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**Chair of the meeting:**

Mike Allen– Co-opted Director and Vice Chair

**Present:**

Stephen Betts – CEO, Learn Sheffield

Cllr Andy Bainbridge – Local Authority nominated Director

Chris French – Secondary School Director,   
Antony Hughes – Co-opted Director (participated via conference call)  
Angela Lant – Primary School Director

Judith Smith – Special School Director

**Attendees:**

Hannah Jones – Hart Shaw

Martin McDonagh – Hart Shaw

Val Struggles, Clerk to the Board  
Morag Somerville, Strategic Business Lead

A Wynne, Operations Director

| **Minute** |  | **Action** |
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| **18/2/01** | **Apologies for Absence**  Apologies for absence were received from Christopher Holder |  |
| **18/2/02** | **Chair’s Opening remarks**  The Chair drew Directors’ attention to the main items of business requiring their consideration –   * Agenda item 5 – the latest position vis a vis Long term planning and the transfer of services * Agenda item 7 – Final preparations for the AGM including approval of the 2016/17 Accounts; current position relating to the Articles and contingency plans assuming the meeting will be inquorate. |  |
| **18/2/03** | **Quoracy**  It was confirmed that the meeting was quorate. |  |
| **18/2/04** | **Minutes of the previous meeting**  The confidential and non-confidential minutes of the meeting held on 18 January 2018 were approved as an accurate record. The non-confidential minutes will be published on the Company’s website. | **Clerk** |
| **18/2/05** | **Matters Arising**  1 Minute 18/1/05.1: Finalisation of the lease  The Board was informed that the position remains unchanged and that finalisation of the lease was still pending receipt of documentation from Sheffield City Council.  2 Minute 18/1/02: Risk Register – Meeting Notes refer  The following issues were highlighted on the Risk Register, which was circulated at the last meeting: -   1. The ratings for five risks have increased for the reasons highlighted in the report. The risks concerned were 02: Financial viability; 017: Supplier risk: 010: Human Resource risk; 04: Significant Working Relationships (SCC); S2: Strategic risk. 2. The ratings for three risks have decreased whilst the rating for three remained unchanged.   The Register will be discussed in detail at the next Finance and Audit Committee meeting and reviewed on a quarterly basis, particularly to incorporate those associated with long term planning (Minute 18/2/06 refers) and to co-ordinate with the Committee’s schedule of meetings.  3 Minute 18/1/05.2: Articles of Association  The paper outlined the current position regarding the proposed changes to Article 5 (Objects) together with the implications for passing the associated Resolution at the AGM/EGM. This was considered further under agenda item 7. | **CEO**  **F&ACttee 28.2.18** |
| **18/2/06** | **Strategic substantive item- Long term planning**   1. Long term planning – update – Confidential Meeting Notes refer   The latest position regarding long term planning and the future funding of school improvement was outlined in the presentation and paper to the Schools Forum, both of which were circulated to the Board prior to the meeting. During the presentation and discussion the comments circulated in advance by Antony Hughes together with the following issues were raised (some are contained in the separate confidential minutes) –   1. SCC has now committed to providing a 3 year commission worth £960k from September 2018 to August 2021. In addition it has committed up to £185k transitional funding linked to subscriptions. Both can be used flexibly depending on the level of subscriptions. 2. The subscription income target for 2018/19 is £430k although the model will be viable in the first year if income exceeds £355k. 3. The funding model also includes a target contribution by Learn Sheffield of £150k in 2018/19 increasing to £250k in 2020/21, generated by any surplus on traded income. The funding models provided also illustrated the impact (i.e. shortfall) of generating £430k or £355k over the 3 year period. 4. The timeline for engaging with stakeholders had been revised to reflect the rescheduling of the meeting with SCC’s CEO (planned for 26 January now re-arranged to 2 February) and the series of briefings with schools. 5. The possibility of offering the subscription model to schools outside the city was raised however it was acknowledged although this was feasible, providing the ‘offer’ to Sheffield schools needs to be prioritised in terms of the availability of resources, capacity to deliver and maintaining quality. 