

DULWICH HAMLET EDUCATIONAL TRUST (DHET)



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Meeting of the BOARD OF TRUSTEES

Date: Thursday, 5 October 2017

Time: 18.30

Location: Dulwich Hamlet Junior School, Dulwich Village, London SE21 7AL

MINUTES

Present:	Crispin Tuckley	Chair	Chair / CT
	Sonia Case	Executive Head Teacher	EHT
	Simon Latham		SL
	Patricia Leahy		PL
	Christopher Parsons		CP
	Karen Robinson		KR
	Rebecca Tee		RT
Clerk:	Kathleen Formosa		KF

1. Welcome, Quorum & Apologies for Absence

1.1 The Chair opened the meeting at 18.30, welcoming the members of the Board and others in attendance.

1.2 Apologies were **received** from Rafael Marks due to a health issue.

1.2.1 The Trustees expressed their best wishes for Rafael's speedy recovery.

1.3 The meeting was **confirmed** quorate and accordingly proceeded to business.

2. Declarations of Interest

2.1 There were no interests declared from the Trustees in relation to business on the agenda.

2.2 Trustees were reminded to complete or update a declaration of interest form (**Document 1**) and return it to the Clerk.

ACTION: All Trustees to complete a declaration of interest form and return it to the Clerk.

3. Minutes of the Previous Meeting

3.1 The minutes of the 29 June 2017 meeting of the DHET Trustees (**Document 2**) and their confidential annexes (**Documents 2a and 2b**) were **confirmed** as a true and accurate record of the meeting and **approved** for distribution.

3.1.1 The minutes were **agreed** for distribution to the local governing bodies and for publication on the website. The annexes to the minutes are to be kept confidential.

ACTION: Clerk to send DHET Trustees meeting minutes to the Clerk to the local governing bodies.

- 3.2 A question was raised regarding best practice in the publication of minutes, and whether the posting of trustees' meeting minutes to the website is in keeping with best practice.

ACTION: PL to investigate and report back.

4. Matters Arising from the Minutes of the Previous Meeting

- 4.1 Matters arising from the minutes of the previous meeting (**Document 3**) were **noted**.

- 4.1.1 It was reported that all matters arising that were not on the agenda for the current meeting had been actioned.

- 4.2 The following matters were reported:

- Regarding item 8.7 of the minutes of the previous meeting, SL & KR reported that the local governing bodies will be undertaking a self-evaluation process. Results will be available in due course.
- Regarding item 11.2.1 of the minutes of the previous meeting, it was **confirmed** that the pay policy has been reported to DHJS. The pay policy will be reported at the next meeting of the Belham LGB.

5. Chair's Report

- 5.1 The Chair welcomed SL to his first meeting as a DHET Trustee.

- 5.1.1 It was reported that subsequent to the previous meeting of the DHET Trustees, it was **agreed** that SL's appointment as a co-opted Trustee should be brought forward. It was also **noted** that SL has recently been appointed as Chair of the Belham LGB.

- 5.2 The Chair reported that a temporary one-year lease has been **agreed** with Southwark for DHET's use of the Belham building.

- 5.2.1 It was **confirmed** that the lease was agreed on standard terms.

- 5.3 The Chair reported that he and EHT have been invited to a DfE MAT annual review on 24 November and plan to attend.

- 5.3.1 EHT added that the DfE has introduced the concept of a MAT review to monitor MAT performance and the terms on which such performance is monitored. To this end, DfE have asked for completion of self-assessment and annual health check to be submitted at the meeting. EHT reported that this was in hand.

- 5.4 The Chair reported that the Trustees met on 28 September 2017 to receive a progress report on merger talks from the Joint Board Steering Group (JBSG), whose members include KR, CT and RT. An unnumbered paper setting out a note of the meeting had been circulated following the meeting.

- 5.4.1 It was **noted** that the meeting also provided an update on discussions with several local primary schools and arrangements for a meeting with parents on 3 October 2017 at The Charter.

- 5.4.2 Actions agreed at the meeting were **discussed**, and in particular those impacting on the workload and objectives of EHT.

- 5.4.3 It was **agreed** that a date for the next joint board meeting with the Charter should be found as soon as possible.

ACTION: Chair to identify a date and circulate this to the trustees.

6. Executive Head Teacher's Report

- 6.1 EHT presented her report (**Document 4**), which was **taken as read**.

