

Board of Trustees Board Meeting Minutes

Thursday 21st January
at 2:00pm

Virtual Meeting via Zoom
Transforming Futures MAT
Unit 3 Ensign House, Parkway Court,
Longbridge Road, Marsh Mills,
Plymouth PL6 8LR

TRUSTEES IN ATTENDANCE:

Dr Clive Grace – Chair of the Board of Trustees.
Dr Karen Deeny – Trustee.
Mr Peter McDonnell – Trustee.
Mr Peter Cubbon – Trustee.
Mr Tim Thexton – Trustee.
Mr Tim Searle – Trustee.
Mr Graham Oliver – Trustee.
Mrs Carole Burgoyne – Trustee.
Mrs Geraldine Herage – Trustee.

IN ATTENDANCE:

Mr Gavin Gracie – CEO.
Ms Josie Medforth – COO.
Ms Diane Dimond – CFO.
Mrs Hannah Smart – Headteacher.
Mr Matt Bindon – Headteacher.
Mr Lee Earnshaw – Headteacher.
Ms Annais Prestidge - PA.

Minute No.	Agenda Item	Action
1)	<p>Welcome, Attendance & Apologies.</p> <p>CG introduced the meeting.</p> <p>The video call was evidence of meeting attendance.</p> <p>Apologies from Denis Parsons (half of the meeting).</p> <p>Apologies from Carole Burgoyne (half of the meeting).</p>	
2)	<p>Declaration of Business Interests.</p> <p>No Declaration of Business Interests.</p>	
3)	<p>Consider and agree the minutes from the last Board meeting (10th December 2020) & Matters Arising & Actions.</p> <p>It was considered and unanimously approved that the minutes from the Board meeting on the 10th December 2020 were an accurate record of the meeting.</p> <p>No further matters arising and actions.</p>	
4)	<p>Annual Report & Accounts.</p> <p>CG invited GG to summarise this agenda item.</p> <p>GG and GO summarised that Annual Reports and Accounts were discussed with the auditors at the 20th January 2021 F&A Committee and the synopsis is that the Trust has registered a small surplus for the year. The audit itself went well and a paragraph in the report regarding internal audit was updated following the F&A Committee meeting last night. The Trust will achieve a clean audit report for the year from Bishop Fleming and as of last night, the Trust has formally appointed a separate firm of internal auditors.</p> <p>GO confirmed that the Annual Reports, Accounts and (Bishop Fleming) Letter of Representation are ready to be recommended to the Board for approval and signature.</p> <p>CG confirmed that all attendees approve the Annual Reports & Accounts & also approve that CG signs the Letter of Representation on behalf of the Board.</p>	
5)	<p>PCSP Project - The Future of Central Services.</p> <p>The Board considered the paper on The Future of Central Services in great depth. The background was explained to set the context, then each option was examined in turn in detail. All Trustees and each of the Heads and the Senior Executives contributed to the discussion. The Board's deliberations on the three Options in the paper were as follows:</p> <p>Option 1: Provision of Central Services by another Trust</p> <p>The Board noted that the Chair and CEO had responded to the ESFA's suggestion that another Trust might provide the Trust's central services and have actively engaged with the 7 Trusts thought to be potential partners. In addition, there was information from two other Trusts which had been contacted previously. Whilst the discussions are still in progress, it is apparent that there are three possibilities here. They are:</p> <ul style="list-style-type: none"> Trusts which are willing to help by providing managerial capacity at cost to add capacity and leadership to the change, cost reduction and service improvement processes required. These could be expected to produce positive improvement given the experience and strength of central services in some of these Trusts, but the initial effect would be to increase cost in the near term without any guarantees in that regard. 	

