

The Heath Family (NW) Multi Academy Trust
PART I - Minutes from the MAT Board meeting held on
Thursday 15th December 2022 at 8.00 am

***** This meeting was held remotely using Microsoft Teams *****

Trustees Present: Edward Vitalis (Vice Chair), Christopher Davis, Tony Gundersen, Janine Inglis, Annette Williams		Apologies: Helen Stevenson, Karl Smith		
In Attendance: David Donnelly (CEO), Sharon Black (DOTL), Craig Parkinson (DOO), Judith McConville (DOF), Paula Evans (DOHR)		Non attenders: None		
		Clerk (TGM): Trish Roberts		
Items	Discussion	Action	Who	When
1. Welcome, introductions & apologies	Mr Vitalis welcomed everyone to the meeting, and Trustees introduced themselves to the Trust's new Director of HR. Trustees then noted and accepted apologies from the following Trustee/s: Ms H Stevenson, Mr K Smith. Mr Donnelly also requested for an item to be added to AoB. Trustees agreed for this to happen (see agenda item 9 for details of discussion). Mr Vitalis also proposed that agenda item 8 (Year End Accounts) should be moved to the first item on the agenda, so as to enable the External Auditor to leave the meeting once these discussions had taken place. All Trustees agreed to this (see item 8 for details of discussion).			
2. Declaration of Business and Pecuniary Interests	Trustees received a copy of the Trust's Register of Business Interests 2022-23 prior to the meeting. At the meeting Mr Vitalis asked the TGM if she could check whether he needed to include his new NLG role within his declared interests. There were no further updates to be reported; Trustees also reviewed the Register against the agenda prior to the meeting and no declarations were received in respect of this meeting.	Query re EV's role as NLG: check as to whether it needs to be incl. as a declared interest	TGM	ASAP
3. To receive/ ratify PT I and PT II Minutes from THFNW Board mtg held on 20.10.22	Trustees received an electronic copy of PART I and PART II minutes from the MAT Board meeting held on 20.10.22. There were no amendments to be made and therefore the minutes were accepted as a true record and ratified. RESOLVE: That PART I and PART II minutes of the MAT Board meeting held on 20.10.22 be approved as a correct record and signed by the Chair.	Agreed MAT Board Minutes from 20.10.22 to be formally signed	Chair	ASAP
4. To review Matters Arising not included on the Agenda	Trustees received an electronic copy of the Action Log dated 20.10.22 prior to the meeting. At the meeting Mr Parkinson explained the changes that have been made to the format of the document and also provided an update in relation to key items. <i>Jl to meet with Internal Audit:</i> Ms Inglis confirmed that this meeting had taken place; Trustees agreed for this item to be marked as complete (RAG-rated Green).			

<p>(to include Action Tracker)</p>	<p><i>Internal Audit Reports:</i> Mr Parkinson advised that Exec Leaders had taken the decision to defer the internal audit reports to the next BF&A committee (Spring Term 2023) so as to allow an appropriate amount of time for the Board to cover off the key items of Year End Accounts and Performance Dashboard/Risk Register.</p> <p>Mr Vitalis noted that he welcomed the changes that had been made to the action log format, adding that it would make it much clearer when keeping track/closing down actions in the future. Following discussion Trustees agreed the format and the items that had been marked for removal.</p> <p>There being no further questions Mr Vitalis thanked Exec Officers for their updates.</p>			
<p>5. Chair's Action Report (to receive)</p>	<p>Trustees received an electronic copy of the Chair's Action & Governor Membership Update 15.12.22 report prior to the meeting; and content was noted at the meeting.</p> <p>Members Vacancies Mr Vitalis enquired about Ms Davies' (former Trustee) expression of interest re the Members role. Mrs Roberts advised that Ms Davies had met with the Members and had gone away to think about whether it was a role she wanted to take on, but since then no further communication had taken place.</p> <p>Trustee Vacancies Q: In relation to the Trustee who is currently going through an application process, what is their background / experience? A: Their skills are around local governance, public relations and marketing. Mr Donnelly then provided further details with regards the applicant's skills and experiences. Q: Given that there are 4 vacancies on the Trust Board; what are the current skills gaps, and what skills sets are we currently advertising for? A: The skills sets we are looking for are legal and HR, and governance generalists. Q: Are Trustees in agreement that this is the skill set we are looking for? Does this correspond with the risks that the Trust is facing? Would it be good for Trustees to receive some wording that outlined the Trustee vacancies so that they could be shared via their Linked-In networks? A: Trustees confirmed that these 3 skills sets were the right skills to be looking for in a new Trustee; noting that given the risks the Trust is facing these skills would add further strength and depth to the Board. Trustees also confirmed that they would be happy to circulate details re the Trustee vacancies via their Linked-In networks.</p> <p>Local 'Staff' Governor vacancies Mr Parkinson advised that schools are currently finding it difficult to recruit staff governors to their LGBs; this is in part due to staff being concerned about the additional workload and also the timings of LGB meetings. Mr Parkinson noted that school Governance Professionals are currently looking into this with their own schools. Discussion followed regarding the problems around recruiting people for</p>	<p>Brief summary re Trustee vacancies to be forwarded to Trustees so that they can be circulated via their own Linked-In networks</p>	<p>TGM</p>	<p>ASAP</p>