- 6.2 Following on from the Chair's report, section 2 of EHT's report (concerning the merger) was **discussed** in detail.

- 6.2.1 It was reported that a Memorandum of Understanding has been signed between the two trusts, with support from the JBSC.

- 6.2.2 The trustees commended EHT’s research and fact-finding activities, particularly with regard to the number of MATs and other schools met with, and the number of head teachers, full and part-time chief executives and other senior staff consulted.
- 6.2.3 The different management structures, financial models and policy frameworks observed by EHT in her research were **discussed** in detail.
- 6.2.4 Key findings resulting from the EHT’s research and fact finding activities were **discussed**, including that:
- Policies regarding personnel issues, safeguarding, etc. will eventually need to be drawn together, but there is no expectation that these will be consistent between the merged trusts from day one;
 - An organisational structure should not be imposed, but it should evolve; and
 - Cost savings will not be immediate.
- 6.3 It was **noted** that the application to be made to the DfE is for a merger of two existing, outstanding rated MATs.
- 6.3.1 The EHT advised the Trustees that the application should deliver assurances that governance and finances will be sound throughout the merger process and following the merger.
- 6.3.2 The EHT also advised that a detailed business case does not need to be made. However, the merged MAT’s mission, vision and values should be clearly articulated, as should the benefit for pupils.
- 6.3.3 It was reported that the JBSG will meet on 12 October to begin discussion of the content of the application. A first draft is anticipated in November and will be shared with the Trustees. It was clarified that there is no rush to submit the application, and if Trustees feel that the application is not ready for submission, the proposed timings can be readjusted.
- 6.4 EHT reported that a stakeholder meeting had taken place at The Charter on 3 October, at which the audience was a variety of parents, staff and governors from all the schools involved, who asked a range of questions. She reported that there were numerous questions regarding the leadership structure of the MAT post-merger and the objectives of both boards.
- 6.4.1 The Chair suggested that clarifications are needed in the FAQ, and that more robust responses to some of the points raised delivered at the subsequent parent meeting and in briefing made available on the website.
- ACTION: JBSG to update the FAQ.**
- 6.4.2 It was **discussed** that the underlying concern to most of the questions raised is whether the MAT will become too large and too corporate, and if the individuality of the schools will be lost.
- 6.5 The Chair stated that detailed, high-level discussions will need to take place to determine who will be the five required Members of the merged trust.
- 6.5.1 A determination will also need to be made about the size and membership of the board of trustees for the merged trust. Guidance suggests that the board of trustees should include upto10 directors, drawn from the current boards of both trusts.
- 6.6 Questions were raised about the strategy behind the merger, and in particular what will be the attraction for schools to join the new entity.
- 6.6.1 EHT stated that the anticipated top slice to schools’ funding would be 5%, vs. the historic local authority’s higher percentage LACSEG.
- 6.6.2 EHT clarified that some back-office systems for the schools would be rationalised and funded out of the 5% top slice. This could make the offer to schools more attractive.
- 6.6.3 It was confirmed that the funds to be top sliced are exclusively from the GAG. Pupil premium and other such grants would be excluded from the top slice.

- 6.6.4 It was **noted** that confirmation of the GAG for the two schools within The Charter is needed so that more accurate estimates of the top sliced funds available can be made.
- 6.6.5 It was **noted** that if the top slice is not spent in any budget period, the funds could be redistributed to the schools. The merged trust will need to have a clear policy to specify what is done with any surplus that may be realised by a school and whether or how this might be used to benefit other school(s) within the trust that may be running a deficit.
- 6.7 A question was raised regarding the ambitions for a corporate centre post-merger.
- 6.7.1 It was stated that the achievement of economies through shared services cannot be known until those services begin to be shared. EHT advised that there may be substantial outlays up front. Communications and finance are the two areas where the greatest up-front investment may be required to ensure that appropriately skilled professionals are secured to oversee these key areas.
- 6.8 A question was raised regarding EHT's time spent on merger efforts and whether a project manager is needed.
- 6.8.1 EHT responded that the support needed is not from a project manager, but rather from someone acting in a PA capacity who can deal with routine email correspondence and filter information. Ideally, this person would also be able to lead on communications with the DfE and other stakeholders.
- 6.8.2 The Chair stated that support for EHT would be discussed at next week's steering group, with the outcome of that discussion reported back to the Trustees. He stated that additional support for EHT may be sought from The Charter.
ACTION: Chair to report outcome of JBSG discussions regarding support for EHT.
- 6.9 Part 1 of EHT's report was **discussed**, with special attention to the significantly improved attainment and progress results at DHJS.
- 6.9.1 The Trustees stated that they were encouraged by these improvements, and commended EHT, the Head of School, and DHJS teachers for delivering these results.
- 6.9.2 It was **noted** that BPS also achieved good results.
- 6.9.3 The staff and LGBs at both schools were thanked for their efforts in supporting the delivery of good results.

