserves;
 - Once things fall below that figure, then action needs to be taken. Ideally, the Trust would like all of its schools to have 8%, some have over and others under that. The reserves in the Trust are consolidated.
 - The demographics indicate that pupil numbers are going down, so with costs going up and income staying the same, the gap gets bigger.
 - From September, the central team will be visiting academies and talking to them about how they will address the shortfall.

<p>Decisions may need to be made about amalgamating classes, the reality being that small classes are unaffordable, each with a teacher. The makeup of those classes is also critical, possibly affecting the outcomes.</p> <ul style="list-style-type: none"> It was also stated that whilst some may fear that decisions are only made for financial, rather than educational reasons, the Trust was already investing in some schools because of the need to improve educational outcomes. The very viability of some of those schools will be at risk unless an investment is made. If the individual school cannot afford that, the Trust needs to look at how it can be achieved. <p>Q: Do the Heads get to see this? A: Yes some, but not all.</p> <ul style="list-style-type: none"> In conclusion, it was emphasised that the challenge was to get some schools to understand that PDET is one entity: <ul style="list-style-type: none"> PDET is the employer PDET is the school improver PDET is the risk manager The HT is a senior leader in PDET. <u>The Directors were happy for the budget forecast return to be submitted for 3 years, based on the figures outlined and discussed.</u> The Board also added the caveats about the longer term issues and revisiting those at an appropriate point in time. 	
--	--

13. Trust Improvement Plan update and key priorities 2019-20

Discussion	Action
<ul style="list-style-type: none"> Papers had been circulated to prepare the Board for the meeting on 6th September. Hard copies will be available at the meeting for those who require them. During the summer, the Executive will be analysing responses from Chairs of governors and HTs about what has gone well, what could be improved so that it can be fed into the meeting. The 3 Year plan will be reviewed (Year 1 will be reviewed and Year 2's direction confirmed) on 6th September. 	

14. Any Other Business

Discussion	Action
There was no other business.	

15. Dates of next meetings (all at 6.00pm at the Kettering Business Exchange unless otherwise stated):

Tuesday 24 th September 2019	Tuesday 26 th November 2019
Tuesday 10 th December 2019	Tuesday 28 th January 2020 (possibly includes AGM)

Tuesday 24 th March 2020	Tuesday 19 th May 2020
Tuesday 14 th July 2020	

With no further business, the Chair brought the non-confidential meeting to a conclusion at 7.53pm.

Chair Signature for approval of minutes: _____

Date: _____