	volunteer roles, especially given the stresses of the past couple of years and the current economic climate; Trustees also noted that this is a problem affecting schools across the country not just THFNW.			
6. Performance Dashboard	<p>Trustees received electronic copies of the Performance Dashboard (dated Dec 2022) prior to the meeting. Mr Donnelly provided a detailed overview of the data within the report;</p> <p><i>Basic Data</i></p> <ul style="list-style-type: none"> pupil numbers have decreased by 42 across the Trust; Mr Donnelly advised that pupil numbers across some of the primaries is of particular concern; and noted that a Board paper around these issues will be brought to BF&A <p>Q: Given the low 'Roll as % of Net Capacity' figure at PFP, is there anything we can do to encourage families to consider the school for their children; do we need to look at improving the marketing around school?</p> <p>A: We did engage with a company called Stickman; they are specialists in marketing. Also, when taken on its own, the net capacity figure looks to be on the low side, however the school does rent out some of the unused capacity, ie the Trust offices, and Day Care centre. The issues re pupil numbers at primaries is a national trend, but it does remain a concern.</p> <p>Q: If the PAN is set at 30, this equates to a whole school PAN of 210 doesn't it?</p> <p>A: The net capacity figure is set on the size of the building and the unused space within it. You are quite right in that it skews the figures. Part of this is also what the funding agreement says for each school; we are currently doing a piece of work with the Regional Director's office to look at how the two figures can be reconciled. Mr Donnelly also noted that the Trust/School is currently in discussion with the Local Authority regarding expanding the current Resource Base provision.</p> <p>Q: Is it correct that DPS have not been inspected since 2008?</p> <p>A: Yes, in the past, if a school was as Outstanding, it didn't get inspected. We are aware of the issues and have brought this up with the Board on a frequent basis. E&S have also had further detailed discussions.</p> <p>Q: Maybe we need to reflect within the Risk Register, where we think schools are currently at?</p> <p>A: Trustees suggested that it would help if the outcomes of the two most recent Ofsted inspections, along with dates they were undertaken within the Dashboard.</p> <p>[CD left the meeting during these conversations]</p> <p><i>Evaluating Provision Framework & Performance Data</i></p> <p>Mr Donnelly reported that all schools within the Trust are considering this document on a half termly basis, and that the next cycle of updates is due to be received tomorrow.</p> <p>[JI left the meeting at this point]</p>	Add 2 nd inspection information to dashboard	DoTL	Next distribution