7. Trust Finance & Accounting

- 7.1 The minutes of the 19 September 2017 meeting of the DHET Audit Committee (**Document 5**) were **taken as read**.
- 7.1.1 CP reported in his capacity as Chair of the Audit Committee.
- 7.1.2 CP reported that the financial situation at BPS is broadly fine. The situation at DHJS is more complicated because of the continued repayment of funds previously overpaid to it. It was reported that a large portion of these can be paid from reserves, but this will require adjustments to the school's budget over the next three to five years. These will be challenging.
- 7.1.3 The uncertainty around future funding for the schools also continues to be challenging. DHJS governors have been advised that they will need to monitor the school's situation closely.
- 7.1.4 CP **confirmed** that the finance consultant attended the most recent Audit Committee meeting, and continues to provide support to the schools.
- 7.2 Arrangements for the financial audit were discussed.

- 7.2.1 CP reported that the main purpose of the last meeting of the Audit Committee had been to ensure that everything is in order for the external auditors (Baxters) to perform their audit. While he was assured at the Audit Committee meeting that all preparations for the audit were in order, Baxters have subsequently reported that they have not received several pieces of information previously requested, and for this reason they may have difficulty in meeting the agreed timescale for the audit.
- 7.2.2 CP reported that the lesson learned from the current difficulty is that there needs to be clearer monitoring of the audit process and the information provided by school finance staff. It was stated that there seemed to be a lack of awareness of the level of detail the auditors would require in order to perform their audit.
- 7.2.3 The Chair stated that one of the tasks within the remit of the financial consultant is to monitor day-to-day financial matters for DHET, including finance staff. It was **noted**, however, that he has been focused on dealing with the complexities of the overpaid funding and the implications of that, and thus may have been unable to adequately monitor day-to-day financial matters.
- 7.2.4 It was **discussed** and **agreed** that the Audit Committee, at its next meeting, would reinforce the need to monitor the trust's day-to-day financial affairs more closely. If this is a resource matter, then this needs to be stated and dealt with.
ACTION: CP to report back the outcome of Audit Committee's discussions.
- 7.2.5 CP reported that the auditors will be present at the next meeting of the Audit Committee on 13 November. Efforts will be focused on ensuring the accounts are produced and ready to be signed off at the AGM and Board on 7 December 2017.
- 7.2.6 The draft Trustees Report was discussed. It was **agreed** that the Clerk shall take the lead in preparing the narrative portion of the accounts.
ACTION: Clerk to help EHT prepare the trustees' report.
- 7.3 Changes to the Academies Financial Handbook 2017 (**Document 6**) were **noted**.
- 7.3.1 CP reported that the Audit Committee has reviewed these changes in detail, and considers there is nothing which will impact materially on DHET.
- 7.3.2 It was asked whether the Audit Committee might produce benchmarking reports on the schools' investment, expenditure and income so that trustees are able to see where DHET schools and DHET itself stand in comparison to similar organisations. It was discussed that a ratio analysis of expenditure on teaching vs. non-teaching activities would also be helpful.
- 7.3.3 It was **discussed** that in consideration of the anticipated merger, LGBs need to consider their resource allocations, and DHET about the top-slice.
- 7.3.4 It was **agreed** that after the audit is complete, the Audit Committee can begin to determine the appropriate labelling of areas of expenditure and present comparison figures in relation to these.
ACTION: CP to investigate benchmarking reports through the Audit Committee.
- 7.4 The Chair presented the Trust Finance Report (**Documents 7, 7a and 7b**), including end-of-year financial summaries for the two schools.
- 7.4.1 The five-year financial plan for DHJS was presented with the Trust Finance Report for information. It was **noted** that this document shows the timing of repayments to the ESFA. The Chair stated that this plan will be updated as changes to funding are implemented.
- 7.4.2 The need for increased clarity in financial reporting as merger discussions progress was **discussed**. The trustees expressed their view that increased clarity in reporting lines and accountability structures within and between the school should be implemented as soon as possible, and not be put off until a merger is in place. Concerns were expressed that the financial consultant has been gap-filling for a skills deficit among staff, and while this has been acceptable as a short-term measure, it is inappropriate for the long term.
ACTION: EHT and trustees to consider an approach to address this.

