

Company Number: 10561094  
 Board of Directors Meeting 20.01.21

## Minutes of a meeting of the Board of Directors

DATE: Wednesday 20 January 2021

TIME: 6.00pm

VENUE: Virtual meeting

### Present:

Roger Alston (Director – RA, Chair), Debi Bailey (CEO and Director - DB), Steve Beharall (Director – SB), Nadia Iftkhar (Director – NI), Steve Leggetter (Director – SL), Andrew Lister (Director – AL), Anne McNall (Director – AM), Sue Ormerod (Director – SO)

Required quorum: 3, or if greater 1/3<sup>rd</sup> of Directors holding office on that date. Directors holding office on 20.01.21: 10. Directors present on 20.01.21: 8. The meeting was quorate.

### In attendance:

Lisa Bilton (NEAT Head of Business Services – LB)  
 Suzanne Hendey (NEAT Head of Governance and Corporate Affairs - SH), Clerk  
 Charles Turvill (NEAT Chief Operating and Financial Officer – CT)

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| 1 | <p><b>Apologies for absence</b><br/>         Apologies had been received from Nichola Brannen and Shaun Fooy, which were accepted.</p>   |
| 2 | <p><b>Declaration of potential conflict of interest in any agenda item</b><br/>         CT declared his interest as a director of NEAT Active Ltd, particularly in relation to items 9, 11, 12 and 13 which concerned the trust’s trading subsidiary company. It was noted by the Board that CT was in attendance at the meeting in his capacity as the trust’s Chief Operating and Financial Officer and was not entitled to vote as he was not a director of the academy trust. On that basis it was decided that CT would not withdraw from the meeting to ensure that he could fulfil his advisory role to the Board, which he would take care to ensure reflected the interests of the trust. This approach would be kept under review in case a specific matter in direct conflict with his role as a company director of NEAT Active Ltd arose.</p> |
| 3 | <p><b>Agree any items of urgent business not on the agenda</b><br/>         There were no urgent items to consider.</p>  |
| 4 | <p><b>Minutes of previous meeting held on 16 December 2020 and matters arising</b><br/>         SO and AL noted that they had not been recorded as participating in the discussions about the new Digital Lead role under item 5 of the draft minutes. Otherwise the minutes were agreed as an accurate record of the meeting and there were no items classified as confidential. The Chair to sign the amended minutes at the next available opportunity.</p> <p>There were no matters arising that were not included on the agenda.</p>  |

Company Number: 10561094  
 Board of Directors Meeting 20.01.21

|   |   |
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| 5 | <p><b>Update action grid from previous board meetings</b></p> <p>The following updates were provided in relation to items not included on the agenda:</p> <ul style="list-style-type: none"> <li>• <b>16.12.20 Item 6c:</b> The Chair confirmed that he and the Co-Vice Chairs had discussed their respective roles. There was some initial clarity but further discussion was to take place with the CEO and the Clerk.<br/> <b>Action:</b> The Chair to bring forward to the next meeting on 04.02.21.</li> <li>• <b>17.11.20 Item 6:</b> The Clerk confirmed that the Members had passed the three written resolutions to re-appoint RA, SB and AM for a further four-year term of office.</li> <li>• <b>17.11.20 Item 6:</b> The Chair confirmed that he, the Co-Vice Chairs and Clerk were to meet on 21.02.21 to discuss the composition and membership of the Board in light of recent resignations and how to address the lack of diversity and community representation.</li> <li>• <b>17.11.20 Item 8:</b> The CEO proposed, in light of the imminent strategy review, that the Post-16 Offer, Blended Learning and Education Services Steering Groups were paused at this point, although SL would continue his support to the blended learning practitioners. This was agreed and would be kept under review.</li> <li>• <b>17.11.20 Item 12:</b> The CEO confirmed a standardised approach to devices across the trust was now agreed: the choice of device depending on the age of pupils and based on a progression of skills.</li> <li>• <b>22.10.20 Item 9:</b> AL confirmed that he had two actions to pursue: (i) identifying areas of focus that would interest Microsoft and (ii) to discuss with SL how to escalate the contact with Microsoft as SL's contact had been unresponsive.</li> <li>• <b>22.10.20 Item 12:</b> The Chair to contact NI to discuss reviewing the CEO appraisal process.</li> <li>• <b>16.09.20 Item 9:</b> AL reported back as Chair of the Audit and Risk Committee about the advice received from Tait Walker at the meeting on 07.01.21 regarding related party transactions between NEAT and NEAT Active. This had led the Committee to conclude that the priority was to address the handling of conflicts of interest by the two companies and it remained appropriate for the trust to retain a separate trading company at this stage.</li> </ul> |
| 6 | <p><b>Membership of the Board of Directors</b></p> <p><b>(a) Resignation of Steven Strassheim as a non-executive director</b><br/>       Mr Strassheim's resignation with effect from 15.01.21 was noted. The Chair reminded the Board that this appointment had been made to address a skills gap in legal expertise, which the Regional Schools Commissioner had recommended the trust address. It was agreed that this vacancy would be taken into account by the Chair and Co-Vice Chairs when bringing forward their proposal about future board composition and membership to the next meeting (Action Grid 17.11.20 Item 6).</p> <p><b>(b) Appoint a director to the Audit and Risk Committee</b><br/>       As SS had now resigned and there were no current directors expressing an interest, it was agreed that this would also be considered in the above proposal.</p> <p>A director asked if the trust had agreed rules about attendance at meetings, however the Clerk confirmed that there was no specific provision within the Articles of Association.</p>   |
| 7 | <p><b>Approval of Chair elected by Local Governing Committee</b></p>  |