6. It was clarified that a holistic approach will be made to MATs which includes both the ‘core’ offer and ‘bespoke offer’ to take account of their individual arrangements.   Directors welcomed the progress made since the last meeting, commenting that the proposal was cogent. However there was still a need for a greater level of commitment from SCC in terms of its financial support, progressing the transfer of services and sharing of risks to support the long term future of schools improvement. The meeting on 2 February will be used to signal this to SCC. The Chair and Vice Chair expressed their willingness to accompany the CEO to any subsequent meeting with SCC. |  |
|  | 1. Transfer of Services - update – Confidential Meeting Notes refer   The Board received an update on the current position with regard to the planned transfer of services. Details of the issues raised in discussion are recorded in a separate confidential minute. |  |
| **18/2/07** | **Financial**   1. 2017/18 Budget – update on changes to the income and expenditure profile   (Item deferred from the previous meeting)  The Board received a cash flow statement for the period September 2017 to August 2018 together with the profit and loss account for the period September to December 2017. The following issues were highlighted:   1. Due to the first tranche of STAT income being received in August 2017 this was included in the 2016/176 accounts and as a consequence the P&L account showed a deficit of just over £67k. However overall a prudent approach is being adopted with regard to expenditure to keep within the budget; 2. As STAT income for the first quarter (£29k) was less than anticipated, associated expenditure will be adjusted accordingly as will the anticipated income for the full year (£150k). 3. In relation to the cash flow, the balance brought forward from 2016/17 will be included based on the audited accounts with the consequent positive impact on the £37,760 deficit (as at the end of December 2017). Currently, at the end of August 2018, a shortfall of £53k is forecast. Expenditure will be re-profiled from February/March to August 2018 to ensure there is no overspend at year end.   2 Outline budget 2018/19 (confidential)  Directors were asked to note that this will focus on the capacity and cost of delivering the proposed subscription model (Minute 18/2/06 above refers). Matters brought to Directors’ attention are recorded in a separate confidential minute. |  |
| **18/2/08** | **Final preparation for the AGM**   1. Approval of the audited Financial Statements for 2016/17   The Board received the following documentation for consideration and approval. The key issues highlighted by the Auditors and discussed by the Board were -   1. Accounts   Directors approved the 2015/17 Financial Statements for signature (by the Chief Executive on behalf of the Board) and submission to the AGM and Companies House. The following were highlighted as changes made since the draft accounts were submitted to the Board –   * Confirmation was received from South Yorkshire Pensions Authority that the value of Learn Sheffield’s portion of the pensions deficit accrued was £30k for 2016/17 and this figure has been reflected in the accounts. * The Corporation Tax associated with the 2016/17 surplus is £18k. This amount will be due on 18 June 2018. * A review of costs included in ‘Legal and professional fees’ resulted in just over £3k being re-categorised as ‘Consultancy and professional’. * Although not a mandatory requirement, in accordance with the Board’s wishes, ten instances of Directors’ ‘related party transactions’ had been disclosed in the interest of transparency.  1. Hart Shaw’s letter of Communication   Directors’ noted the contents of the letter which confirmed matters previously discussed in relation to Hart Shaw’s audit of the 2016/17 Accounts. This included details of adjustments arising from discussions and a statement that no weaknesses in accounting systems and internal controls had been identified during the audit process.   1. Letter of representation   Directors approved the letter to Hart Shaw, confirming the matters discussed during the audit process, for signature by the Chief Executive on behalf of the Board.   1. Articles of Association   The Board noted that following the last meeting there had been further communication between the CEO and Wrigleys Solicitors on behalf of Learn Sheffield and SCC Officers, (including members of its legal team) with the aim of securing SCC’s written agreement to the proposed changes to the Articles prior to the AGM, (in accordance with Article 56). SCC had re-iterated its concerns regarding the wording of the proposed additional Object (Article 5) which the Board had previously agreed (i.e. “*To undertake such other activities from time to time as the Directors may determine.”).