8. Governance and Trust Matters

- 8.1 It was **noted** that there are currently no trustee vacancies for DHET.
- 8.2 With regard to the DHJS local governing body, it was reported that Andrew Skipwith, Tom Turnham and Simon Burton have retired as DHJS governors, and that Lorraine Thomas (LT) has been appointed as a new governor.
- 8.2.1 It was **noted** that LT is employed by the school as a consultant, but is not being paid for her efforts as a governor. It was **confirmed** that she will declare this interest, and that this will be taken into account in decision-making among the LGB.
- 8.2.2 LT's appointment was **ratified** by the Trustees who underlined the need for the Chair of the DHJS LGB to be alert to any possible conflict of interest arising for this governor as a result of her consultancy role with the school.
- 8.3 With regard to the BPS LGB, it was reported that there are currently seven governors, excluding the head of school. Although the governance plan states that there should be twelve governors, the LGB feels that a board of seven governors is sufficient to meet the school's current needs.
- 8.3.1 It was reported that the LGB has agreed plans to increase the LGB in accordance with the growth of the school and to stagger future governor elections so that the board is regularly renewed, and so that there are not too many new governors coming on board at any one time.
- 8.3.2 It was reported that a skills audit will be undertaken to identify BPS governor skills gaps in order to inform future parent governor elections and also to identify skills sets needed for future coopted governors.
- 8.4 KR reported on the MAT skills and self-evaluation process (**Documents 8 & 8a**).
- 8.4.1 KR's summary report was **taken as read**. It was **noted** that no serious skills gaps have been identified.
- 8.4.2 The NGA "heat map" was **reviewed**. It was clarified it does not include EHT's skills.
- 8.4.3 It was **noted** that the lower scores (oranges and reds on the heat map) seem to be clustered around desirable skills rather than essential skills. Nevertheless, future trustee development efforts will be targeted at raising the level of skill in these particular areas.
- 8.4.4 It was **discussed** that the self-evaluation exercise would be useful through the process of the merger, where the balance of skills among the board as a whole will be most important, rather than the strength of each individual's skills.
- 8.4.5 It was suggested and **agreed** that the NGA scorings would assist in the preparation of the DfE MAT annual health check, the first of which will be submitted in advance of the MAT review the Chair and EHT will attend in November.
- ACTION: KR to complete the scoring sheet and return this to EHT.**
- 8.5 KR reported that the second part of the self-evaluation process is a board effectiveness review. There is an online tool offered by NGA to support this.
- 8.5.1 It was discussed and **agreed** that individual Trustees would be sent the questionnaire which requests that each trustee score the board's performance across several key areas. NGA then consolidates and analyses the data.
- 8.5.2 KR reported that she has purchased the online tool and is following up with NGA regarding its distribution.
- ACTION: KR and RT to discuss ways forward with results of the part 1 and part 2 surveys.**
- 8.6 The Chair reported that discussions with the Clerk had taken place with regard to her appointment as DHET's company secretary and that this had been agreed in principle. The trustees were asked to formally agree the appointment.

- 8.6.1 The trustees **agreed** that the Clerk should be appointed company secretary to DHET.
- 8.7 The Governance Plan and Scheme of Delegation (**Documents 9 and 9a**) were **noted**.
- 8.7.1 It was reported that feedback on the documents had been received from BPS, and in particular that the LGB has found the Governance Plan particularly useful to them in understanding how they fit within the overall structure of DHET.
- 8.7.2 The Governance Plan was discussed. With reference to item 7, the Chair stated his view that this implies that under current staffing arrangements the financial consultant should be attending meetings of the trustees as required. This was **agreed**.
- 8.7.4 The Scheme of Delegation was **discussed**. It was **noted** that the finance consultant is not a “finance manager” as stated in the plan, and this should be changed.
- 8.7.5 Additional amendments to the Scheme of Delegation were also discussed to remove ambiguity. The Chair stated that these would be considered.