	<p>Q: How reliant are we on the school's self-assessment and what can we put in place to ensure we have an accurate picture?</p> <p>A: The meetings with school leaders focussed on the leader's intent, which is ambitious, it's only when you check the implementation in process can you correlate this data. Leader's intent doesn't necessarily reflect implementation, owing to the time lag experienced during delivery.</p> <p>Trustees noted the importance of conducting a review in respect of Ofsted inspections, i.e. lessons learnt, what went well, even better if, challenge from inspectors, evidence provided to inspectors etc. Mr Donnelly explained that leaders review their plans prior to any inspection, and share it with the inspection team.</p> <p>Q: Why is the data in this Performance Dashboard report not reflective of the school's review?</p> <p>A: It is just a matter of timescales; schools update their reports at the end of each half term; as reported the next cycle of updates is due to be received tomorrow, but I am aware that the draft document does reflect the changes identified in the school's review. It was further stressed that the EPF indicators are based on the evidence available at the time of the review.</p> <p>Mr Donnelly provided details in relation to the Ofsted framework/grading criteria, noting that the criteria that Exec Officers/School Leaders use for the internal evaluation is more harsh, ie for an item to be graded green it must be in place and evidenced. Mr Donnelly also noted that it is impossible for schools to know what inspection teams will ask in what is a snapshot of the school during the designated time frame of inspection. Discussion followed regarding individual schools' data (see PART II minutes for full details).</p> <p>Q: If reviews are in process, and looking at the picture we have at this meeting, how different would this data look if these reviews were included? Would it make sense for Exec Officers to update the data as you have sight of the review, and/or to provide commentary to explain the differences?</p> <p>Discussion followed; Trustees agreed that there needs to be a moderated version of the data that is agreed between the school and the Trust; Ms Black provided a brief summary about how the review process is currently undertaken between school and Trust, and also provided examples of how the Trust responds to issues that are identified during the reviews. Ms Black also agreed that there needs to be another step in place that consolidates all available intelligence. Mr Donnelly also advised that all schools have been reviewed this term.</p> <p>Q: We are good at reviews and understanding information, but are we providing sufficient support to schools whilst trying to get things in place? Are we doing enough for ECTs in relation to recruitment/retention?</p> <p>Discussion followed; Mr Donnelly provided context as to the increased emphasis on Quality Assurance, following the impact of Covid and the joint Board and Executive desire for increased assurance. Mr Donnelly outlined the Trust's expectations of its schools, ie with regards the curriculum (Trust 5</p>	<p>Summary template of strengths, areas for development and Trust action to be shared with E&S.</p>	<p>DoTL</p>	<p>Next E&S meeting</p>
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	<p>expectation). Mr Donnelly also noted the review process is new this term; and that schools have plans in place to address issues/concerns. Mr Donnelly also noted that in the past schools have been over-generous when allocating grades to their self-assessments, but since the Trust’s school improvement team have become more involved (ie deep-dive conversations, in-depth review process which looks at both rationale for grading as well as evidence which confirms why a grade has been given) Exec Leaders’ assessments have gone the other way, ie they are now erring on the side of caution when allocating their grades. Mr Donnelly went on to explain how school development plans are reviewed, noting that the reviews are ensuring that development plans are sharper. Mr Donnelly also confirmed that ECT provision is good at our schools, but we are always looking at how we can improve further.</p> <p>Mr Donnelly also confirmed that at the E&S meeting in January, it will be a single item agenda which looks at “what are we doing to support our schools”. Mr Donnelly also confirmed that the Trust’s exec team are doing a significant amount of work in terms of supporting our schools, and schools are working hard to improve. Mr Donnelly also went on to speak about common approaches across our schools in Maths and English; and also noted that Exec Officers are developing a model approach in relation to the Trust’s expectations of its schools.</p> <p>Mr Vitalis thanked Exec Officers and Trustees for their input.</p> <p>Q: Have you received the progress measures for primaries yet? A: Yes, they have now been received. Mr Donnelly shared with the Board so that he could talk through the progress measures for each school. It was noted that progress scores were positive across 4 of the 5 primaries school, some demonstrating significant strength.</p> <p>Q: Have the scores been moderated? A: HPS have had writing moderated for Year 2. Year 6 moderation was undertaken at LMP.</p> <p><i>Attendance:</i> Mr Donnelly reported that attendance figures are currently around the local percentages, but even so they are still a concern. Ms Black then provided a brief summary of the meeting that had taken place between herself and the DfE Attendance Advisor; noting that the meeting had focussed on the Trust’s vision around attendance, ie consistency of approach for leadership and management of attendance. Ms Black also advised that from this meeting an action plan has been drawn up, and that the Trust will receive 6 days of support from the attendance advisor.</p> <p>Q: What improvements are we expecting to see in respect of attendance, and how quickly are we likely to see the impact? A: The advisor shared previous impact in the range of + 0.5%, but we want to move faster.</p> <p>Q: It would be helpful for Trustees to see whether attendance is improving from one report to the next; could this data be included going forwards? A: Yes, we can look into this; we would also want Trustees to see how this data fits in within the local context, so we are also looking at how we can provide this trend data for you as well.</p>	Trends in attendance to be included within Trust Dashboard.	DoTL	Next distribution
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	<p><i>Survey Data:</i> Mr Donnelly explained that the bracketed figures within this section were the judgements from the previous surveys; and it was also noted that the PFP Parental Survey figure (58.3%) was an error and as such should read 79%. Discussion followed re individual school survey results (see PART II minutes for full details).</p> <p>Mr Donnelly outlined the approach to making use of the survey results, in terms of sharing outcomes and formulating actions to address any areas of concern.</p> <p>There being no further questions, Mr Vitalis thanked Exec Officers for their update.</p>			
<p>7. Risk & Reporting Update</p>	<p>Trustees received a copy of the Trust’s current Risk Register prior to the meeting.</p> <p>Mr Donnelly explained how the contributory risk grading is set; ie LGBs set their own grading for each mitigation, and then Exec Officers as a team consider the grading along with internal data and agree the overall rating for each contributory risk.</p> <p>Mr Donnelly then went on to explain the Trends column and provided a brief summary in relation to those items which had changed/were of concern.</p> <p>A2: discussion took place around this risk item (see PART II minutes for full details).</p> <p>A8: this item has not changed its grading but remains a concern.</p> <p>B4/B5: these items have not changed their grading but there is concern in relation to one of the primaries; they are graded red in these areas which is mainly linked to character education and whether it is embedded within the school. Mr Donnelly provided more information about character education, noting that it is about how well the school is teaching the child to behave, rather than whether the child is behaving. Mr Parkinson also provided further information about concern around the school’s review management.</p> <p>C2: this item has been downgraded from Amber to Red; Mr Donnelly explained that not only do we need to ensure that our schools are ready for Ofsted, we also need to know where schools are up to between Ofsted visits.</p> <p>C5: this item has been downgraded from Green to Amber; Mr Donnelly explained that this is as a result of the Trust receiving 2 Coasting School letters from the RSC’s office.</p> <p>Trustees thanked Exec Officers for their presentation/input noting that the proposed changes made complete sense and as such they were happy to endorse.</p>			
<p>8. Year End Accounts</p>	<p>Trustees received electronic copies of the following documents in advance of the meeting:</p> <ul style="list-style-type: none"> • Annual Report and Accounts for the Year Ended 31.08.22 • Management Letter from the audit of THF for the Year Ended 31.08.22 	<p>Annual Report and Accounts for Year End 31.08.22 to be signed off</p>	<p>Chair of BF&A / Accounting Officer</p>	<p>Once received from Mitchell Charlesworth</p>

Mr Griffiths joined the meeting (External Audit - Mitchell Charlesworth) and reported:

Annual Report and Accounts for Year Ended 31.08.22

Mr Griffiths drew Trustees attention to page 29 (Statement of Financial Activities incl. income and expenditure account):

Total income/endowments: figures had come in higher than the previous year (2021 £25,858,799; 2022 £27,432,134); the reason for this is due to increases in GAG Funding, which is driven by pupil numbers.

Expenditure: figures have come in higher than the previous year (2021 £25,570,908; 2022 £27,544,635); the reason for this is as a result of increases in staffing costs; as well increases in operational costs such as energy, curriculum costs, exam fees etc.

Net income/[expenditure]: this has resulted as a deficit of £112K this year; against a surplus last year.

Q: Why is there a reported deficit?

A: There are two elements: depreciation costs – these are not cash costs, the Trust spends money on fixed assets, but they have to be depreciated over time (Depreciation Costs for 2022 are £701K). The other element is non-cash reduction in terms of the benefit pension scheme for support staff. An extra £1.28M has been added to these costs. These costs are not cash-related but will need to appear in the accounts. Also, if you take these costs out, the accounts would show a surplus of £1.87M. These adjustments must be done for accounting purposes, as they are significant, in that they will need to be paid out in the future.

Actuarial gains/(losses) on defined benefit pension schemes: this figure is £13M in credit

Total funds carried forwards: £52,040,940

Mr Griffiths then explained the Balance Sheet on page 31, noting in particular that:

- Fixed Assets: there has been a slight increase;
- Debtors: this has increased due to the Trust awaiting VAT reimbursement
- Cash in bank: has increased;
- Current liabilities: Creditors has increased significantly, this is a result of a large amount being paid out on pension schemes, and salary uplift approval which has been backdated
- Net current assets: £1,146,656 – Mr Griffiths noted that this is a healthy and positive position for the Trust.
- Pension Liabilities: have decreased from circa £16M to circa £3.7M

Q: The movement in pension liabilities seems to be quite big, can you explain the reason for this?
A: Mr Griffiths explained how the pension benefit scheme works including details around investment, liabilities and also how interest rates impact. Mr Vitalis also provided details in relation to pension liabilities. Mr Griffiths explained that the pension liabilities figure is quite often one of the biggest figures within the accounts, but it does not have that much significance, apart from when the 3 year evaluation takes place.

Mr Griffiths then moved on to the Cash Flow Statement on page 32, noting in particular that:

- Net cash provided by operating activities has increased (£1,995,813)

Mr Griffiths then asked the Trustees if they had any questions. There were no further questions raised.

Management Letter from the audit of THF for the Year Ended 31.08.22

Mr Griffiths reported on the key areas/findings within the Management Letter:

Section 1 – Executive Summary

1.2: Status of audit and audit opinion: Mr Griffiths confirmed that once a final post balance sheet events review and signed letter of representation have been received, Mitchell Charlesworth are pleased to report that their intention will be to issue an unqualified opinion on the financial statements and an unqualified assurance report on regularity.

1.5: Audit adjustments and unadjusted misstatements: Mr Griffiths drew Trustees attention to the schedule of adjustments that have been agreed with JMc (see Section 4 – Management Letter)

Section 2 – Summary of Audit Risks: Mr Griffiths confirmed that all items within section 2 have been graded green as there are no findings to report. Mr Griffiths noted that from an audit perspective he can clearly see the improvement that has been made over the past 3 years.

Section 3 – Audit Conclusion in respect of Key Risks: Mr Griffiths noted that this section provided a commentary of the works that had been undertaken to mitigate the risks; adding that there were no matters to report in relation to items 1-3. Mr Griffiths then spoke about item 4 (Regularity), noting that the commentary provided was in relation to an incidence of fraud that had happened during the year. Mr Griffiths confirmed that the incident had been identified internally and had involved the theft of cash (£20,500) through the unauthorised manipulation of supplier account details.

Section 5 – Unadjusted Misstatements

Mr Griffiths reported that there was nothing significant to report; it was just that the item included could have been treated as a fixed asset.

Section 6 – Internal Controls: Significant deficiencies in accounting and internal control systems

	<p>Mr Griffiths reported that there were no new management points this year, and noted that this section provided an update on matters that had been brought to attention over previous years. Mr Griffiths then provided a verbal update the remaining item.</p> <p>Item 1 (<i>Fixed Assets</i>): Mr Griffiths confirmed that all recommendations in relation to this item have now been implemented.</p> <p>Mr Griffiths then asked the Trustees if they had any questions in relation to the Management Letter.</p> <p>Q: In previous audit reports, there has been a section which provides opportunity for management to provide comments, is this not included in this report?</p> <p>A: Yes, it would have been included in the report, but this year there are no findings, and therefore there is nothing for management to comment on.</p> <p>Q: If there are no findings, and nothing for management to comment on, could something have been missed?</p> <p>A: Our audit team have tried their best to identify any issues, but this year there is nothing to report. This is testament to the amount of work that has taken place over the past 3 years; in the first year that we conducted the audit there were a significant amount of points identified, but since then the Trust Exec / Finance Team have centralised the Trust's finance function which has brought in more controls, and we are delighted to report that all points have been addressed – the fixed assets point was the final remaining point and this has been addressed this year.</p> <p>Mr Vitalis noted that it was good to get a clean bill of health; and also confirmed that in terms of the incidence of fraud, the Exec Team had ensured that he was made aware and kept abreast of the situation as things progressed.</p> <p>Trustees thanked Mrs McConville, Exec Officers and the Trust/School Finance teams noting that it was fantastic to receive a clear management letter, something which is not easily achieved. This is particular timely with Mrs McConville's imminent departure for a new role – and the Trustees wanted to pay testament to her service to the Trust.</p> <p>EV then asked Trustees whether they were happy to approve the Annual Report and Accounts for Y/E 31.08.22. All agreed. Trustees,</p> <p>RESOLVED: that Annual Report and Accounts for Year End 31.08.22 be approved</p> <p>Trustees thanked Mr Griffiths for his presentation and support throughout the year.</p> <p>Discussion then followed regarding sign off process.</p> <p>[Mr Griffiths then left the meeting]</p>			
<p>9. AoB</p>	<p>No Part I AOB items were received.</p>			

10. Date of Next Meeting	The date of the next MAT Board meeting is Thursday 9 th February 2023, venue to be arranged. EV then thanked Exec Officers and Trustees for their input/contributions to today's MAT Board meeting.			
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Meeting closed at 10.00 am

These minutes are approved as a true record of the meeting

Signed:

[E Vitalis – Vice Chair]

Date: 9th February 2023