* In order to secure a way forward Wrigleys suggested alternative wording namely “*To make, or facilitate the making of, arrangements under which facilities or services are provided: i) for any educational establishment by the Company or by other persons; or ii) by any educational establishment”.* This would provide sufficient latitude for the Company to engage in activities providing arrangements focus on investing in and schools’ improvement and which SCC had agreed to.  The process for transacting business at the AGM scheduled for 1 February was outlined in the paper and in this context the Board agreed the following:-   1. To withdraw the Resolution relating to the changes to the Articles from the 1 February AGM; 2. To convene an Extra General Meeting on 28 February 2018 at 5.00 pm to obtain Members approval of the changes to the Articles. In the interim SCC’s approval all the amendments (Articles 5, 12, 15, 20 and 40) will be obtained in writing (in accordance with Article 56); 3. Nomination of Directors to fill vacancies   Subsequent to the report to the last meeting, the Board was informed that no nominations had been received for either vacancy (Secondary school and FE College).   1. Directors’ report   The Board noted the Directors’ report, finalised since the last meeting, as circulated to Members in advance of the AGM/EGM.   1. Responses to the AGM/EGM invitation   On the basis of responses received it was anticipated that the AGM/EGM scheduled for 1 February will not be quorate consequently the Board agreed that if required, this will be reconvened for Thursday 28 February 2018 at 5.00 pm (i.e. following the Finance and Audit Committee meeting scheduled for 3.00 pm) and a formal notice will be issued to all Members on 2 February. Furthermore, if the Extra General Meeting arranged for 28 February 2018 (paragraph 2 above refers) is inquorate, this will be reconvened on 22 March 2018 at 6.00 pm (i.e. following the Board meeting scheduled for 4.00 pm) | **CEO**  **Hart Shaw**  **CEO**  **Clerk**  **Operations Director**  **Clerk** |
| **18/2/09** | **Performance Outcomes as at the end of Autumn Term 2017**  Directors received the report (deferred from the last meeting) noting the following :-   1. Although there were no significant changes to previous reports, the main difference related to the Inspection Outcomes which had been updated to reflect the position up to the end of December 2017 2. Two Member schools had joined Academy Trusts with effect from 1 February 2018 3. Based on Key Skills data for 2017, 80% of Sheffield schools were in the top half of Core Cities and 70% were in the top three Core Cities.   Directors acknowledged that the overall position had improved since Learn Sheffield’s establishment and commented that its impact in supporting the work of schools should be highlighted in discussions with Members and SCC. |  |
| **18/2/10** | **Schedule of future meetings for 2017/18**  **Wednesday 28 February 2018 at 5.00 pm – reconvened AGM (if required)**  Thursday 22 March 2018 at 4.00 pm – (rescheduled from 15 March 2018**) to be followed at 6.00 pm with a reconvened Extra General Meeting** (if required)  Thursday 17 May 2018 at 4.00 pm Thursday 5 July 2018 at 4.00 pm  In addition to the above, as recorded in Minute 18/2/08.2, it was noted that a reconvened AGM may be required together with an EGM and that the proposed date for these meetings was Wednesday 28 February at 5.00 pm (i.e. following the Finance and Audit Committee scheduled for 3.00 – 4.30 pm on the same date). Should the EGM need to be reconvened (due to a lack of quoracy) this will be arranged for Thursday 22 March at 6.00 pm, (i.e. immediately following the scheduled Board meeting). |  |
| **18/2/11** | **Any Other Business**  No further items of business were raised. The Chief Executive circulated, for information, a copy of ‘A Guide to the Sheffield Cultural Education Partnership’. |  |
| **18/2/12** | **Future Agenda items**  The following items have been identified for future meetings   * Horizon Scanning / Scenario Planning (identified by the Finance and Audit Committee) – scheduled for the Committee meeting on 28 February 2018 i.e. prior to the Board meeting on 22 March 2018. Work currently in progress (as reported in Minute 18/2/06) will provide the basis for this report. | **Bf 28.2.18 and 22.3.18** |