Company Number: 10561094

Board of Directors Meeting 20.01.21

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|          | <p>The Clerk confirmed that following the Board’s previous decision to withdraw the bespoke Scheme of Delegation and reinstate the standard Scheme of Delegation for Benfield School, the Local Governing Committee had now elected Gail Rochester as Chair. The Clerk summarised Ms Rochester’s professional and governance experience.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>To approve Gail Rochester as the Chair of Benfield School’s LGC until the first meeting of the 2021-22 year.</li> </ul>   |
| <p>8</p> | <p><b>Strategic priorities for 2020-21</b></p> <p>The CEO provided a verbal update on strategy priority 1, the trust’s management of and recovery from the Covid-19 pandemic, in light of the significant developments since the last meeting on 16.12.20. This included:</p> <ul style="list-style-type: none"> <li>the current operational situation since the beginning of term including the transition to partial closure, the numbers of vulnerable learners and children of critical workers attending in-school (average of 559/2441 each day) and the roll-out of mass symptomatic testing;</li> <li>the key challenges: constant changes to DfE guidance; the requirement for nursery provision to be fully open; the level of engagement with the remote learning offer;</li> <li>the current developments in the remote learning offer and progress being made towards other priorities;</li> <li>the next steps: continuing to respond to changes in guidance; achieving quality first teaching through the remote learning offer; quality assurance by each LGC of their school’s scrutiny and evaluation; preparation for February half-term which included the LA’s commitment to fund FSM vouchers and an offer from Newcastle United Foundation to support learners.</li> </ul> <p>Directors asked questions with responses provided as follows:</p> <ul style="list-style-type: none"> <li>Whether the trust had been affected by any of the concerns about poor quality provision for free school meals children at home, which the CEO confirmed had not been an issue as it had been decided to continue with the FSM vouchers, instead of the DfE’s preferred route of providing food parcels;</li> <li>How qualifications at the end of Year 11 and 13 would be awarded in light of the decision to cancel public examinations, which the CEO clarified was still subject to the outcome of the current Ofqual consultation. This proposal was largely teacher assessment with an element of external assessment/moderation and Benfield and St Hild’s were already working together on standardisation for Year 11 students. The CEO commented that the DfE’s position about primary assessment had not been as clearly communicated and there were reports of disengagement amongst some Year 6 pupils which needed to be addressed.</li> </ul> <p>It was suggested that Carol Davison, the trust’s newly appointed Lead for Secondary School Improvement was invited to attend the next Board meeting to be introduced.</p> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>The Clerk to arrange Carol Davison to attend the next Board meeting.</li> </ul> |
| <p>9</p> | <p><b>Annual Report and Consolidated Financial Statements for NEAT 2019-20</b></p>  |