- Trusts which would be willing to take on our central services if that was accepted by Transforming Futures as a precursor to merger. The Trust fully accepts the ESFA's encouragement to consider merger in a positive and open-minded way. That possibility has been raised by the Chair and the CEO in their exchanges with the other Trusts as a matter to explore in depth from February onwards when we have reached a major landing point of actions put in place by the new Board. However, that process needs to be done thoroughly and with the needs and interests of pupils and staff uppermost in mind. It should not be driven by central services considerations. The Board will address possible merger on that 'values' basis rather than as a corollary to central services issues.
- Trusts which would be willing to consider taking on our central services on a straight 'outsourcing' basis. Where this does not entail a direct merger implication it would require a 3-5-year commitment. The Board's view is that this would seriously impede the discussions about merger because it would complicate relationships and create medium term arrangements which would have to be unpicked as part of merger discussions.

The Board noted that the discussions with other Trusts are continuing and was therefore keen not to close off this Option until the results were known. However, the Option to have another Trust take on our central services does not at this stage look promising.

Option2: The OJEU Process

The Board noted the results of the OJEU tender conducted on the Trust's behalf by South West Hub, the DfE sponsored procurement hub. It was disappointed that only one tender had been received. One other potential tenderer had pulled out for extraneous reasons. No other Trusts had indicated any interest.

The tender received, from DELT Shared Services, had an acceptable/good evaluation score, albeit partly as a result of being the only tender. The tender has some advantages, and some drawbacks. Advantages include that:

- The price of providing central services would be capped at current cost and without any managerial or 'hosting' costs, so below current costs in net terms.
- There is a strong incentive in the contract for the provider to reduce costs by sharing in the benefits, whilst the Trust can enjoy 50% of savings.
- The experience with DELT providing services since the summer on a short term contracted basis has been good, especially in relation to IT, which was the most problematic area for the Trust, and awarding them the contract obviously has some benefits in terms of continuity and ease of transition.
- DELT have the managerial capacity and size of organisation to be able to integrate the Trust's central services, and to manage the difficult task of re-negotiating a series of onerous legacy contracts from which the Trust still suffers.
- DELT is a publicly owned company with substantive shareholders.

The Board also considered that one of the principals - albeit collateral - advantages of the OJEU process would be the contract period of 1 year, with an option to extend for a year. This would enable the Trust to resolve the central services issue in the short term, and to continue the cost reduction and service process in earnest, without inhibiting the discussions with other Trusts about possible merger.

The result of the OJEU process has some disadvantages. DELT systems have not been developed in an educational context, although they are gaining experience through their work with the Trust. Also, the cost reductions will for the most part be shared, and will not accrue entirely to the Trust, and there will be some overhead for the Trust in terms of contract management.

Overall, the OJEU process has produced a credible option for the Trust. There is further work to do on the tender, and in particular comparing it to a fully costed in-house model, especially in view of the fact that there was a single bidder.

	<p>Option 3: Retaining Central Services In-house</p> <p>The Board noted the background context to the current central services, including the issues associated with staff, with systems, and with the legacy contracts. Marshalling the managerial capacity to make the necessary changes would add cost and require considerable investment of time and effort, and in the context of a small organisation without the breadth and scale to facilitate such change easily. For these reasons the Board has not favoured the in-house option hitherto.</p> <p>However, there clearly would be some advantages. Retaining central services in-house would not inhibit the merger explorations, and where we were able to implement cost reductions the whole of the benefit would accrue to the Trust. Some at least of the cost of the managerial capacity required to manage and lead central services would be offset by the client side and contact management costs associated with an outsource option.</p> <p>The Board concluded that it needed to have a fully costed in-house option against which to compare the outcome of the OJEU process in order fully to evaluate the Options. The Board requested the CEO to provide that option in good time for the special Board meeting planned for 25th February.</p> <p>Overall:</p> <p>The Board considered that the Option of another Trust taking on our central services is unlikely to be feasible without seriously damaging the prospects of properly conducted and successful merger talks with other Trusts. It has not ruled the Option out. The Board requested the Chair and CEO to continue discussions and report back further at the 25th February meeting. The Option of DELT as the outcome of the OJEU process remains on the table as a credible way forward, but the tender must be compared to a fully costed in-house Option. The in-house Option still seems, on balance, not to be the best way forward, but that depends on the comparison of a fully costed in-house Option with the OJEU outcome.</p> <p>The Board will consider the issue further at its meeting of 25th February in light of the additional analysis and information requested.</p>	
6)	<p>Governance Development Plan</p> <p>GG summarised the Governance Development Plan and all the strands as it stands, see accompanying agenda paper and corresponding annexes. It was discussed that the Education and Safeguarding Committees would be split into two Committees: 1) Education & Outcomes Committee and 2) Safeguarding & Wellbeing Committee. However, there will be a joint meeting between both Committees at the beginning of February to discuss their directions of travel. GG concluded with the to-dos, which are to form agendas and next steps.</p> <p>The Board will be looking at this plan in more detail at the Board meeting on the 25th March 2021 and GH, CB and GO will consider the annexes that apply to their Committees.</p> <p>CG summarised that there are four recommendations that require approval from the Board: 1) The Board approves the plan 2) The Board notes the detailed tables 3) The Board notes and approves the proposed assurance arrangements 4) The Board monitors progress of the plan at each Board meeting. CG confirmed that he will support and update on progress between each Board meeting, which will also involve GH, CB, GO and TT.</p>	