ACTION: Chair to update the Scheme of Delegation.

- 8.8 The Chair reported that the DHET Articles have been approved by DfE, and will be presented at the AGM. The new Articles and DfE’s letter of approval was circulated to the Trustees yesterday by email.
- 8.8.1 The Chair reported that for the Articles to be accepted, they must be approved unanimously by the Members.

9. Reports of the Local Governing Bodies

- 9.1 The minutes of the 6 July 2017 meeting of the DHJS Board of Governors (**Document 10**) were **noted** and **taken as read**.
- 9.2 The minutes of the 22 May 2017 BPS Board of Governors (**Document 11**) were **noted** and **taken as read**.
- 9.3 The safeguarding reports included in each school’s minutes were **discussed**. CP asked if there was a standard for determining the correct level of detail to be reported, noting that safeguarding is a very serious area of risk for all schools.
- 9.3.1 It was **discussed** and **agreed** that more reassurance is needed that the educational committee at DHJS are drilling down sufficiently to report on safeguarding.
- 9.3.2 EHT suggested that the governors are asked to submit key areas of testing to be examined at each meeting, and that these are recorded in the minutes. CP suggested that this take the form of a collaborative report from the school’s designated safeguarding lead and link governor for safeguarding on each LGB.

ACTION: EHT to advise LGBs accordingly.

10. Items for Annual Review

- 10.1 The composition of the DHET Board and Audit Committee were **reviewed**.
- 10.1.1 CP stated that an additional member of the Audit Committee would be useful, but such appointment was not critical at this time.
- 10.1.2 It was **agreed** that the DHET Board would continue as currently composed.
- 10.2 CP **confirmed** that the Audit Committee has reviewed its terms of reference, and that no changes are recommended at this time.
- 10.2.1 It was **confirmed** that DHET does not itself maintain terms of reference.

- 10.3 The following policies were brought forward for annual review, and were **approved** by the Trustees, subject to ensuring all references to legislation are up to date:
- Appraisal Policy (**Document 12**) – EHT **confirmed** that the policy has been streamlined and clarified since last year, and the overall approach to appraisals modified to encourage “coaching” rather than “monitoring.”
 - Complaints Policy (**Document 13**) – CP noted that an annual report on complaints is part of the policy. EHT reported that there was one complaint across both schools last year and this was fully investigated. The parent raising the complaint was provided a written response to the complaint, and did not respond. Therefore, the case was closed.
- 10.3.1 The Chair **noted** that last year’s Complaints Policy did not appear on the websites of the individual schools as it should have. EHT stated that this is further support for her previous comments that support is needed to take control of websites and communications centrally.
- 10.3.2 The following policies were **noted** by the Trustees:
- Pay Awards – EHT reported that the choice of each school was to pay within a range. M1 staff will receive 2% increases, and all others 1%.
 - Financial Procedures – The Chair reported that these will be considered at the next meeting, as they are still in discussion at Audit Committee.
- 10.3.3 It was requested that the policy schedule is up-dated to include statutory policies and those that are particular to the school along with recent and forthcoming review dates. EHT **agreed** to undertake this work. However, she stated that there were insufficient staff resources to support this in the immediate term.

ACTION: EHT to develop a policy schedule.

11. Safeguarding

- 11.1 It was **noted** that safeguarding responsibilities had been discussed earlier in the meeting, in connection with reports from the LGBs (item 9).
- 11.1.1 EHT reported that the DHET safeguarding policy is currently being updated.
- 11.1.2 It was **noted** that DHJS needs to appoint a designated safeguarding governor.

12. Any Other Business

- 12.1 It was suggested that the first DHET meeting of the next term should be held in the new Belham building. This was **agreed**.
- 12.2 The Chair reported that a joint board meeting with The Charter would be proposed for the week commencing 13 November 2017.
- 12.3 EHT expressed her thanks to the trustees for the huge amount of work they all have put in at the start of year and particularly this week.

The business of the meeting closed at 21.10.

Upcoming meeting dates:

The next meeting of the **Audit Committee** will be **13 November 2017**.

The next meeting of the Trustees will be **7 December 2017**. The **Annual General Meeting** of the Dulwich Hamlet Educational Trust will precede the **Trustees Meeting**.

KF/kf: 12/10/2017