Company Number: 10561094  
 Board of Directors Meeting 20.01.21

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|  | <p>The COFO presented the papers, which had been considered by the Audit and Risk Committee at their meeting on 07.01.21 based on advice from Tait Walker, the trust's external auditors, and highlighted the following points:</p> <p><b>a) Draft audit highlights 2019-20 prepared by Tait Walker</b><br/>       All audit work had been completed and an unqualified opinion was offered for both NEAT and NEAT Active. There was a modified regularity opinion regarding the related party transactions between NEAT and NEAT Active as these had not been approved by the ESFA. There was also material uncertainty highlighted in relation to NEAT Active due to the uncertain trading conditions.<br/>       No further concerns had been identified other than internal control observations. There was one finding rated 'red' regarding the related party transactions (which had previously been reported to the Board) and two rated 'amber' relating to transactions being posted to the incorrect period and some inconsistencies in recording fixed assets.<br/>       The deficit position for the year was -£41k, which was slightly higher than the figure in the year end management accounts previously presented to the Board, mainly as a result of post-year end adjustments.</p> <p>AL, Chair of the Audit and Risk Committee commented that Tait Walker had been complimentary and comfortable with the trust's financial position.</p> <p><b>b) Draft management letter from Tait Walker</b><br/>       This highlighted the related party transactions between NEAT and NEAT Active. It was confirmed that there was no question of inappropriate practice in the trading itself but that full compliance with the Academies Financial Handbook requirements had not been met for 2019-20.</p> <p><b>c) Draft annual report and consolidated financial accounts 2019-20</b><br/>       Key aspects of the annual report were highlighted and attention drawn to the statement on page 15 that it was proposed to recommend to the Members at the forthcoming AGM to re-appoint Tait Walker for the 2020-21 financial year. This had been discussed with the Audit and Risk Committee and the committee members had concluded that a new provider would be procured for the 2021-22 financial year.</p> <p>Key figures in the profit and loss account on page 28 were highlighted, particularly the net income which showed a deficit of -£972k. The difference with the figure of -£41k highlighted in a) was largely related to movements in the pension scheme liability (which did not affect cashflow).</p> <p>Key figures in the balance sheet on page 31 were highlighted including cash at bank and in hand of £1.9m, net current assets of £0.9m to cover day-to-day trading, the increase in pension scheme liability to -£8.2m (although this could change significantly over 2-3 years) and total restricted and unrestricted funds of £827k (which had increased by £359k in 2019-20, despite the £41k deficit).</p> <p>A director asked if the improvements in funds related to the improvement financial position of Benfield School, however the COFO clarified that the main influencing factor was the structural changes to NEAT Active.</p> |
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Company Number: 10561094

Board of Directors Meeting 20.01.21

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|    | <p><b>d) Draft representations letter from NEAT Board to Tait Walker</b></p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>To approve the annual report/consolidated financial statements and representations letter for 2019-20, which would be signed by the Chair on behalf of the Board.</li> </ul>  |
| 10 | <p><b>Annual Internal Assurance Report for NEAT 2019-20</b></p> <p>The COFO confirmed that the report had been received too late to be considered by the Audit and Risk Committee on 07.01.21. Providing an annual report was a new requirement of the Academies Financial Handbook and Tait Walker had produced a consolidation of the three termly reports for 2019-20, which had already been discussed and actions monitored by the Audit and Risk Committee.</p> <p>The Board noted the content of the report for information in advance of submission to the ESFA. It was clear that the Audit and Risk Committee still had responsibility to consider actions and year on year progress in light of the report, which would be brought forward to their next meeting.</p>  |
| 11 | <p><b>Period 4 management accounts for 2020-21 financial year</b></p> <p>The COFO presented the papers including the written commentary. Overall, the position was broadly positive: the trust had received less income but there had been savings on expenditure. An overspend on catering costs was noted, however reimbursement from the LA for the free school meals vouchers over the Christmas holidays was still outstanding.</p> <p>The budget centre report showed good positions across all business units. A higher than expected capital spend at West Walker was highlighted, due to the ongoing roof works with funding contributed from the successful DfE Condition Improvement Fund bid.</p> <p>NEAT Active Ltd's trading position showed a -£30k variance for the year to date and would be further impacted by the national lockdown 3.0 announced on 04.01.21, resulting in the Benfield Sports Centre staff being furloughed once again.</p> <p>The COFO raised the request made by the NEAT Active Board of Directors on 15.01.21 for the Board to consider flexibility in those charges which were within the Board's control i.e. NEAT Active's contribution to the 3G pitch sinking fund (c. £8k for year to date) and for central services provided by NEAT (c. £6k for year to date). He confirmed that his advice, in the interests of the trust, was for NEAT Active to continue to accrue the costs to ensure transparency and the Board could consider at the year end what it would be appropriate to charge. There was general support from the directors for this approach, particularly in relation to the 3G sinking fund as the pitch would be subject to less wear and tear due to the limited use during lockdown and it was still several years until replacement would be necessary.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>To continue to charge NEAT Active Ltd for the monthly contribution to the 3G sinking fund and management services.</li> </ul> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>The Board to review the charges to NEAT Active Ltd at the end of the 2020-21</li> </ul> |

Company Number: 10561094

Board of Directors Meeting 20.01.21

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|    | <p>financial year and decide whether to allow any flexibility.</p> <p>Overall, there were no additional actions identified by the Board to maintain financial viability of the trust on this occasion.</p> <p>The COFO confirmed that two applications had been submitted to the DfE's Condition Improvement Fund for partial roof refurbishment at Benfield School and replacement of hot and cold water pipework at West Walker. These would require the trust to make a capital contribution of £57k and £17k respectively and if the applications were successful, the Board would need to decide whether to approve this in due course.</p>   |
| 12 | <p><b>Request to undertake property improvements to Benfield Sports Centre</b></p> <p>The COFO introduced the paper, which summarised the request from the NEAT Active Board, as the tenant of the Benfield Sports Centre, for City of Newcastle Gymnastics Academy (CNGA), as one of NEAT Active's sub-tenants, to make improvements to the property, subject to CNGA satisfying certain conditions.</p> <p>It was confirmed that the purpose of the improvements was to make certain aspects of the building more Covid-secure enabling CNGA to resume gymnastics activities when government restrictions allowed and that there were no objections from the Headteacher of Benfield School or the Benfield Sports Centre Manager.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>To give consent as the landlord of Benfield Sports Centre for the property improvements proposed by City of Newcastle Gymnastics Academy, subject to the conditions stipulated by the NEAT Active Ltd Board of Directors being met.</li> </ul>   |
| 13 | <p><b>Reports received from NEAT Active Ltd Board of Directors, Committees and Executive Team</b></p> <p>The Clerk confirmed that the actions point from the Audit and Risk Committee and NEAT Active Board of Directors meetings contained within their reports had already been dealt with above.</p> <p>A summary of reports received was as follows:</p> <ol style="list-style-type: none"> <li>Report from Audit and Risk Committee on 07.01.21 – short report provided and AL gave a brief verbal summary;</li> <li>Report from Remuneration Committee – none;</li> <li>Reports from Local Governing Committee Meetings – none;</li> <li>Report from NEAT Active Ltd Board of Directors Meeting on 15.01.21 – short report provided;</li> <li>Decisions since the last Board meeting on 16.12.20 delegated to the Chair on behalf of the Board – none;</li> <li>Decisions since the last Board meeting on 16.12.20 delegated to the CEO on behalf of the Board – 06.01.21: Decided to reduce salary of furloughed NEAT employees assigned to Benfield Sports Centre to 80% of normal salary in light of national lockdown and to reduce financial loss;</li> <li>Urgent decisions since the last Board meeting on 16.12.20 taken by the Chair on behalf of the Board – none;</li> <li>Report of policies approved on behalf of the Board since the last Board meeting on 16.12.20 – none.</li> </ol> |

Company Number: 10561094

Board of Directors Meeting 20.01.21

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|    | There were no questions regarding any of the reports.                   |
| 14 | <b>Any urgent business</b><br>There was no urgent business to consider. |

*Meeting concluded at 19:50.*

Signed.....*R.T. Alston*..... Date.....08.02.21.....