	<p>The Board confirmed that they are comfortable and approve the four recommendations</p> <p>CG requested confirmation from the Board, that the Board are happy with Tim Searle and Peter McDonnell serving a further couple of years on the Board of Trustees. CG also clarified that the Members have given their confirmation of support on this.</p> <p>The Board unanimously approved the recommendation of Tim Searle and Peter McDonnell's continuation on the Board of Trustees.</p> <p>KD summarised that she is developing a competency framework and a skills and experience template for the Board of Trustees, and once this template is agreed, KD will circulate it to the Board and follow up with a conversation with each Trustee to identify any gaps.</p> <p>The Board unanimously approved the above recommendation from KD.</p> <p>CG summarised that the Trust has three Members at present, and suggested the hiring of additional Members, CG has identified a couple of prospective Members and CG is discussing these with the current Members.</p> <p>The Board confirmed that they were comfortable with this recommendation.</p> <p>CG and the Heads summarised the current situation and approach for Local Governance Advisors.</p> <p>The Board confirmed that they were comfortable with the current situation and approach on Local Governance advisors.</p> <p>CG raised the subject of Board Committees and memberships.</p> <p>The Board confirmed their approval of the Board Committees and the allocation of memberships.</p> <p>GG discussed the appointment of the new Executive Assistant Anna Tapley, Anna's start date is the 8th February 2021 and Anna will have a one-to-one session with all and each of the Trustees.</p> <p>CG discussed KCSIE and the administrative glitches around the time of GG's appointment as CEO, and CG referred to a set of references that require completion fairly urgently for the ESFA.</p> <p>The Board confirmed they were comfortable with CG completing the references.</p>	
7)	<p>AOB</p> <p>1) Approval of the Delt IT Invoices (refer to F&A Committee 20th January Part 2 Minutes)</p> <p>GO summarised that the F&A Committee confirmed that they were happy with the invoices being paid, however GO flagged that due to an administrative error an addendum will need to be added to the minutes of the meeting the IT invoices were initially approved at.</p> <p>GO advised that GG will draft an addendum, and the addendum will be approved at the next Board meeting on the 25th March 2021.</p> <p>2) F&A Reforecast</p>	

<p>GO proposed that the F&A Committee have another meeting in February before the next Board, to run through the reforecast with the Committee again, before it comes to the Board for approval.</p> <p>CG and GG agreed with the above.</p> <p>3) Dates of Next Meetings</p> <p>CG discussed the dates of the next meetings (25th February and 25th March 2021) and suggested making the 25th February 2021 Strategy Meeting 3 hours instead of 2 (4-7pm).</p> <p>The Board were comfortable with this recommendation and the agreed dates.</p>	
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Signed:
Date: 25.02.21

Dates of Future Meetings: